

MINUTES OF THE House COMMITTEE ON Agriculture and Livestock

The meeting was called to order by the Chairman, Bill Fuller at
Chairperson

9:00 a.m./p.m. on January 30, 1984 in room 423-S of the Capitol.

All members were present except: Rep. Flottman, who was excused.

Committee staff present:

Raney Gilliland, Legislative Research Department
Norman Furse, Revisor of Statutes Office
Kathleen Moss, Committee Secretary

Conferees appearing before the committee:

Barbara Sabol, Secretary of Health and Environment

The meeting was called to order by the Chairman, who announced a meeting revision in that the Committee would meet on Friday to discuss requests for legislation.

The Chairman announced this meeting begins two days of hearings on the review of ambient air quality standards, and the permit fees levied on grain elevators. The fees were authorized by SB 414 last year and there have been concerns and questions by people in the industry across the state. He announced that the Committee would hear from the Department of Health and Environment today and the next day would hear from industry. He introduced Secretary of Health and Environment, Barbara Sabol.

Secretary Sabol introduced Charles Hamm, Dr. Allan Abramson, Robert Eye and Harish Agarwal, who were available to answer questions. Secretary Sabol told the Committee that the majority of their activities are carried out to provide clean air as set out in the Federal Clean Air Act. She noted that the 1967 legislature had provided authority to enhance the air quality program. She told the Committee that the Department had held hearings on November 4, 1983, hearing testimony from 8 people and reviewed statements submitted by 87 people. There were 72 people at the hearing. SB 414 was the result of that public hearing. See Attachment 1.)

In the question and discussion period, it was brought out that the Kansas standards are 10 times higher than what is required by the federal government.

Secretary Sabol said that fees are between \$240,000 and \$250,000, and that they go into the state general fund. Some feeling was expressed that undue pressures have been put on grain elevators because many are out in the country and open only a short period each year, yet pay a high fee.

The meeting was adjourned at 10:03 A.M. The next meeting is scheduled for Tuesday, January 31, 1984, 9:00 A.M., Room 423-S.

The Clear Air Act (CAA) is our nation's plan for controlling and preventing air pollution. The law establishes National Ambient Air Quality Standards for protecting public health and welfare. Primary air quality standards are set to safeguard human health, secondary standards are designed to protect welfare.

There are now six primary standards covering some of the most widespread and dangerous air pollutants:

1) Sulfur Dioxide (SO₂) - A gas:

Major Sources - Electricity generating stations, smelters, petroleum refineries, industrial boilers.

Health Effect - Aggravates symptoms of heart and lung disease, obstructs breathing; increases incidence of acute respiratory diseases including coughs and colds, asthma, bronchitis and emphysema.

2) Total Suspended Particulates (TSP) - solid particles or liquid droplets:

Major Sources - Industrial processes and combustion: about 7% from natural, largely uncontrollable sources (windblown dust, forest fires, volcanoes).

Health Effect - Can carry heavy metals and cancer causing organic compounds into the deepest, most sensitive parts of the lung: with SO₂ can increase incidence and severity of respiratory diseases.

3) Carbon Monoxide: (Co) - A gas:

Major Sources - Motor vehicles

Health Effect - Interferes with blood's ability to absorb oxygen, thus impairing perception and thinking, slowing reflexes and causing drowsiness, unconsciousness and death. Co inhaled by pregnant women may threaten the unborn child's growth and mental development. Long-term exposure is suspected by aggravating arteriosclerosis and vascular disease.

4) Nitrogen Oxides: (No_x - A gas:

Major Sources - Electric utility boilers and motor vehicles.

Health Effect - High concentrations can be fatal; at lower levels, can increase susceptibility to viral infections such as influenza, irritate the lungs, and cause bronchitis and pneumonia.

5) Ozone: (O₃) - A gas:

Major Sources - Formed by chemical reactions in the atmosphere from two other airborne pollutants - No_x and HC (Hydrocarbon).

6) Lead: (Pb) - A metal:

Major Sources - Motor vehicle exhaust; lead smelting and processing plants.

