

Approved 3-14-89
Date

MINUTES OF THE SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Senator Lana Oleen at
Chairperson

1:35 ~~xxx~~ p.m. on March 13, 1989 in room 531-N of the Capitol.

All members were present except: Senator Strick - Excused
Senator Gaines - Absent

Committee staff present: Julian Efird - Research
Jill Wolters - Revisor
Nancy Jones - Secretary

Conferees appearing before the committee: Representative Sam Roper
Senator Phil Martin
William Giles, KS Coal Commission & United
Mineworkers
Terry Dinker, Department of Commerce
Gene Robben, Chairman, State Board Accountancy
Dale Kerr, American Legion Hdqts, Topeka, Ks.
Lt. Col. Larry McAfee, Fort Riley, Ks.
Donald Shepet, American Legion, Manhattan, Ks.

A motion was made to approved minutes of the February 20, 21, 24 & 28 meetings by Senator Vidricksen; seconded by Senator Kanan. Motion carried.

Hearings on:

SB 2231 - Concerning the coal commission

Representative Roper requested this legislation and stated the coal industry is in need of the Commission to continue growth of the coal industry in south-east Kansas.

Senator Martin stated there are a number of bills being worked on in the legislature this session relating to the coal industry but this bill has the intent to continue the coal commission which is the primary vehicle for the future of the industry. Membership and meetings of the commission were discussed.

William Giles testified in support of HB 2231 for continuation of the Coal Commission which is needed to keep coal miners, power companier, gas and oil companies working together to address such issues as acid rain. The Commission has been very successful in achieving matching fund goals. Passage of this bill was urged. (Attachment 1)

Terry Denker stated the Kansas Coal Commission was created to study ways to expand existing markets and create new markets for Kansas coal. This task was accomplished along with matching funding obligations and results of the study were presented to legislative committees according to the statutory requirements. Two bills have been introduced concerning continuation of the Commission and establishment of a Coal Technology Fund, which addresses the burning of Kansas coal. Passage of these bills, requires the Commission to oversee the programs and promotion of Kansas coal usage. (Attachment 2)

Expenses for the Commision are provided by the Department of Commerce and the matching funds are used for special projects to clean up and expand the market for Kansas coal. Use of Kansas coal only by companies is not feasible due to high cost for sulphur removal to meet requirements for clean coal. The focus of the matching fund is to provide incentives for modification by companies in the use of Kansas coal.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION,
room 531-N Statehouse, at 1:35 ~~xx~~/p.m. on March 13, 1989

HB 2384 - Relating to the Board of Accountancy

Gene Robeen stated HB 2384 will permit the Board of Accountancy to issue temporary permits to out-of-state CPA's to practice in Kansas for a six month period, with qualifications for renewal. The Board believes this bill is necessary to eliminate the uncontrolled practice of public accountancy in Kansas by CPAs of other jurisdictions. Proposed amendments give the Board the power to discipline temporary permit users as well as subject them to the same set of unlawful acts that apply to Kansas CPAs. This legislation will aid in protection of the public from unacceptable work by out-of-state CPAs. (Attachment 3)

SB 192 - Concerning Korean war veterans day

Lt. Col. McAfee from Ft. Riley, stated this is the opportunity to honor gallant Kansans who fought for their country in the Korean war by establishing the Korean veterans day. The heroic display of bravery of M/Sgt Stanley Adams, a Congressional Medal of Honor recipient and a Kansan, was related to the committee. Colonel McAfee feels establishment of this day would stand as a fitting reminder of the ultimate sacrifice for freedom paid by 415 Kansans during this conflict. (Attachment 4)

Senator Francisco stated this legislation was requested by constituents and July 27 is the most appropriate date as this is the day the truce was reached.

Dale Kerr of the American Legion, testified in support of SB 192 as it is an excellent way in which to pay tribute to veterans of a specific period. The American Legion feels SB 192 is the vehicle to proclaim dates honoring veterans of World War I, World War II, Korea and Vietnam. An amendment proposing language be included in the bill to accomplish this, was suggested by Mr. Kerr. (Attachment 5)

Donald Shepek of the American Legion in Manhattan, speaking in behalf of SB 192, related statistics of the service men and women killed, wounded and held as prisoners of war during the Korean war. Recognition of the bravery and the sacrifices made by these veterans has been minimal and passage of SB 192 would be a worthy tribute. (Attachment 6)

Jerry Coonrod testified as a caring individual to honor the many people that served during the Korean conflict and have been given no tribute after forty years. The enactment of SB 192 would honor these veterans in a fitting manner.

Discussion was held on the suggested amendment made by Dale Kerr.

Motion was made to adopt the amendment of revised language to SB 192 by Senator Vidricksen; seconded by Senator Kanan. Motion carried.

