

Approved

Ken Grotewiel  
Date

MINUTES OF THE HOUSE COMMITTEE ON ENERGY & NATURAL RESOURCES

The meeting was called to order by Representative Ken Grotewiel at  
Chairperson

3:35 ~~am~~/p.m. on March 4, 1992 in room 526-S of the Capitol

All members were present except:

Representative Hendrix, excused

Committee staff present:

Raney Gilliland, Principal Analyst, Legislative Research Department  
Pat Mah, Legislative Research Department  
Mary Torrence, Revisor of Statutes Office  
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Representative Bill Wisdom

Charles Jones - Director, Division of Environment, KDHE

Cheryl Sostarich - Concerned Citizens of Kansas City, KS

Jan Grisnik - Concerned Citizens of Kansas City, KS

Nader Abed - Concerned Citizens of Kansas City, KS

John Ryan - Concerned Citizens of Kansas City, KS

Scott Andrews - Sierra Club, Kansas Chapter

John Freed - Citizens for A Reasonable Environment

Jim Johnson - Anderson County Hospital

Jeff Tindle - President, Association of Independent Hospitals

Larry Knoche - Director, Bureau of Environmental Remediation, KDHE

Joe Lieber - Kansas Cooperative Council

Ed Long - General Manager, Kensington Coop Ass'n

Jim Cooper - QuikTrip Corporation

Bill Fuller - Assistant Director, Public Affairs Division,  
Kansas Farm Bureau

Charles Nicolay - Executive Director, Kansas Oil Marketers Association

Chairperson Grotewiel opened the hearing on HB 3002.

HB 3002 - An act concerning out-of-state medical services waste;  
prohibiting incineration of such waste at certain facilities.

Representative Bill Wisdom appeared before the Committee to support HB 3002. He said that this bill is probably not drafted in the proper form, but he supports the concept which is to ensure that no new medical waste incinerators are built within the city limits of Kansas City, Kansas.

Charles Jones, KDHE, testified in support of HB 3002, but said that there are certain problems in the bill which would merit further attention.

Mr. Jones said that KDHE would recommend further study of this issue prior to adoption of this bill. (Attachment 1)

Cheryl Sostarich, Concerned Citizens of Kansas City, Kansas, testified in support of HB 3002, stating that they as a community have many concerns about this incinerator being located in city limits. (Attachment 2)

Jan Grisnik, Concerned Citizens of Kansas City, Kansas, testified in support of HB 3002, stating that they do not want to be placed at additional risk in order to solve the problems of out-of-state communities. (Attachment 3)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY & NATURAL RESOURCES,

room 526-S, Statehouse, at 3:35 ~~xxx~~ p.m. on March 4, 1992.

Nader Abed, Concerned Citizens of Kansas City, Kansas, testified in support of HB 3002, stating that incineration is a new technology that has not been thoroughly tested, and they do not want to be the guinea pigs in the testing of this technology. (Attachment 4)

John Ryan, Concerned Citizens of Kansas City, Kansas, testified in support of HB 3002. He said that although it is a local problem that has brought his group to testify, it is a problem that requires a state-wide solution. (Attachment 5)

Scott Andrews, Sierra Club, testified in support of HB 3002, stating that the incinerator proposed in Kansas City, Kansas, would be in the midst of a community that has been subjected to far more than its share of pollution and toxic exposure. (Attachment 6).

John Freed, Citizens for A Reasonable Environment, testified in support of HB 3002, stating that this bill creates the opportunity to begin the proper legislation to protect Kansans, whether they be city or rural. (Attachment 7)

Jim Johnson, Anderson County Hospital, testified in opposition to HB 3002 and urged the Committee to pass this bill.

Jeff Tindle, President, Association of Independent Hospitals, testified in opposition to HB 3002, stating that this bill, if passed, will stop the construction of their facility. Because they have hospitals located in both Kansas and Missouri, infectious waste will have to be transported across a state line for incineration. (Attachment 8)

Chairperson Grotewiel closed the hearing on HB 3002.

Representative Webb distributed copies of a letter from Brian Moline, General Counsel, KCC, to Representative Glasscock regarding HB 3005. (Attachment 9)

The Chair opened the hearing on HB 3153.

HB 3153 - An act amending the Kansas storage tank act; amending KSA 1991 Supp. 65-34,119 and 65-34-120 and repealing the existing sections; also repealing KSA 1991 Supp. 65-34,119a.

Representative John McClure appeared before the Committee in support of HB 3153, stating that this bill will open a window to allow people who own a tank to access the trust fund without meeting a deductible requirement if they missed previous deadlines. He also said that he plans to offer a substitute bill for Committee consideration, because several sections of statute need minor amendments. (Attachment 10)

Larry Knoche, Bureau of Environmental Remediation, KDHE, testified in support of HB 3153, stating that it is the Department's opinion that this legislation resolves many of the problems which are associated with the present trust fund deductibles. (Attachment 11)

Ed Long, Kensington Coop, testified in support of HB 3153, stating that it will help small and middle sized fuel retailers stay in operation and preserve many needed jobs, along with helping to clean up the environment. (Attachment 12)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY & NATURAL RESOURCES,  
room 526-S Statehouse, at 3:35 ~~am~~/p.m. on March 4, 1992

Joe Lieber, Kansas Coop Council, testified in support of HB 3153. He said that the current underground storage tank law seems to be working properly and with the adjustments made in HB 3153, it will work even better. (Attachment 13)

Jim Cooper, QuikTrip Corporation, testified in support of HB 3153. He commended the Kansas Legislature for establishing the Underground Storage Tank trust fund three years ago. (Attachment 14)

Bill Fuller, Kansas Farm Bureau, testified in support of HB 3153, and in support of the proposed amendments by Representative McClure. He also encouraged the Committee to adopt the amendments to expand the trust fund to include above ground tanks. (Attachment 15)

Charles Nicolay, Kansas Oil Marketers Association, testified in support of HB 3153 and requested a trust fund for aboveground tanks. He said that they do have some concerns with this bill as shown on (Attachment 16)

Written testimony with concerns on HB 3153 was submitted by Pete McGill and Associates on behalf of the Coastal Corporation. (Attachment 17)

Chairperson Grotewiel closed the hearing on HB 3153.

The Chair directed the Committee to turn to HB 2801 - Solid Waste Management.

A motion was made by Representative Shore, seconded by Representative Gatlin, to amend HB 2801 to adopt the same exclusion for arid regions that is included in federal regulations; to be added to Sec. 3 on page 7. The motion carried.

A motion was made by Representative Patrick, seconded by Representative Lloyd, to amend HB 2801 by removing the \$1.50 tipping fee. The motion failed.