Health Effect - Affects blood forming, reproductive, nervous and kidney systems; can accumulate in bone and other tissues, posing a health hazard even after exposure has ended. Children are particularly susceptible and behavioral abnormalities including hyperactivity and decreased learning ability have recently been demonstrated.

Tens of millions of people in the United States because of their age or health status, are sensitive to one or more of the air pollutants covered by the six existing primary air quality standards. People most at risk from the effects of air pollution include children, the elderly, persons with chronic respiratory diseases (asthma, emphysema and bronchitis), persons with heart disease, and newborn babies. Because of the adverse effects of air pollution, air quality standards are essential to protect public health. Good health is a positive state, and the air we breathe should contribute to it, not interfere with it.

Q1) Why does the State of Kansas regulate any source emitting emissions greater than 10 tons per year?

A1) Looking at the health hazards the United States Environmental Protection Agency deemed it necessary to inventory any source whose potential emissions are greater than 100 tons per year. Also to inventory any source whose any point has a potential emission of 25 tons per year.

When Kansas Air Pollution Regulations were adopted, the administrators at that time deemed it necessary to regulate any source in Kansas whose potential to emit were greater than 10 tons per year for Particulate Matter, (e.g. dust from grain elevators, power plant emissions, dust from limestone operations) Sulfur Dioxide, Carbon Monoxide, Volatile Organic Compound and 50 tons per year for Nitrogen Oxides (resources won't permit to regulate less than 50 tons per year) and any measurable amount of lead, in order to protect the health and welfare of the citizens of the State of Kansas.

- Q2) How was the operating fee classification table developed?
- A2) A survey was conducted of all the states in the United States to get a feel of the type of permit fee structure they have. They were various forms from arbitrarily type of fees to the fees based on extensive formulation of different parameters. The Bureau of Air Quality went along with the idea of coming up with its own scheme. They decided to place each eligible source in any one of the twenty categories whose fees range from \$20 (Class #1) to \$400 (Class #20). Generally, the following parameters were used to place a source in any one of the categories:
- 1) Capacity
 - 2) Type of industry
 - 3) Amount of emissions
 - 4) Amount of time to perform inspection
 - 5) Complexity of the source
- Q3) In its present form, is the fee classification table fair?
- A3) Yes -- If all the different type of sources are concerned, the table basically allocates units to type, and size of the industry, owned. The more units owned the more the fees are to be paid.
- Q4) Does the grain industry as a whole pay a disproportionate position of the revenue generated by this permit fee system?
- A4) No -- Agriculture being the largest industry in the state naturally bears the largest share of revenue being generated. There are a total of 2179 sources of air contaminant emissions in the state, 993 are the grain elevators (45.6% of total sources). \$289,060 is expected to be generated, grain elevators share is \$121,960 (42.2% of total revenue).
- Q5) What are the particulate emissions from the grain elevators?
- A5) Approximately a total of 66,655 tons per year of particulate are generated from the stationary sources in the state. 35,246 tons per year are from the grain elevators, 52.87%. This particulate matter is considered to pose a health hazard to individual exposed to same.
- Q6) Within the fee structure of the grain elevators category has fair the system is?
- A6) The grain industry has been divided into six different categories based on capacity ranging in fees from \$60 to \$300. This we think is fair.

- Q7) Who has to have a permit and how many?
- A7) Using the primary activity test, each site of primary activity is required to have an operating permit. Therefore, in the cases where grain storage is the primary activity of an owner or operator, each site of grain storage activity is required to have a permit. Where a secondary activity such as seed cleaning is carried on by an owner or operator, such will not be required to have a permit. This policy removes the present distinction between owners and operators who have primary and secondary activities on the same parcel of property and only are required to have a permit only for the primary activity and the owners and operators who have primary and secondary activities on separate parcels of property and are currently required to have permits for each activity. This policy determination is authorized by K.A.R. 28-19-14(j) wherein the department makes industrial grouping determinations. The fiscal impact of this policy change will be minimal and is not anticipated to sacrifice the integrity of the permit fee program.
- Q8) Would a seed cleaning operation located on a property owned by a person who also has a grain elevator on the same property charged the two fees?
- A8) No -- If the primary activity is of grain elevator, then he will be charged only for the grain elevator and will be charged only one fee.
- Q9) Are the major grain elevator corporations paying their share?
- A9) Yes -- They are paying anywhere from \$620 to \$4666.