Motion was made to recommend favorable as amended SB 192 by Senator Francisco; seconded by Senator Vidricksen. Motion carried.

Committee discussed bills in committee for possible action and hearings.

Meeting adjourned. The next meeting will be March 14, 1989.

GUEST LIST

COMMITTEE: SENATE GOVERNMENTAL ORGANIZATION

DATE 3/13/89

NAME	COMPANY / ORGANIZATION	ADDRESS
MARY CONRAD	KG & E	Topeka
W.C. L.S. McAfee JR	U.S. Army	FORT RILEY, KS
ROBERT C. COUCH	Post 400 - AMERICAN LEGION	TOPEKA
C.S. BICKERSTAFF	Post 45 Junction City, KS	
ROBERT TURPIN	KOREAN VETERAN	Topeka
ANDREW J. HOWE	POST 400 AMERICAN LEGION	TOPEKA
JIM GRAUENSTEIN	POST 400 AMERICAN LEGION	Topeka
DALE L. KERR	Kansas America Legion	Topeka
RONALD L. SHEPEK	Pearce-Keller Post 17 American Legion	Manhattan
TERRY DENKER	KS. COAL COMMISSION	TOPEKA
TC Anderson	KSCPA	Topeka
Jan Vacel	KSCPA	Topeka
Gene Bobben	Ks Bd - Accountancy	Topeka
Glenda Sherman	" " "	"
Sam Popper	Rept.	Lincoln, KS
Bill Giller	W.M.W.A.	Pittsburg, KS
Nancy Handberg	San Francisco	Topeka

3/13

TESTIMONY

PRESENTED TO:

THE SENATE GOVERNMENTAL ORGANIZATION
COMMITTEE

ON HOUSE BILL No. 2231

BY

WILLIAM GILES
DISTRICT #14 PRESIDENT OF
UNITED MINE WORKERS OF AMERICA

MARCH 13, 1989

S.G.O
3-13-89
ATTACH-1

GOOD AFTERNOON, MADAM CHAIRPERSON, LADIES AND GENTLEMEN. I AM HAPPY TO BE HERE TODAY AND THANK YOU FOR THIS OPPORTUNITY.

I SUPPORT HOUSE BILL NO. 2231 BECAUSE THIS STATE NEEDS A BODY TO CONTINUE THE WORK THAT HAS BEEN STARTED BY THE KANSAS COAL COMMISSION. WHAT H.B. NO. 2231 DOES IS TO EXTEND THE COAL COMMISSION ANOTHER TWO (2) YEARS.

WHEN THIS COMMISSION WAS FORMED AND APPROVED BY THIS STATE WE HAD A MATCHING FUND TYPE OF FUNDINGS. I AM PROUD TO SAY THAT THE COMMISSION MATCHED THE FUNDS IN ABOUT ITS FIRST THREE (3) MONTHS FOR BOTH OF THE YEARS THAT THIS COMMISSION WAS TO LAST.

AS WE FACE THE FUTURE TODAY IN OUR STATE THERE ARE GOING TO BE SOME BIG DECISIONS THAT WE ARE GOING TO HAVE TO BE MADE REGARDING OUR ENVIRONMENT. I KNOW EVERYONE IN THIS ROOM HAS HEARD BY NOW OF THE ACID RAIN ISSUES. LADIES AND GENTLEMEN, THERE WILL BE AN ACID RAIN BILL PASSED THIS YEAR ACCORDING TO ALL REPORTS THAT WE READ.

THE STATE OF KANSAS WILL BE GREATLY EFFECTED BY THIS LEGISLATION. NOT JUST COAL MINERS AND POWER COMPANIES BUT MANY OTHER BUSINESSES AS WELL. OIL, CHEMICAL, GAS, CEMENT INDUSTRIES, AND WHOLE CITIES ARE GOING TO BE EFFECTED.

KANSAS NEEDS THIS COMMISSION TO CONTINUE ITS WORK TOWARDS GETTING THESE INDUSTRIES TOGETHER TO FACE THESE PROBLEMS, THAT WE ARE GOING TO COME ABOUT BECAUSE OF THE ACID RAIN ISSUES.

I HAVE FURNISHED YOU A COPY OF THE REMARKS DELIVERED BY OUR INTERNATIONAL PRESIDENT RICHARD L. TRUMKA BEFORE THE INSTITUTE FOR INTERNATIONAL TRADE DEVELOPMENT AT MARSHALL UNIVERSITY IN CHARLESTON, WEST VIRGINIA ON THESE ISSUES I AM ADDRESSING HERE TODAY. I HOPE YOU WILL TAKE SOME TIME AND READ WHAT I AM TALKING ABOUT BEFORE YOU HERE TODAY. I WON'T READ IT BECAUSE IT WOULD TAKE TOO MUCH TIME.