A motion was made by Representative Gatlin, seconded by Representative Charlton, to pass HB 2801 favorable as amended. The motion carried.

The meeting adjourned at 5:15 p.m.

GUEST LIST

COMMITTEE: ENERGY & NATURAL RESOURCES

DATE: 3/4/92

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
JIM COOPER	ST. LOUIS MO	QUIKTRIP
Scott Andrews	Topeka	SPOTA CLUB
Car/Dougherty	Columbus	EMPIRE DISTRICT ELEC
Gary Blackburn	Topeka	KS Dept. of Health + Env
Larry Knoche	Topeka	KS Dept Health + Env
Ron Hamerschmidt	Topeka	KDHE
Charles Jones	Topeka	KDHE
Doug Bond	Kansas City, KS	City of KCI
Rusty Welter	Topeka	KNRC
KATHLEEN ARBUCKLE-HIGDON	LSOB	KDHE-OLS
Kerry Townsend	Topeka	KS Hospital Assoc.
Sam Wells	Topeka	KS Co-op Council
Bill Fuller	Manhattan	Kansas Farm Bureau
John Freed	KCKS	Citizens for A Reasonable Envr
John P. Ryan	KCKS	Com. C. of K.C.
Nader G. Abed	KC KS	Concern Citizens
Jan M. Grisnik	KCKS	" " "
Cheryl Sostorich	KCKS	Concern Citizens
Bob Wunsch	<del>KDHE</del>	KUMC
John Peterson	Topeka	Blooming Field
JERRY COOPER	Lawrence	KGFE
STEVE KEARNEY	TOPEKA	PETEM CO. HASSER
Tom Whitaker	Topeka	KS Motor Carriers Assoc
Joyce Wolf	Lawrence	KS Audubon Council
Chiquita Cornelius	Topeka	KS. B.I.R.P.





Department of Health and Environment  
Azzie Young, Ph.D., Secretary

Reply to: 296-1535

Testimony presented to  
House Energy and Natural Resources Committee  
by  
The Kansas Department of Health and Environment  
House Bill 3002

The management of medical waste is a matter of great concern to the Department of Health and Environment, as are the issues of importation of out-of-state wastes and the operation of incineration units. To the extent that it draws legislative attention to these important matters, we applaud the bill and appreciate its consideration.

Under current laws, rules and regulations, medical waste incineration units operating in the state would be subject to a number of permit requirements, including those for air emissions and management of solid waste (including incinerator ash). This network of regulations provides sufficient environmental safeguards for the operations of medical waste incinerators.

House Bill 3002 calls for action beyond current regulatory programs. Specifically, it would prohibit locating a medical waste incinerator within any city of the state, if planned use for that incinerator included receipt and disposal of out-of-state wastes.

While we appreciate the underlying desire to protect the health and environmental well being of the state, there are certain problems in the bill which merit further attention. It may be prudent to consider whether the bill would conflict with the interstate commerce clause of the Constitution. It may also be prudent to consider the impact upon border areas of the state, where plans for useful and effective waste disposal arrangements may be disrupted.

In closing, KDHE would recommend further study of this issue prior to adoption of House Bill 3002. Thank you for your attention. I'll be happy to try to answer any questions the committee may have.

Testimony Presented by: Charles F. Jones  
Director  
Division of Environment  
March 4, 1992

House E+NR

3/4/92

Attachment 1

Testimony of Cheryl Sostarich

Members of the Energy and Resources Committee:

As a member of Concerned Citizens of KCK, I support HB 3002. Any changes in the language of the bill to keep it from being challenged would also be supported.

Our community is dealing with this issue at this time. AIH wants to build a medical waste incinerator in our community. We urge you to look at us as an example of what could occur in your communities. We feel strongly that this is not just a KCK issue but a statewide issue.

We as a community have many concerns about this incinerator being located in city limits. One of my concerns is the training of personnel. At this time there are a few guidelines concerning this aspect of the incinerator. One of the most important jobs is not even at the incinerator site. It is the sorting of medical waste. This is done on site at the hospital or clinic. If there is any mistake at this level it could have serious consequences at the incinerator site. This also applies to the transport of the waste and the workers at the site.

This is one example of the many concerns that we have about medical waste incinerators being in our communities. We urge passage of this bill as a positive step forward in dealing with medical waste.

3/4/92  
House ENR  
Attachment 2

Testimony by Jan Grisnik, Concerned Citizens of Kansas City, Kansas

Members of the Energy and Resources Committee:

Thank you for your time today. I am a member of the Concerned Citizens of Kansas City, Kansas, and I am here today to urge your support of HB #3002.

As you know, we in Kansas City, Kansas are faced with the prospect of the construction of a second medical waste incinerator, to be operated by the Association of Independent Hospitals (AIH). This incinerator would burn waste generated from hospitals primarily outside of the state of Kansas.

We are opposed to this incinerator because of the potential health and environmental risks associated with its operation.

The technology used in medical waste incineration is very new. Indeed, it is difficult to find research to support either the safety or risks involved in the process. So we are therefore forced to rely on our local health department, in conjunction with the KDHE to determine what a safe incinerator is. These agencies have worked diligently to ensure that the incinerator meets all current guidelines.

The problem is, the guidelines are not stringent enough. As an example, there are no regulations regarding how often the incinerator can bypass air pollution control features, commonly known as "using the dump stack." That is, even though the incinerator may be equipped with the best available emission systems, there is no law that says these systems must be used. When the dump stack is used, the toxins created from burning plastics are released in pure form. These toxins include dangerous heavy metals such as lead, arsenic, mercury, chromium VI, and cadmium.

Furthermore, when the dump stack is used, it is up to the incinerator operators to notify the Health Department of the malfunction. We as residents are therefore ultimately at the mercy of the incinerator operators to ensure that we will not be subjected to the toxins they are producing. And through their

(OVER)

3/4/92  
House E+NR  
Attachment 3



application process with the Wyandotte County Air Pollution Control, we have all ready seen several examples that AIH is very interested in conserving costs. Certainly such stringent operations and honest self-regulation are not the most cost-efficient means of operation. We have no reason to believe that AIH will be more concerned with our safety than with the profitability of their business venture.

This is not fair. If we are going to be placed at risk, we should have ensurance of safety. This is true for the residents of Kansas City, Kansas, as it is for anyone throughout the state who may be put in the same situation.

Therefore, we are asking for your help in eliminating the risks posed to us. Of course, we must find responsible ways of dealing with the waste generated in our own communities. However, we do not want to be placed at additional risk in order to solve the problems of out-of-state communities.