<u># of Facility</u>	<u>Name</u>	<u># Units</u>	<u>Amount</u>
4	Bartlett	31	\$ 620.00
28	Bunge	170	\$3400.00
10	Cargil	84	\$1680.00
28	Collingwood	208	\$4160.00
7	Far-Mar-Co	90	\$1800.00
42	Garvey	233	\$4660.00
4	Lincoln	49	\$ 980.00
9	Morrison-Gregg-Mitchell	35	\$ 700.00
5	Smoot	46	\$ 920.00
6	Rickel	41	\$ 820.00
6	Ross Industries(Cargil)	73	\$1460.00
12	Wolcott & Lincoln	65	\$1300.00

Active Sources Subjected to Operating Permits
January 1, 1984 - December 31, 1984

<u>Source Description</u>	<u>Class Code</u>	<u>Classification Criteria</u>	<u># of Sources</u>	2 Digit Class Code
				X \$20.00 <u>Amount</u>
1) Ready Mix Plants	0202	12 to 99 cu. yd/hr cap.	109	4,360
	0302	100 cu. yd/hr cap. or	74	4,440
			<u>183</u>	<u>8,800</u>
2) Grain Elevators	0301	>50,000<174,999 bushels	188	11,280
	0501	>175,000<449,999 bushels	327	32,700
	0701	>450,000<874,999 bushels	266	37,240
	0901	>875,000<2,499,999 bushels	180	32,400
	1201	>2,500,000<9,999,999 bushels	21	5,040
	1501	>10,000,000 bushels	11	3,300
		<u>993</u>	<u>121,960</u>	
3) Natural Gas	0504	>475<949 HP	34	3,400
	0907	>950<9,999 HP	107	19,260
	1504	>10,000	44	13,200
		<u>185</u>	<u>35,860</u>	
4) Electric Power Generation	0906	Internal Combustion	60	10,800
	0909	Steam Gen. only	11	1,980
	1202	Intern. Comb. & Steam Gen.	17	4,080
	1603	Coal fired<1000 MW	7	2,240
	2001	Coal fired>1000 MW	2	800
		<u>97</u>	<u>19,900</u>	
5) Asphalt Co.	0506	<200 T/Hr	45	4,500
	0706	>200 T/Hr	48	6,720
		<u>93</u>	<u>11,220</u>	
6) Limestone Crushing	0505	<150 T/Hr	19	1,900
	0708	>150 T/Hr	68	9,520
		<u>87</u>	<u>11,420</u>	
7) Agriculture Connected	0201	Seed Cleaning	33	1,320
	0408	Prepared feed	41	3,280
	0801	Alfalfa Dehydrators	32	5,120
	1502	Flour & other grain	24	7,200
		<u>130</u>	<u>16,920</u>	
8) Refinery	2002	Petroleum Refin.	8	3,200

	<u># of Sources</u>	<u>Amount Due</u>	<u>% of Total Amount</u>
1) Ready Mix Plants	183	8,800	3.04
2) Grain Elevator	993	121,960	42.19
3) Natural Gas	185	35,860	12.41
4) Elc. Power Gen.	97	19,900	6.88
5) Asphalt Plants	93	11,220	3.88
6) Limestone Crushing	87	11,420	3.95
7) Agriculture Connected	130	16,920	5.85
8) Refinery	8	3,200	1.11
	<u>1,776</u>	<u>229,280</u>	<u>79.31</u>
Miss Sources	403	59,780	20.69
Total Active Sources	<u>2,179</u>	<u>289,060</u>	<u>100.00</u>