WE DO NEED THE KANSAS COAL COMMISSION AND I URGE THIS COMMITTEE TO RECOMMEND PASSAGE OF THIS BILL.

MADAM CHAIRPERSON, I STAND FOR ANY QUESTIONS YOU OR THE OTHER COMMITTEE MEMBERS MIGHT HAVE.

THANK YOU.

Remarks Delivered By

Richard L. Trumka, International President

United Mine Workers of America

Before

The Institute for International Trade Development

Marshall University

Charleston, West Virginia

February 20, 1989

Thank you for your kind introduction. And, I would like to thank Marshall University for extending me this opportunity to share some of my thoughts with you about our urgent national acid-rain debate.

Indeed, for the United Mine Workers of America, no area of discussion is more important.

I also feel that it is appropriate that we meet here, today, because few states have as big a stake in the outcome of this debate as West Virginia.

And our discussion is most timely. For, in his state of the union address, President Bush recently said that he would soon send legislation to Congress that would "limit, by a date-certain, emissions which cause acid rain."

When House Speaker Jim Wright gave the Democratic response, he too indicated that acid rain legislation would be considered and passed in this session of Congress.

As for the federal Environmental Protection Agency, the new administrator, William Reilly, testified at his confirmation hearing that acid rain legislation would be the EPA's top legislative priority.

Today, unlike the past, both the administration and the Congress are ready to act—and ready to act in the very near future.

One could continue to argue that there is no solid scientific basis behind the demands for acid rain controls. And some industry groups still maintain this as their first line of defense.

To me, that sounds a lot like calling for a candidates' debate the morning after an election.

For today, we have passed the point where arguing the science, pro or con, will stop the momentum for enacting a control bill. And the genuine promise held out by the many clean-coal technology research initiatives unfortunately will not dampen the public's enthusiasm for swift and certain emission controls.

In light of all these facts, the UMWA approached key legislators last year with a comprehensive proposal to reduce sulfur-dioxide emissions from coal-burning power plants.

We began with a basic obligation and one simple idea.

Our basic obligation is that while Congress considers legislation that could so drastically alter the future of coal-mining in our nation, the United Mine Workers will never sit on the sidelines.

Our idea was that, working together with others, we could develop a control bill that would be environmentally sound, in the eyes of control advocates—and still not disrupt existing coal markets or jeopardize existing coal-mining jobs or economically destroy vast areas of the country.

According to the EPA, the compromise we helped develop would reduce annual sulfur-dioxide emissions by a total of 10 million tons in the year 2003, very close to the year 2000 target date set by the acid-rain-control lobby.

It's a two-phase proposal. In the first phase, emissions would be reduced by 4.5 million tons by the year 1995. A half-million tons of those reductions would be made at oil-fired power plants.

The other 4 million tons would be made at coal-fired plants, which would be required to install pollution-control equipment to clean 90 percent of their emissions.

The EPA already has compiled a list of some 30 power plants where the best available technology could be installed most cost-effectively. Affected utilities would receive \$200-per-kilowatt for capital costs.

In the second phase, utilities would be required to remove another 5.5 million tons of SO₂ emissions. In this second phase, utilities would have the "freedom-of-choice" option to switch fuels, if they chose to. But, to encourage the application of clean-coal technology, utilities will receive a \$150-per-kilowatt subsidy for capital costs.

In both phases, utilities would be granted a "technology bubble." In other words, a utility could reduce emissions at a plant that isn't among those designated by the EPA, as long as it achieves the required reductions within its system.

The proposal would be funded by a 1-mil fee paid by utilities.

And, because we understand the importance of planning for the future, a portion of the millage fee would be earmarked for new research on the Greenhouse Effect.

It's often very tough to balance justifiably competing demands. But we took up the challenge. And we worked out a landmark breakthrough—a compromise that protects both the environment and jobs and communities.

We seek to protect both, because while industry executives, consumer advocates and environmentalists debate which approach best achieves their goals, no one stands to lose as much as the coal miner—whose only source of income is taken away. The miner, whose ability to feed and care for his family, or her family, is destroyed because of widespread and unnecessary shifts in coal markets.

Of all the participants in this debate, only coal miners and their communities will suffer irrevocable harm if, as the result of clean air legislation, mines throughout northern Appalachia and the Midwest are bulldozed and boarded up forever.

That is why when potentially disastrous legislation began to move last year, we came forward with a control proposal of our own to protect jobs and the environment. I believe it is a farsighted, practical and fair proposal that accomplishes both goals—and I trust the American public will agree.

But before I go any further, let me tell you a little about our union, for inevitably there are those who will criticize our approach by misstating our motives.