This is a growing problem. If it can happen to Kansas City, Kansas it can happen to any municipality in Kansas. Please help us stop this, either through passage of this bill, or by disallowing construction of any incinerator until the health rights of all Kansans can be properly ensured.

Jan Grisnik  
426 North 5th Street  
Kansas City, KS 66101

Testimony of Nader G. Abed, Kansas City, Kansas

Mr. Chairman and Members of the Energy and Resources Committee:

Thank you for this opportunity to speak to you regarding HB #3002. I am speaking to you on behalf of the concerned citizens of Kansas City, Kansas. We are in support of your bill and the concept behind it to regulate out-of-state medical and biomedical waste.

Incineration is becoming a new way for disposing of biomedical waste, to reduce the amount of solid waste that goes into landfills. However, incineration is merely the transformation of 75% to 95% of the solid waste into toxic gases, particulates and volatile organic compounds. These will go into the air and spread over our community, our cities, and our land. It will eventually become part of the air we breathe, of the water we drink, and the food we eat. Incineration is nothing but a creative way of invisibly spreading waste over a large area, rather than dumping it into a landfill. If the waste was ours, we might accept the dangers and take responsibility; but it is not our waste.

We are here because we have a problem in our community. The new wave of medical waste disposal is hitting Kansas City, Kansas, as we are fighting the possibility of a second medical waste incinerator. The proposed location of this incinerator is in a low socio-economic neighborhood, following the trend of economic racism. In addition, it is less than a thousand feet from the Kansas River, and adjacent to Interstate 670. The smoke stack, as you can see from these pictures, will be on the same level as the highway. People will be driving into a colorless toxic fume day after day. The elevation of the smoke stack will be 100 feet, which is the same elevation as the surrounding community. The wind will scatter toxins and particulates right into our city. The toxins coming out of this incinerator are going to go directly into our houses and into our lungs. Whatever we do not breathe will eventually wash

(OVER)

3/4/92  
House E+NR  
Attachment 4

into our river.

We believe that it is not fair to accept this from a waste problem that is not ours. The regulations on emission control are old and inadequate to ensure our safety and our well being. Incineration is a new technology that has not been thoroughly tested, and we do not want to be the guinea pigs of this technology.

Members of the committee, I am here speaking on behalf of every concerned citizen in this state to help us protect what we have. We need to protect our air, our land, and our cities from somebody else's medical waste. Please help us.

Thank you very much.

Nader G. Abed  
426 North 5th Street  
Kansas City, KS 66101

House Bill No. 3002

John P. Ryan

4 March 1992

I urge the Committee to approve this bill. I believe that Kansans are willing to take responsibility for their wastes. And I know, from the reactions of our neighbors, that they -- we -- are opposed to accepting wastes from other states.

I believe that it is appropriate for the Legislature to consider this legislation because medical waste is not only a local problem. It is a problem that, I contend, ought to be considered as a state-wide issue. First, in the literature about these wastes is substantial support for regional sites that would reduce the problems of local incinerators with outdated technologies. Second, the fact that we are here is evidence that the local procedures that led to the approval of the toxic site are woefully inadequate. Tougher expert questioning, more concern for the health and lives of residents, closer monitoring of the process to insure compliance with the original proposal were (and are) not sufficiently present in the history of this proposal. Our community, and I suppose other communities, are vulnerable to making decisions that appear sound, but which do not satisfy environmental and popular concerns.

Although it is a local problem that has brought us here today, it is a problem that, I believe, requires a state-wide solution.

3/4/92  
House E+NR  
Attachment 5



# SIERRA CLUB

## Kansas Chapter

Testimony to House Energy and Natural Resources

on HB 3002

Banning Incineration of Out-of-State Medical Waste

The Kansas Chapter of the Sierra Club supports passage of HB 3002 as the first and necessary step in dealing with the problems of Bio-Medical Waste Incineration (BMWII). The incinerator proposed in Kansas City, Kansas would be in the midst of a community that has been subjected to far more than its share of pollution and toxic exposure. Transporting more waste from out-of-state only adds to the injury. However, this community is not alone in dealing with the risks of Medical Waste Incineration.

BMWII is considered as bad or worse than solid or hazardous waste incineration. This waste stream contains heavy metals, especially Chromium (Cr+) and Mercury (Hg), from "sharps" and other metal objects. The other major toxic components are chemical compounds such as PCDD and PCDF created in the incineration of certain types of plastics which make-up a large part of the medical waste stream. Stringent emission controls in a well regulated regional facility, coupled with a program to separate metals for sterilization and grinding and a switch to less toxic producing plastics could greatly reduce the risks of BMWII. However, even under those circumstances BMWII facilities should not be built in the middle of cities where more people risk of exposure.

Our concern is that HB 3002, as written, may not stand against an Interstate Commerce Commission (ICC) challenge as "interference with interstate commerce". As members of the committee may recall that is the same reason that states cannot simply ban all out-of-state trash. We suggest the effort may have a better chance with a temporary moratorium on importation of waste pending development of more stringent emission regulations and a program to reduce the toxicity of the medical waste stream. With such a plan in place a state may ban importation of waste from states which do not meet similar waste stream requirements.

A two-step process is needed: 1) enact a temporary moratorium with criteria that may allow it to withstand an ICC challenge 2) start a program to better regulate BMWII in Kansas that will deal with both imported and our own waste.

3/4/92  
House E+NR  
Attachment 6

FURNISHED by John FREE

# The LINN COUNTY NEWS

PLEASANTON, KS. 66075

USPS 439-920

VOLUME 16 NUMBER 9  
JUNE 14, 1990

Remember  
FATHER'S DAY  
JUNE 17<sup>th</sup>

## Commissioners discuss HORL

**MOUND CITY**—Joseph Terry, a private police officer, who works for Home Office Reference Labs (HORL) in Overland Park, approached the Linn County Commissioners at their weekly Monday meeting and asked them if they had made a decision about letting HORL put in a medical waste incinerator near the Linn/Miami county line.

Terry said current suppliers wouldn't be able to legally dispose of the waste from area labs and hospitals at the rate waste was increasing. As an example Terry said 1,500 to 2,000 new AIDS cases had been reported in the KC area last year. Terry said on two occasions that he felt, without the incinerator, companies would be disposing of hospital wastes illegally and if they did this they would not be dumping in the KC area but would go to rural areas.

Terry said if the incinerator was run correctly it would be a sterile and clean operation and that EPA officials would be conducting compliance tests ever other week.

Commissioners Frank Gable and Marshall Tatum both expressed opposition to the proposal. "This wouldn't be a good time to raise the issue in this county," said Tatum.

