

Approved

Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

The meeting was called to order by Senator Fred Kerr at _____
Chairperson

10:00 a.m. ~~pm~~ on Thursday, February 16, 1984, 19 in room 423-S of the Capitol.

All members were present ~~except~~ Senator Ross Doyen (E)
Senator Richard Gannon (E)

Committee staff present: Raney Gilliland, Research Department
Jim Wilson, Revisor's office

Conferees appearing before the committee:

Pack St. Clair, President, Cobalt Boats, Neodesha, Kansas

Senator Norvell moved the minutes of the February 15, 1984 committee meeting be approved, seconded by Senator Allen. Motion carried.

Senator Kerr informed the committee the State Grain Inspection Department is desirous of having a bill introduced and called on Jim Wilson to give a brief description of the contents of the bill as drafted. Revisor Wilson stated it does away with things that are not necessary; the rates in most cases are not changed; there are some adjustments and clarifications. The language, "That the chief inspector and assistant" would be replaced by "The director, the first assistant inspector and other officers of the Kansas state...." He stated other editing changes were made to outdated references or outmoded language. Senator Karr moved a bill concerning the Kansas State Grain Inspection Department; relating to certain fees, etc., be introduced, seconded by Senator Thiessen. Motion carried.

Revisor Wilson informed the committee that Senator Allen had requested a bill to make a minimum requirement for milk solids in milk since such a change is undergoing nationwide with California, Wisconsin and Illinois now having such a law. After some discussion, Senator Allen moved that a bill be introduced stipulating the minimum requirements for milk solids in milk, seconded by Senator Warren. Motion carried.

SENATE BILL 713 - Senator Thiessen stated other states have passed similar legislation since it is hard to patent a design in the manufacture of boats. Pack St. Clair testified in favor of this bill, stating they spend some \$200,000 to \$300,000 in developing a new model. Someone could take one of their boats and make a plug of it and for an investment of some \$15,000 to \$30,000 get into the business and sell their boats for a lot less. He feels this is hull design piracy. (Note Attachment 1) In allowing such piracy to continue dangers include:

Lack of financial responsibility, outright physical danger, and unsafe handling since with a large horsepower engine and high speeds the structural integrity is very important. They have tested copies of their boats and they were downright dangerous.

Mr. St. Clair stated a similar law is in effect in California, Florida, Tennessee, Michigan with Wisconsin soon to follow. Answering an inquiry from Senator Karr, Mr. St. Clair stated they would not be protected in Arkansas; and answered his further inquiry, that they cannot patent the hull but some design features can be patented.

With reference to Senator Montgomery's statement that this is a no penalty bill, Mr. St. Clair said it would give them the ability to file a suit and hope to stop them or claim damages. He stated his statements pertain to boats only. Revisor Wilson stated the bill could be amended to specify boats only. Mr. St. Clair described the process as being one whereby a person could buy a boat from them, then turn the boat over and make a mold.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS,
room 423-S Statehouse, at 10:00 a.m./~~p.m.~~ on Thursday, February 16, 1984, 19 .

Senator Thiessen moved Senate Bill 713 be recommended favorably for passage, seconded by Senator Allen. Motion carried.

Senator Kerr brought to the attention of the committee that he would like to see a clarification as to the interpretation of a motion to table. Senator Arasmith reported that since several instances had occurred, that President Doyen is working with Arden Ensley and others and a memo would be drafted relative to the Roberts Rules of Order and distributed to committee chairmen but it would not be retroactive.

Senator Kerr reported he had participated in a conference call with Secretary Block and presidents of wheatgrowers associations in some 12 states this morning. (Senator Kerr had also been present.)

The Wheatgrowers' Presidents stated:

1. There is no way many people could be signed up by the February 24 deadline. 5-6% had signed up in those states at this time.
2. There was some indication Secretary Block might extend the deadline.
3. The states complained about the haying and grazing program which is more stringent than last year. Secretary Block felt this would not be changed since the National Cattlemen's organization stated they are opposed to a change.
4. Referring to summer fallow projects being more restrictive this year and complicated, Senator Kerr stated it did not sound like Secretary Block was going to make any changes.

Senator Kerr announced the next meeting of the committee will be Tuesday, February 21, 1984.

The meeting was adjourned.

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SENATE

AGRICULTURE AND SMALL BUSINESS COMMITTEE

10:00 a.m., Room 423-S

Thursday, Feb. 16, 1984

Date

NAME

ADDRESS

ORGANIZATION

PACIS ST. CLAIR RR#2 NEODESHA KS COBACT BOATS

TESTIMONY OF PACK ST. CLAIR, 2/16/84

Good Morning. I appreciate the opportunity to testify in support of Senate Bill 713. My name is Pack St. Clair and I am president of Cobalt Boats in Neodesha, Kansas. I am also Chairman of NABM which is made up of over 150 member companies of which three are in Kansas.

In the boat manufacturing process, much time, effort and cost goes into developing a hull design. Legitimate boat manufacturers such as ourselves spend anywhere from \$200,000 to \$300,000 developing a new model and building the tooling for it. Womewhat less scrupulous boat manufacturers then take one of our boats, use it for a plug, make a mold and are in business competing with us with the same hull design made in a much cheaper fashion and competing with us for a total expenditure of less than \$15,000 to \$30,000.

Entirely aside from the cost and loss of sales to our company The real danger of allowing hull design piracy to continue is the danger to the boat buying consumers of Kansas. These very real dangers include:

1. Lack of financial responsibility. These pop artists are usually why small companies with little or no assets. Operator injured has no chance of recovering cost or of collecting damages.
2. Outright physical danger. Many companies give only lip service to compliance with U.S. Coastguard safety standards, including flotation, electrical and fuel systems.
3. Related to #2 is the matter of safe handling. With the large horsepower engines and the high speeds which these new boats can bo structural integrity is very important. We have tested copies of our boats that were downright dangerous.

By its nature, it is unfair trade competition legislation. It involves no expense to the state either for enforcement or monitoring Its main value is to discourage others from engaging in the practice. Without this type of law it is very expensive and difficult to pursue a legal remedy on common law principles alone.

Hull design protection legislation has been passed into law in

Calif	Tenn	Wis we feel will pass soon
lorida	Mich	

If enacted into law, our industry and the public would receive the protection it deserves. I hope Kansas will be added to this growing list of states.

THANK YOU.

(Above was copied from his rough draft)

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