Some have even gone so far as to say that we are a high-sulfur union with a bias against low-sulfur coal. That is false. Or, that we are primarily an Eastern union out to destroy Western coal production. Nothing could be further from the truth. Let's make those two points clear.

The UMWA has a quarter of a million members across the United States and Canada. Mining low-sulfur coal and high-sulfur coal. East of the Mississippi and in the West. And, we represent miners in every coal-producing state from Virginia to Wyoming and from New Mexico to Montana.

Our goal has been—and will always be—to promote safe coal production in every coal region and in every coal county. That's good energy policy, good industrial policy—and good public policy.

That's because the opportunity to expand coal production spells economic recovery for hundreds of communities that are now suffering unemployment rates more than twice the national average.

In the United States of 1980, 240,000 coal miners were on the job. Today, employment in the coal industry averages 150,000—a 37.5 percent drop in employment in only eight years.

Let us also consider some recent “official” unemployment rates. Nationally, the rate is 5.4 percent. But, in our nation's coalfields, the figure is over 10 percent—almost twice the national rate.

But even this figure does not adequately indicate the real and the needless despair in our nation's coal-producing regions.

Remember, the official unemployment rate ignores countless other workers who have given up looking for work and those who have taken part-time jobs or employment at far lower wages. Obviously, the precarious state of the coal industry requires that we weigh the effect of proposed acid rain bills on current and future coal production and employment.

Prior to the agreement we reached last year with Senator George Mitchell, now the Senate Majority Leader, a number of acid-rain proposals started with the premise that SO₂-emission limits should be mandated, but that the choice of compliance methods should be left up to the states and utilities.

While no one can predict precisely the extent to which utilities would retrofit units with scrubbers, retire older units, or switch from high-sulfur to low-sulfur coal—or natural gas—most careful analyses indicate that a total freedom-of-choice strategy for the utilities would be a combination of scrubbing and switching.

To comply with the typical 10-million ton “freedom-of-choice” acid rain control bill, we estimate that utilities would switch fuel supplies at plants comprising some 66,000 megawatts of capacity. Based on current coal supply patterns, that would displace about 130 million

tons of annual coal production—and as many as 32,000 direct coal-mining jobs.

Representative Jim Cooper of Tennessee introduced a similar control bill which differs in that it has a more relaxed compliance schedule. But, even Cooper's bill would shift 100 million tons of coal production out of northern Appalachia and the Midwest. For the Midwest, these losses would be staggering—nearly half of its expected coal production by the year 2005.

While much of the unemployment would be visited on the high-sulfur coalfields of northern Appalachia and the Midwest, some jobs also would disappear in central and southern Appalachia. The bottom line is that regardless of where the coal market might move, the jobs of these miners—the most productive coal miners in the world—would be displaced—needlessly and in many cases permanently.

The economic suffering would be severe and long-lasting. For when the mines are shut in the coalfields, other jobs are scarce—and they are rarely competitive with the wages and benefits of coal mining.

Even without changes in the Clean Air Act," many of these parts of Rural America have depressed economies that face a long-term structural decline in employment opportunities. In other words, much of the unemployment resulting from Cooper's type of legislation would be created in areas where prospects for alternative employment are already bleakest.

The economic cost to generations-old coalfield communities would be staggering. On top of more than one billion dollars in income lost directly by coal miners, coalfield economies would be further sapped by additional losses. Industries that provide support services and retail sales to the local work force easily stand to lose \$2.5 billion each year.

Even if you haven't traversed Rural America the way I have, it's easy to see that those losses would turn much of Appalachia and the Midwest into modern-day economic ghost regions. All needlessly.

Proponents of "freedom of choice" wrongly contend that coal-state governors would take action to prevent economic disruption to coal markets and mining jobs—and devastation in the coalfields.

This argument seems to be a key feature of the proposal offered this year by the Center For Clean Air Policy. They maintain that a "freedom-of-choice" bill would provide West Virginia public officials an opportunity to protect both the state's coal industry and its environment.

Certainly, pressure from miners whose jobs are at risk would be brought to bear on elected representatives in the coal states.

It is a certainty, too, that conflicting pressures also would arise. Utilities would use their considerable political influence to seek compliance strategies that represent the least cost to them, regardless of the effects in coalfield communities. And coal companies that produce primarily low-sulfur coal would urge the governor to permit maximum fuel-switching with the predatory intent of gaining new markets.

But, even if we assume that coal-state governors would withstand these considerable political pressures and submit compliance plans that seek to preserve existing jobs, their ability to protect their citizens would be limited.

After all, some of the states with the greatest potential for employment losses consume only a small portion of their own coal production. West Virginia, for example, burned 34 million tons of steam coal in 1987, but produced over 136 million tons.