Gable questioned Terry as to why choose Miami and Linn counties. "Why not Franklin or Douglas or some of the Missouri counties?" Terry replied that most of the waste was in Johnson County and that Miami and Linn offered the shortest routes.

Before leaving Terry asked them what their stand would be if he was to acquire a zoning permit from the state. Both said their stand would be the same.

Linn County Historical Society president Ola May Earnest attended and said she had asked society members at Sunday's meeting how they stood on the window replacements the county was considering for the courthouse. Earnest

said the group decided they wanted to see the building maintained in its original state which meant staying with the existing windows.

In other matters, the commissioners:

—approved allowing up to \$500 towards promoting the National Guard after hearing Gordon Gorrell, Centerville, chairman of the Civilian Board of the National Guard in Linn County, advise National Guard Appreciation Day had been set for August 7 and that it probably would be held at the armory in Pleasanton. Gorrell said 60 invitations would be sent out. Gorrell also said three promotion days were being considered in September for the cities of Pleasanton, Mound City, and La Cygne.

—questioned Marilyn Augur about the increase in numbers and money for the seniors nutrition project's 1991 proposed budget before approving it on the condition that it fit the overall budget. "I have a problem with their being 4,000 (estimated) seniors in Linn County and in this particular project we're only covering around 250 people," said Gable, "it's a very small percentage that we're spending a lot of money on." Gable said he was getting feedback from seniors who were not using the program on the order of, "Hey, I'm a senior citizen, but I'm not getting any give-mes from the county." This year's budget is asking for approximately \$10,000 from the county over last year's amount.

—heard Roy Felix complain of sewer problems he was having in his yard in Pleasanton which he said stemmed from a neighbor not repairing a sewer line. The commissioner recommended that he appear before the Pleasanton City Council.

—accepted Luther Weller's resignation from the Pleasanton Senior Center's Building Board.

—asked Richard Long to check out sewage lines at the Linn County race track in Pleasanton.

—asked Long to followup with County Counselor Jim Wisler about KCP&L stand on installing a guard rail along the lake at the power plant.

—talked with appraiser Stephanie O'Dell about Snyder Properties, Topeka, wanting to get a procedure change for appraising Lindentree Apartments, a low income federally funded apartment complex in La Cygne.

—heard Richard Wurtz, secretary of the Linn County Economic Development committee discuss the June 12 dinner meeting at Cedar

Crest. Wurtz said Tom Cantwell, from Georgia, would be discussing business recruitment for Linn county at the meeting.

—approved Elley Davey spending \$1,200 for a computer disc that would allow her to sort records by their legal description which would give the department easier access to current and dated tax records. Before approving County Clerk Richard Read was called into the room for his consent. Although Read would not give a complete approval, he did say, "If everything everybody has told me is right. I don't have a problem with it."

## Early morning fire guts Winsky home

**PARKER**—An early morning fire gutted the Frank Winsky home on the east side of Parker on Wednesday, June 6.

Both Parker and Centerville fire stations responded to the 7:31 a.m. call that was made by a neighbor who saw smoke coming from the porch. Frank and were on vacation and were due back later in the day.

Ten firefighters, four trucks and a

dozen citizens assisted in the fight to control the fire. Some of the men worked four hours fighting the intense blaze.

Two tankers and two mini-tankers pumped over 7,000 gallons of water into the structure.

Some items were removed from the house by some of the firemen. One fireman broke an axe trying to break open a spot in the roof.

## Mound City Council meets

**MOUND CITY**—Don George represented two roles in addressing the City Council last Wednesday, June 6. First, as chairman of the Linn County Duck's Unlimited Club, George said he would like to have a fishing tournament at Mound City Lake on a Saturday sometime after July 4th.

George asked the Council permission not to require fishing and boating permits for the day of the tournament. George said the tournament would be primarily a catch and

release but that contestants would be allowed to keep certain kinds of fish. George said the money earned would go to Duck's Unlimited, which would use the money for waterfowl conservation.

In his other role as a State Fisheries Biologist, George advised he had put 5,000 Walleye fingerlings into the rearing pond at the city lake.

Mary Winter-Smith, Jo Ernel, and Pam Hurt, members of the Mine Creek E.H.U., attended the Council

(Con't to page 2)

3/4/92  
House EX NR  
Attachment 7

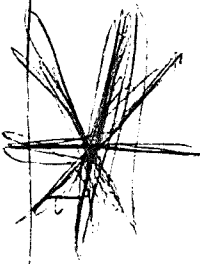


*She lived  
just too  
close to  
the  
incinerator*

In Caldwell, at the top of Lick Mountain, was the hazardous-waste incinerator folks were complaining about. The smell wafted from Mount Hermon Methodist Church to Baxter's Store, like old honey or an over-heated motor. "One child, who died of leukemia, had hair analysis showing that she had huge concentrations of lead, mercury, cadmium, selenium, and arsenic in her body," said L. C. Coonse, a high-school chemistry teacher.

Nationwide, according to an EPA computer printout, there are only 16 commercial incinerators for hazardous waste and another 235 operating privately at various plant sites where the wastes are generated to begin with.

The near future may see issuance of permits for eighty new ones.



Despite progress with other sorts of contamination, especially in cleaning some of those notorious, water-poisoning dumps, New Jersey, by 1987, still had very critical problems with its air emissions. It had become clear, says Ronald Harkov, a scientist at the state's Department of Environmental Protection (DEP), "that the so-called noncriteria pollutants may be at least as important as the criteria pollutants. The greatest health risk from the environment is from the air. The public will freak out about these compounds when they're found at trace quantities in the water, but they're a hundred times those levels in the air!"

Speaking of the same problem, Richard T. Dewling, commissioner of the DEP, told me, "We really don't understand it—we don't understand the total impact. I think it's the next era of the environment: trace contaminants in the air. Dump sites don't present the eminent-type hazard of air emissions."

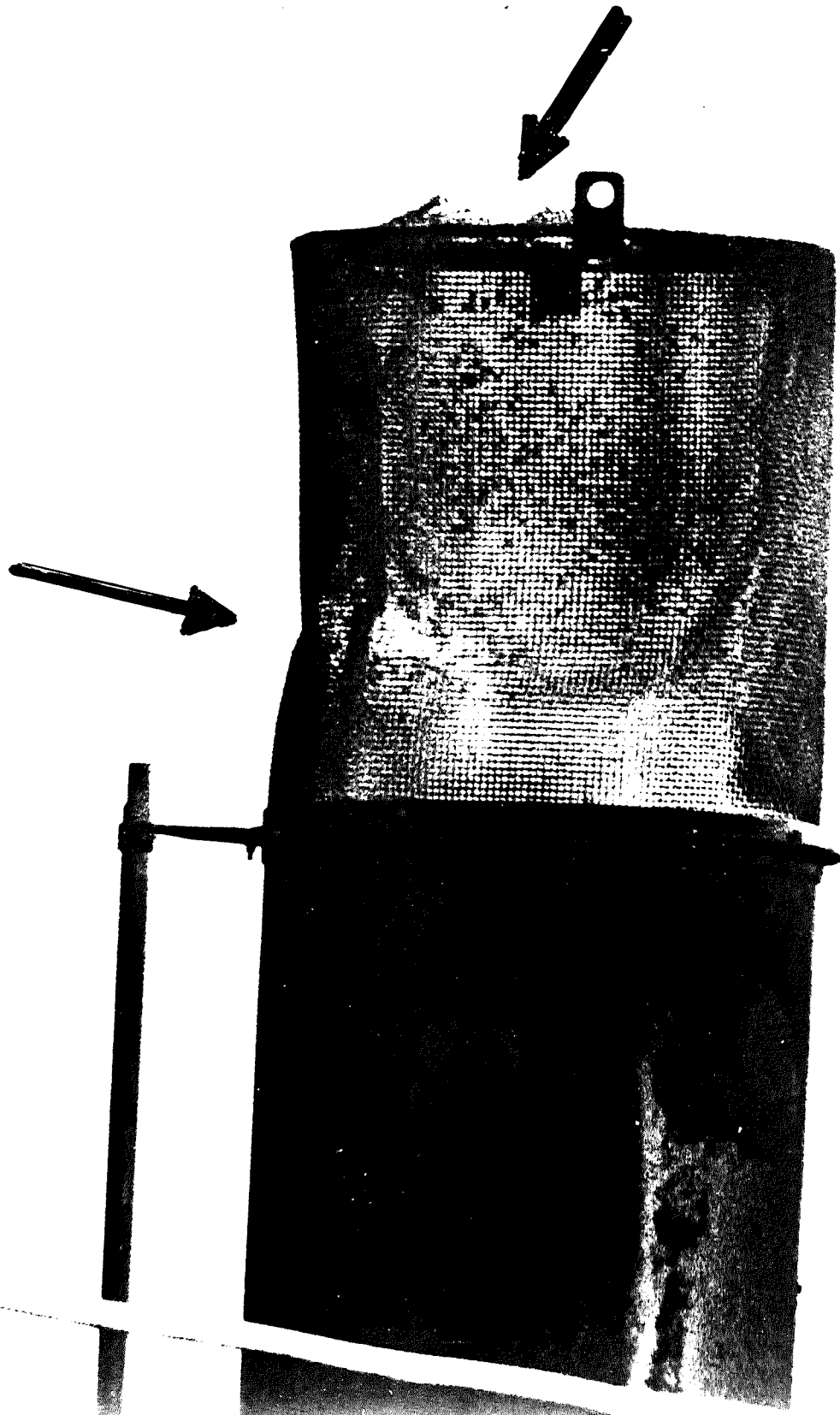
Much of the northern part of the state is composed of rolling hills and affluent suburbs. But nobody—not in Glen Rock, not in Upper Montclair—can be totally free of the insidious molecules spreading from the many dumps. These landfills are in some cases several stories high: gull-ridden, paper-strewn mountains of trash rich in tales of buried Mafia corpses and other midnight dumping.

According to popular lore, some of the bodies were crammed into fifty-five gallon drums. Others were dissolved in acid.

With the supervision of an Essex County detective, I interviewed an informant who, driving his fur-lined-interior Mercedes up a squalid dirt road near one of the dumps, said he had participated in a number of mob killings and that the bodies ended up either in an asphalt hopper, in a local incinerator, or "would be left in the back with the chemical shit and covered with a bulldozer."

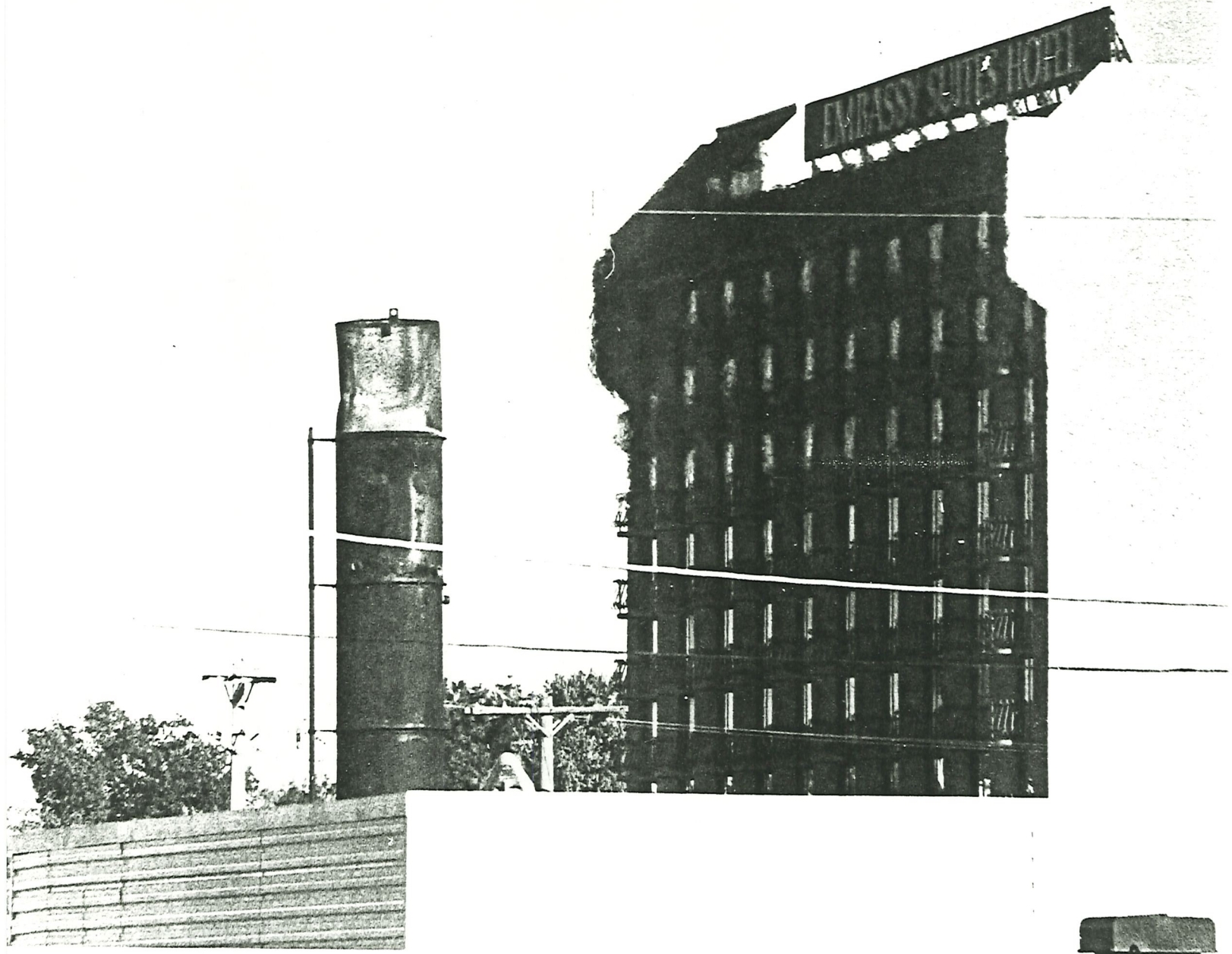
At night, through the eerie rolls of fog, lights twinkle on the risers and standpipes—on the reactors and fractionators of a refinery—like stars in a synthetic firmament.