A great deal of utility coal is consumed in states that have no coal-production capacity. As an example, about 120 million tons of coal is consumed annually in Georgia, Florida, North Carolina, South Carolina, Minnesota, Michigan and Wisconsin. With the exception of a few small mines in Georgia, none of these states currently produce coal.

Coal miners whose jobs are in jeopardy would have little influence or input into the compliance strategies developed in those states. Coal-state governors, therefore, would be unable to protect large portions of their coal-mining employment base, even assuming unilateral authority over utility decisions in their own states.

Faced with the bleak predictions of job losses and the stark reality that acid-rain legislation was on the front burner both in Congress and in the presidential campaign, the UMWA last summer met with

key participants in Congress to protect against harmful effects of shortsighted control legislation on coal-producing regions.

We undertook these discussions with the basic idea that the targeted use of control technology could achieve both the environmental goal of reducing SO₂ and the economic and energy security goals of preserving existing markets for low, medium and high sulfur coal.

We agreed with Senator Mitchell, when he told the Senate on October 4, and I quote: "A policy that imposes huge job losses in West Virginia or Ohio or Kentucky is no more acceptable than a policy that imposes heavy pollution damage on Maine or Vermont or North Carolina."

In a study conducted for EPA, ICF Incorporated determined that our proposal would reduce annual SO₂ emissions 10 million tons by the year 2003, a level and timetable of reductions acceptable to the Senate's leading proponent of acid rain controls. Even more important to the UMWA, however, was the fact that these reductions would be achieved without significantly disrupting projected coal production in any coal region.

As a corollary to Senator Mitchell's statement that control advocates should not solve a problem in New England while creating a new one in the Midwest and Appalachia, we have consistently argued that acid rain legislation should not benefit one coal region at the expense of another.

In fact, in the absence of an acid-rain bill, moderate growth is expected in all coal regions. And, under the compromise we proposed, there is little change forecast.

By using a combination of targeted scrubbing and a subsidy for clean-coal technology, the compromise was the first to fairly balance what had always been viewed as mutually exclusive regional interests.

Even before the EPA analysis was released, however, individual utility companies attacked the compromise as too expensive. They flooded Capitol Hill offices with press releases claiming that the compromise would cause electric rates to catapult by 30 to 50 percent. These same utilities have yet to explain the EPA analysis—

which states that rate increases will be more in the neighborhood of two to three percent.

Under our proposal, projected rate increases are fair and reasonable—no more than 2 to 3 percent—even in states that have contributed the most to the acid rain problem.

Here in West Virginia, where clean-up costs are among the highest, the study projected rate increases of no more than five dollars per month by the year 2003 under the worst-case scenario; but given the availability of compliance coal and the expected savings associated with clean coal technology, the rate impact is more likely to be only two dollars per month by the year 2003.

It is worth pointing out the results of a recent public opinion poll, here. In West Virginia, over 70 percent of the respondents told a survey conducted by West Virginia University that they would be willing to pay an additional 5 percent, two dollars per month, for acid rain controls.

But what was the coal industry's response to our proposal? Surely, we had hoped, it would not subscribe to the statement made to me by a utility company president: "My job is to sell electricity, not worry about coal markets." Well, as it turned out, once the utility industry denounced our bill, the coal industry followed suit.

Is it in the coal industry's best interest to oppose the compromise?

I think not. Granted, companies with low-sulfur coal reserves will always believe that it is in their self-interest to support a "freedom-of-choice" bill that shifts future markets their way. In fact, low-sulfur coal producers opposed our compromise last year on the grounds that preserving projected growth in their markets was not enough—they wanted a windfall. They want acid-rain legislation to beat their competition for them and be the pot of gold at the end of the rainbow.

Likewise, companies investing in high-sulfur coal sales prefer a bill that promotes high-sulfur coal growth at the expense of low-sulfur profits.

The United Mine Workers, on the other hand, believes that the coal industry ought to support market neutrality—not just as a governing

principle in this debate, but also as a matter of public policy. The EPA study found that the Mitchell compromise made the sulfur content of coal irrelevant. As such, competition would decide which coal was burned by utilities—not a legislative ban.

The coal industry's position on acid rain, as it was recently expressed by its trade association, is this: "The Clean Air Act is working and, therefore, new legislation is not needed; further, emerging clean-coal technologies, which will meet both our long-term environmental and energy needs, will be jeopardized by a requirement that immediate reductions be achieved with the use of scrubbers.

As to the argument that the Clean Air Act is working, well, as the saying goes—"That dog won't hunt." The public doesn't believe that the Clean Air Act is working fast enough and it appears that neither does the President of the United States or a growing majority in Congress.

So their argument is really reduced to one that simply denigrates the mandatory use of scrubbers in favor of "flexibility," which is to say, widespread fuel-switching and its unacceptable consequences.

As for scrubber technology, let me point out that in the analysis of our compromise last summer, EPA dropped their estimate of scrubber costs by 40 percent compared to their 1987 assumption, and reduced their estimated operating and maintenance costs for scrubbers by 25 percent.

Belying their own argument that scrubbers should not play a role in the clean-up program, the utility industry recently submitted several new scrubber designs as part of the \$2.5 billion federal clean-coal program.

The UMWA agrees that clean-coal technologies represent our best opportunity for clean and cost-effective generation of energy. And that is why we have been in the forefront of those who have lobbied for the federal clean-coal program. But we vehemently disagree that our compromise proposal in any way jeopardizes the future of innovative technologies.

In fact, the Department of Energy has stated that many of these technologies will be commercially available by the late 1990s, and

this would give them plenty of time to compete for our Phase Two compliance deadline. Moreover, our plan calls for a subsidy of both new and old technologies that would cover most capital costs.

Utility industry complaints that our control compromise costs too much amount to just so many crocodile tears. That's an unseemly spectacle when you consider the genuine tears and suffering that their own strategy would cause throughout large parts of our nation.

And their claims that they should be able to take the route cheapest for them—regardless of the overall social and economic costs—is special-interest bookkeeping at its worst.

The real issue, I think, is this: Should our policy for addressing acid rain be simply to reduce SO₂ emissions as cheaply as possibly to the utilities themselves—with no regard for the resulting social and economic costs?

Or, should our goal be to cut emissions and effectively promote safe coal production that is both cost-effective and environmentally sound?

Sadly, the coal industry to date has favored the first approach. And that's clearly bad economic policy for West Virginia and bad energy policy for our nation.

Before I close I would like to emphasize again that the acid rain agreement we reached last year with Senator Mitchell, and which we fully intend to press before Congress this year, is not significantly more costly than traditional "free-choice" approaches.

For a true cost-comparison must take into account the social and economic costs of widespread fuel-switching. A true cost-comparison also must weigh the likelihood that whatever cost-advantage there is to fuel-switching will be siphoned off in the form of profits before the savings ever reach the consumer.

In short, we believe that the UMWA compromise is safely within the range of costs predicted for most, if not all, of the acid-rain bills we have seen thus far.

The big difference is that only our approach has made the true cost-comparisons and is designed to protect the environment, jobs and communities, at the same time.

Thank you very much.

Testimony

Presented to:

The Senate Governmental Organization
Committee

on Senate Bill 2231

by

Terry E. Denker
*Director of Policy Analysis
and Research*

March 13, 1989

S.G.O
3-13-89
ATTACH-2

Good morning ladies and gentlemen. My name is Terry Denker and I am the Director of Policy and Analysis and Research for the Kansas Department of Commerce and senior staff assistant to the Kansas Coal Commission.

The Kansas Coal Commission was created by act of the 1987 Kansas Legislature. The commission was established to study ways to expand existing markets and create new markets for Kansas coal. To enable the commission to address this task, the legislature appropriated \$12,500 in each of FY88 and FY89 to be matched on a one-to-one basis from private contributions. The private sector contributed \$22,200 over the two year period, thus allowing a total of \$44,400 available to conduct a study of the coal industry. The commission hired J.E. Sinor Consultants, Inc. to undertake a study which would meet the statutory requirements and recommend ways to increase Kansas coal usage. A copy of the study was presented to the Legislative Coordinating Council as prescribed by statute.

The study has been presented to the Senate Transportation and Utilities Committee and the House Assessment and Taxation Committee. These committees are considering several bills which have been drafted from recommendations made in the study. At the conclusion of these presentations, it is felt that the Kansas Coal Commission will have met the statutory obligations which it was created to address.

Two of the introduced bills, which are identical, refer to extension of the Kansas Coal Commission's function. Senate Bills 229 and 270 address the creation of a Coal Technology Fund from which dispersal of monies shall be reviewed and approved by the commission. This fund would be used to provide grants and financial aid to projects which qualify for federal clean coal technology monies and other projects which would burn Kansas coal.

If these bills are to pass, the Kansas Coal Commission would be necessary to oversee the program and continue its efforts to promote Kansas coal usage. In addition, the Kansas Coal Commission would continue efforts to expand markets through technology applications and conventional fuel use.

STATE OF KANSAS
BOARD OF ACCOUNTANCY

GLEENDA SHERMAN
BOARD SECRETARY
TELEPHONE (913) 296-2162



907 LONDON STATE OFFICE BUILDING
900 S.W. JACKSON STREET
TOPEKA, KS 66612

March 13, 1989

TO: Senate Governmental Organizations Committee

RE: HB 2384, relating to the Board of Accountancy

Thank you Madam Chairman Oleen, members of the Committee.