*The Above Taken From  
The TOXIC Cloud  
By Michael Brown*



7-3



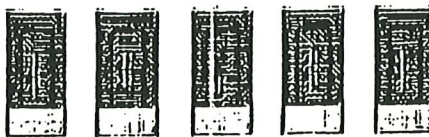
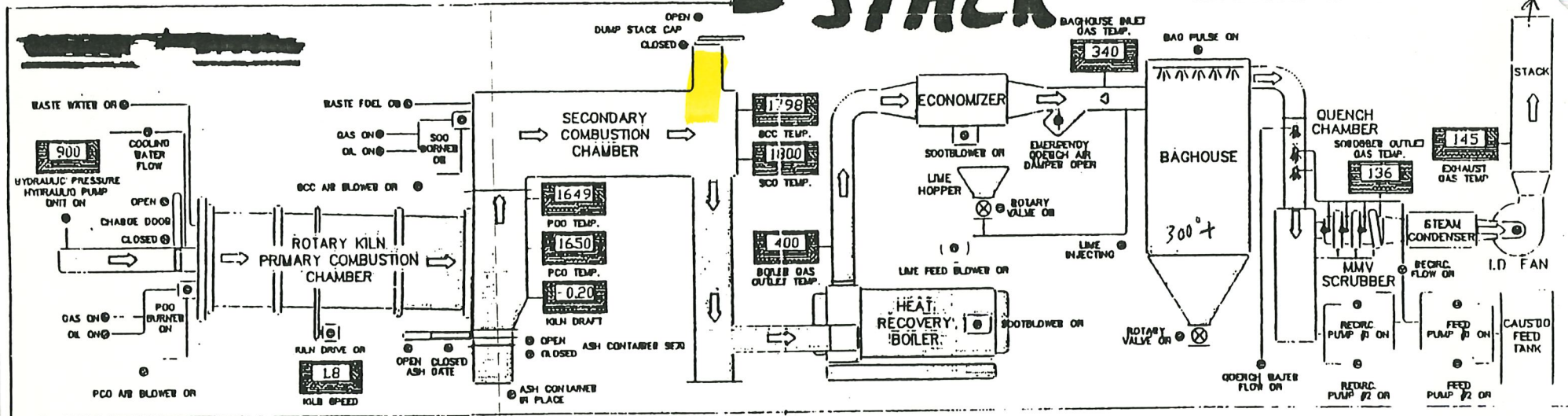