I am Gene Robben, CPA, Chairman of the State Board of Accountancy.

HB2384 has been introduced at the Board's request and now I hope you will give it your favorable consideration.

As a review, HB 2384 will permit the Board of Accountancy to issue a temporary permit to practice in Kansas to any out-of-state CPA who holds a valid permit to practice in their own state and who is not the holder of a Kansas certificate; does not maintain an office in this state; and pays a fee necessary to cover the cost of administering this proposed change in our Accountancy Act.

The temporary permit would allow the certified public accountant to work for up to six months in Kansas during any 12-month period. The bill would permit a six-month renewal if the holder of the temporary permit was working on a single, nonrecurring engagement. Otherwise the temporary permit would be renewable for a six-month period.

The proposed amendments to K.S.A. 1-311, 1-316, 1-318 and 1-319 give the Board powers to discipline temporary permit holders and subjects them to the same set of unlawful acts as currently apply to Kansas CPAs.

HB 2384 will not apply to any out-of-state CPA who is temporarily practicing in Kansas solely on professional business incident to that CPA's regular practice in another state.

The Board of Accountancy believes this bill is necessary to eliminate the uncontrolled practice of public accountancy in this state by CPAs of other jurisdictions. Without this bill the Board of Accountancy has no standard for distinguishing between temporary which it must allow under K. S. A. 1-317 and temporary practice which is not incident to a CPAs practice in another state.

S.G.O.
3-13-89
ATTACH-3

Passage of HB 2384 would aid in the protection of the public from less than acceptable work by out-of-state CPAs. Unfortunately, the Board receives several complaints annually regarding the work done by non-Kansas CPAs. Today, our only recourse is to advise the entity involved, and most generally it is a Kansas municipality or agency, to file a complaint with the Board of Accountancy in the CPA's home state. If the audit in question was of a Housing and Urban Development grant in Colby, Kansas, Colby would have to deal with the Georgia Board of Accountancy.

If HB 2384 becomes law, the State Board of Accountancy would be able to handle the complaint.

Madam Chairman, I'll be happy to respond to questions.

Lene Robben

REMARKS BEFORE THE KANSAS LEGISLATURE ON THE PROPOSED BILL
#192: TO MAKE JULY 27 KOREAN WAR VETERAN'S DAY IN KANSAS

MARCH 13, 1989

GOOD AFTERNOON (MORNING) I'M L.S. McAfee Jr., LTC, IN AND AM HONORED TO REPRESENT THE SOLDIERS OF THE FIRST INFANTRY DIVISION AND FORT RILEY.

TODAY I AM GRATEFUL TO SPEAK BEFORE THIS DISTINGUISHED GATHERING OF THE STATE'S LEADERSHIP. TODAY WE HAVE AN OPPORTUNITY TO TAKE THE FIRST STEP IN PAYING HOMAGE AND MEMORIALIZING THOSE BRAVE KANSANS WHO FOUGHT FOR THEIR COUNTRY IN THE KOREAN WAR.

WHEN WE THINK OF THE KOREAN WAR, WE REMEMBER THOSE GALLANT KANSANS THAT FOUGHT BETWEEN 1950 AND 1953. WE REMEMBER THE NAMES OF PLACES LIKE INCHON AND THE CHOSIN RESERVOIR, THE PUNCH BOWL, AND HEARTBREAK RIDGE.

WE REMEMBER THE DEFENSIVE FORTIFICATION LINES OF KANSAS AND TOPEKA 1951. AND WE REMEMBER THE KANSANS. ONE THAT COMES TO MIND EPITOMIZED THIS STATE'S DESIRE AND DEDICATION TO SERVICE, THE NAME, STANLEY T. ADAMS.

AS A MASTER SERGEANT IN THE 19TH INFANTRY REGIMENT, STANLEY T. ADAMS, BORN IN DESOTO, DISTINGUISHED HIMSELF ABOVE AND BEYOND THE CALL OF DUTY ON FEBRUARY 4, 1951 WHEN HE AND THIRTEEN MEMBERS OF HIS PLATOON HELD OFF THE ATTACK OF AN ESTIMATED TWO-HUNDRED-FIFTY ENEMY TROOPS. SERGEANT ADAMS WAS WOUNDED BY ENEMY FIRE, AND WAS KNOCKED DOWN FOUR TIMES BY THE CONCUSSION OF ENEMY GRENADES WHICH BOUNCED OFF HIS BODY. DESPITE PERSONAL INJURY, SERGEANT ADAMS CHARGED THE ENEMY POSITIONS. AFTER NEARLY AN HOUR OF VICIOUS FIGHTING, SERGEANT ADAMS AND HIS COMRADES KILLED OVER FIFTY OF THE ENEMY, AND CAUSED THE REMAINDER TO RETREAT. SERGEANT ADAM'S SUPERB LEADERSHIP, INCREDIBLE COURAGE AND CONSUMMATE DEVOTION TO DUTY SO INSPIRED HIS COMRADES THAT THE ENEMY ATTACK WAS COMPLETELY THWARTED, SAVING HIS BATTALION FROM POSSIBLE DISASTER.