7-4

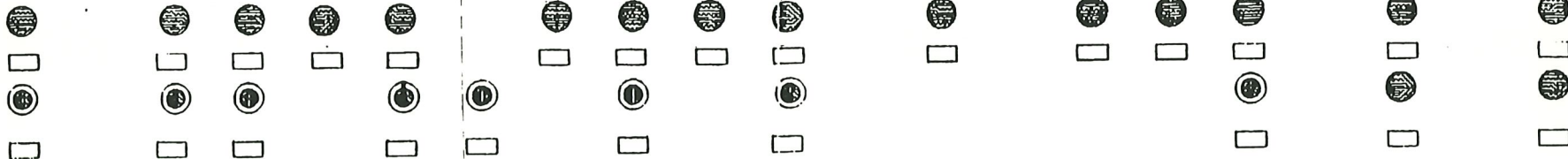


7-5

# DUMP STACK



130-140°  
no wet scrubber



Best Available Technology

1991

ATTACH. 3-B

9-6

## NO NINJA TURTLES FOUND HERE!

taken from a Dec. 20, 1990 a speech before  
KCK's City Council

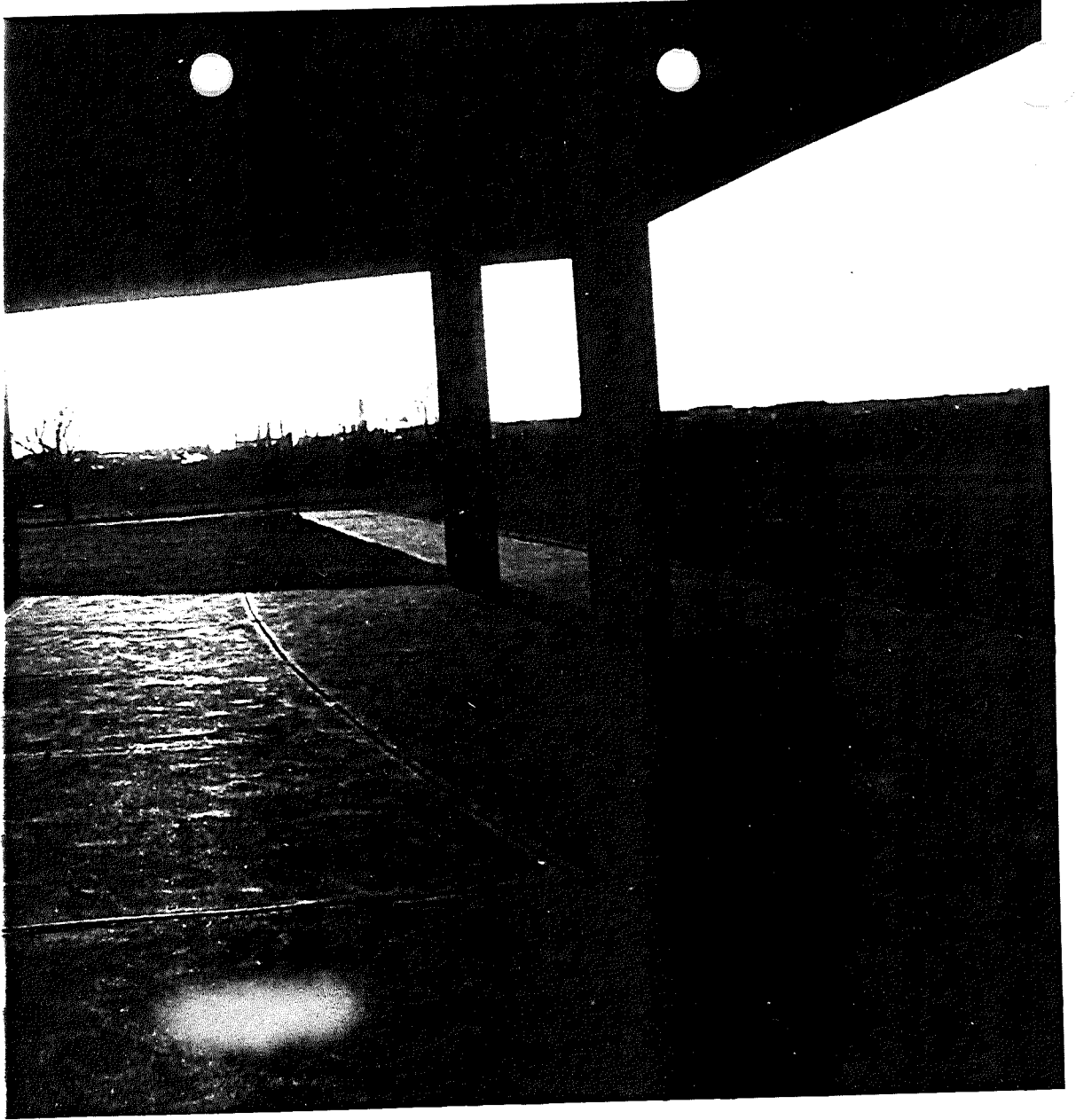
by John Freed

6-9  
"...and speaking of things that are not what they really appear to be, let us take a moment to look into that #% @!&\$ medical waste incinerator on 7th Street Trafficway in the Fairfax District. On the eve of Thanksgiving past, 7:30 pm, a back hoe dug up some gravel & dirt near JB-S #109. We're talking after the sun went down, in the dark, a back hoe digs & digs & digs, on the day before a holiday. My curiosity was instantly piqued - but my camera was at home, and upon returning to this mysterious scene, I was dismayed to see everybody and equipment up and gone, only a couple of flashing A-Frame warning signs, loose gravel & mud remained. The question is not so much WHAT were these men doing in the dark of night across the street from a fuming medical waste incinerator, but why did the mud that they dug up have such a pungent, stinky odor! I can only surmise that the "safe" water that was tested coming from the rinse of the ashes of the medical waste incinerator cooling process, must have been so hot that the steam that comes out at ground level from storm vent #110, must have seaped from the 4'x4' sewer containment box it is supposed to stay in, and attacked the ground around it and "up from the slimy grave it arose" with the help of the mighty back hoes, and came to rest on the surface where anyone with a nose as big as mine could easily smell it. Here is a sample of the dirt they were digging up, something real nasty is brewing down there."



The city's response: "Please be advised that to the best of my knowledge the "bad odor" that Mr. Freed has referred to was a pipeline leak in the utility corridor beneath the 7th Street Bridge just South of Funston Road. Two Engineering Department staff members attempted to locate the odor and were unsuccessful..." What about the dirt sample left with the council? To date it has never been tested.





COASTAL REFINERY  
&  
EL DORADO High School

WHAT AN  
EDUCATION!



7-10

8  
12. 1976

Two months later PCI suffered an accidental spill while transporting a chemical waste to the El Dorado facility from Kansas. Based on what Ensco thought was in the waste load, no alarm was sounded over the spill. However, the load was mislabeled and severe wildlife kills resulted along the stream where the spill took place. The accident and especially the mislabeling fueled public opposition to the PCI operation. Residents were not only fearful because wastes being brought to El Dorado were lethal but also because if those wastes were mislabeled, there would be no way of knowing what the dangers really were. These fears added to existing concerns over odors from wastes being stored at the PCI site.

In January of 1977 the mayor, responding to concerns over the spill and odors and general citizens' fears over the development of a hazardous waste facility, appointed a committee to investigate PCI. On the committee were represented local elected officials, business leaders and the general public. The committee hired a noted consulting firm with experience in this area to conduct a technical investigation of the PCI facility and its operation. During the consultant's investigation, PCI's president answered the public opposition with his own letter to the editor. He admitted to and explained some of the odor incidents and tried to dispel the fears of fires and explosions. The letter described the operation of the plant and the sophisticated monitoring systems. PCI also was said to expect that the consultant's report, OSHA reports and EPA ambient air quality studies would confirm the safe operation of the plant and, if necessary, correct any shortcomings. The president of PCI noted that there were chemical industries in the area producing hazardous materials in much greater concentrations than those handled by PCI, and pointed out that PCI did not generate the wastes, but merely treated them and rendered them harmless.

In February construction of the incinerator was completed and a month later it came on line. In the summer of 1977 PCI publicly announced its name change to Ensco and its intent to operate a thermal oxidation (incinerator) process on the El Dorado site.

EPA had had tests conducted on the Ensco incinerator in June of 1977. The final report of the EPA contractor, published in May of 1978, called the test one of the most intensive and exacting tests ever performed on a commercial-scale incinerator. The tests were conducted on four consecutive days. The materials incinerated were polychlorinated liquids similar in chemical structure and combustion characteristics to PCBs. Test results showed the destruction efficiency to be greater than 99.99 percent, and confirmed the operational capability of the unit.

In July of 1977 a permit was granted by the state for full operation of the incinerator as long as no fuel was burned which is recognized to be more difficult to thermally decompose than polychlorinated hydrocarbons,





Cit. for A Reas. Environ.  
John Freed - Coordinator  
825 State Ave. - Suite B  
Kansas City, KS 67101

**Mrs. Kaye Kiker  
491 Country Club Road  
York, Alabama 36925  
(205) 392-7443**

April 25, 1991

TO THE CITIZENS OF KANSAS:

I live in Sumter County, Alabama. Chemical Waste Management, Inc. operates the nation's largest toxic waste dump in Emelle. It is imperative that citizens who live near waste dumps reach out to other communities in a network of information and concern.