FOR HIS HEROIC DISPLAY OF BRAVERY ON THE FOURTH DAY OF FEBRUARY 1951, MASTER SERGEANT STANLEY T. ADAMS, OF KANSAS, WAS AWARDED THE CONGRESSIONAL MEDAL OF HONOR.

STANLEY T. ADAMS WAS JUST ONE OF 52,000 KANSANS WHO SERVED THIS STATE AND COUNTRY PROUDLY DURING THE KOREAN WAR.

THIS DAY, IF ESTABLISHED, WOULD STAND AS A CONSTANT REMINDER OF THOSE (415) BRAVE KANSANS WHO PAID THE ULTIMATE SACRIFICE FOR FREEDOM, AND WOULD REMIND ALL, OF OUR KANSAS KOREAN VETERANS' DEDICATION TO SERVICE.

ON BEHALF OF FORT RILEY AND KANSAS KOREAN VETERANS, I THANK YOU FOR THIS OPPORTUNITY TO SPEAK.

S.G.O.
3-13-89
ATTACH-4

STATEMENT ON SENATE BILL 192
BY DALE L. KERR, ASSISTANT STATE ADJUTANT
THE AMERICAN LEGION, DEPARTMENT OF KANSAS

Thank you for allowing me this opportunity to speak today on Senate Bill 192. While Memorial Day and Veterans Day have long been recognized as holidays established to remember those who have served in time of war and to pay tribute to those who paid the ultimate sacrifice by giving up their lives in the defense of our nation and its ideals; The American Legion also believes the concept of S.B. 192 is an excellent way in which to pay tribute to veterans of a specific period.

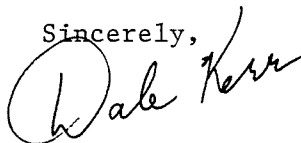
However, we suggest that S.B. 192 be amended to recognize veterans of each period of hostilities during this century. That is; S.B. 192 in its present form would set aside July 27, the date the Korean War ended, for veterans of that war. The American Legion feels similar action should be made on behalf of World War I, World War II and Vietnam Veterans by proclaiming the dates those wars ended as special days to honor those specific veterans.

I have attached a suggested amendment to my written testimony which would accomplish this task. Again it is only a suggested amendment which could easily be revised to suit the committee's intentions and desires, and conform with the proper format for Senate Bills. We feel such a revision to recognize veterans of other wars will prevent hurt feelings and avoid the introduction of similar legislation in the future.

As a veteran of the Korean War, I wish to commend this Committee for holding hearings on this bill and specifically thank Senator Francisco for introducing S.B. 192.

Again thank you for allowing me the opportunity to speak before you today.

Sincerely,



DALE L. KERR

SUGGESTED AMENDMENT

Amend Senate Bill No. 192 to read as follows:

Section 1. January 27 of each year is hereby designated as Vietnam War Veterans Day in the State of Kansas.

Section 2. July 27 of each year is hereby designated as Korean War Veterans Day in the State of Kansas.

Section 3. September 2 of each year is hereby designated as World War II Veterans Day in the State of Kansas.

Section 4. November 11 of each year is hereby designated as World War I Veterans Day in the State of Kansas.

Section 5. Officials of the state and political subdivisions of this state are requested to display the flag of the United States on all public buildings on such dates individually and in appropriate ceremonies in special tribute to the courage and unwavering patriotism of those valiant men and women of the Armed Forces of the United State who served their country during time of war during this century.

Section 6. This act shall take effect and be in force from and after its publication in the statute book.

I, Donald L. Shepek, Post Commander of Pearce-Keller Post #17 of the American Legion would like to speak in behalf of Senate Bil No. 192.

As you are well aware, the Korean War, which began as a police action, soon became a major operation. 1,319,000 men and women served in the Korean Theatre. 105,785 were wounded and 33,629 of these individuals did not survive. Also, 7,140 were captured and held in prisoner of war camps, and of these, 2,701 died in captivity. These statistics are not overwhelming in comparison to certain of our other wars. However, the results were certainly felt by relatives and friends of those involved.

Now, 36 years later, a national memorial to these brave individuals is still in the planning stages. Recognition of the courage, sacrifices, and suffering of these brave men and women has in most cases been minimal. I would ask that Senate Bill No. 192 be passed so that these Veterans may receive some tribute for their service.

Thank you.