In 1977, a new industry sited in Sumter. It was to be a landfill. One of the owners, Governor George Wallace's son-in-law, easily obtained the first and only hazardous waste disposal permit in Alabama. In 1978, the site was sold to Waste Management, Inc. of Oak Brook, Illinois. Waste Management, Inc. is the parent company of our site called Chemical Waste Management, Inc. and also of Chem Nuclear of Barnwell, South Carolina.

Many promises of prosperity were made to us. We were told that the toxic waste dump would provide many jobs for our citizens. We were told that industry would come to our county in order to take advantage of the lower transport cost of hauling waste. We were told that it was our patriotic duty to host the dump. We were told that we had perfect geology and that the dump would not leak in 10,000 years. We were told that the site would only be accepting materials such as glue and paint.

In 1978, our unemployment rate was 5.8%. This increased to 21.1% in 1986 because we lost seven industries and many small businesses. One of our two hospitals closed and the other one is in serious financial trouble. Two thousand of our work force left seeking jobs elsewhere. Our population has decreased dramatically and our housing market is flooded. In order to get much needed funds for the schools, the citizens of Sumter County voted to increase the ad valorem taxes by nearly thirty percent giving us the third highest rate in the state even though we are one of the poorest counties in the nation.

Since 1978, we have lost ten large industries and countless small businesses, and the only jobs we attract are small, minimum wage jobs. In 1988, our average yearly per capita income was \$9300.00. We may never overcome the stigma of hosting a toxic waste dump. Our largest employer now is the dump.

7-12

Near the dump, many people are fearful of the risks they take by living near the giant landfill. The Mayor of Emelle testified at an EPA hearing that in 1984 his home appraised at between fifty to sixty thousand dollars. In 1986, the mayor had his home re-appraised in order to get a home improvement loan from a bank. This time it was valued between fifteen to twenty thousand dollars. When he inquired why, he was told it was because he lived too near the dump. He did not get the loan.

As many as forty-eight states and several foreign countries have dumped in our county. Each year the tonnage increases. About 800,000 Tons of toxic waste and deadly poisons was dumped here in 1989. Already millions of tons of toxic waste is in our ground and over three major Alabama aquifers. About forty percent of the nation's Superfund waste comes here. Even though CWM is not permitted to receive radioactive waste or Dioxin, they have illegally accepted it.

We have been experiencing contamination problems since 1984. Deadly PCBs were discovered in a creek and along our roadsides. Monitoring well samples have revealed increasing amounts of toxic substances. Spills, fires, explosions, evacuations, dangerous emissions, and noxious odors are common. The company calls these incidents "employee errors." We are never prepared for the spills and accidents on the highways. The EPA is presently monitoring a contamination plume which is spreading beneath the surface. Last July, we experienced an orange emission cloud and a toxic waste truck accident resulting in a spill of 30,000 lbs. of Phenol contaminated soil from New Jersey.

Waste Management, Inc. has a long history of violations. They have been convicted of criminal activity. Even though our state regulatory agency has an office at the site, it has not been able to prevent the company from breaking laws. CWM officials say that violations are just a part of doing business. Last year, the EPA imposed a \$123,000.00 civil penalty for violations. Our state agency fined them \$15,000.00 and ADEM is now considering new charges for recent violations.

Although the original site encompassed a few hundred acres (340), it has increased to 2700 acres. The disposal cells are immense. Only the last cell is lined. The site is in operation twenty-four hours daily.

CWM planned to construct the largest toxic waste incinerator in burning capacity at the dump by 1984. However, there was considerable local and statewide opposition. The Mayor and City Council of Emelle passed a resolution against it, as well

7-13

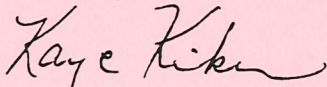
as a medical association. CWM told us it would burn 6.2 tons per hour of waste, but they planned to burn nine tons per hour according to out of state documentation.

It is much easier to stop a proposed site before it opens than after the land has become contaminated. In an attempt to control the increasing tonnage dumped in our state, the Alabama Legislature passed laws last year, however, CWM challenged the laws based on federal interstate commerce laws. Our entire congressional delegation tried to stop one Superfund site from being dumped at Emelle and the attempt failed. Once these sites open, it is next to impossible to close them down.

The EPA calls this dump the "Cadillac of landfills" and "the state of the art." If this is the best one can expect, there is much to be alarmed about. The only thing toxic waste dumps attract is more toxic waste.

We have a responsibility to be stewards of the earth. All landfills eventually leak. Incineration exposes people and the environment to harmful products of incomplete combustion. We must voice our concern and protect our most valuable resource--our families. Don't let what has happened to us, happen to you.

Sincerely,



Mrs. Kaye Kiker

BEFORE THE COMMITTEE ON  
ENERGY AND NATURAL RESOURCES  
OF THE HOUSE OF REPRESENTATIVES

Testimony of Jeff Tindle  
President, Association of Independent Hospitals  
8300 Troost, Kansas City, Missouri 64131

House Bill 3002

3/4/92  
House E+NR  
Attachment 8

Good Afternoon Ladies and Gentlemen: On behalf of the Association of Independent Hospital, I want to thank you for the opportunity to make a few remarks and comments.

I am the President of the Association of Independent Hospitals. AIH is a not-for-profit association of 32 hospitals, mostly smaller and rural hospitals in Missouri and Kansas. Eleven of our hospitals are located in the State of Kansas, and mainly in eastern and northeast Kansas. Our organization is governed by the Administrators and CEOs of the member hospitals, and that is governing board that I report to.

AIH is an alliance designed to assist hospitals survive in a very intense and competitive environment. We offer to our members a variety of services, but usually at a preferred rate or price less than what is available through other buying groups or associations. For example, the kinds of services that we provide our hospitals range from mobile mammography coaches to collection of delinquent patient accounts. AIH has approximately 40 employees, and is headquartered in Kansas City. We believe we have made some impact on behalf of our members in the effort that all rural hospitals are making to keep health care as affordable as possible, while at the same time surviving so that the mission in the community can be accomplished.

On behalf of the association and particularly the 11 Kansas hospitals in our association, I want to speak in opposition to House Bill 3002. In 1989, our membership began to notice the escalating cost to dispose of infectious medical waste. For those of you who are not intimately acquainted with the issue, in the middle 1980s the federal government enlarged the definition of what constitutes infectious medical waste and also increased the requirements for the safe disposal of such waste. The definition of infectious medical waste is so broad that when a patient blows his or her nose in the hospital into a kleenex, the soiled kleenex comes within the definition of infectious medical waste and has to be disposed of like any other infectious medical waste. Unlike the large metropolitan hospitals, rural hospitals in both Missouri and Kansas found that the commercial services available to dispose of infectious waste were neither plentiful nor economical. Many large hospitals, due to their size, have constructed their own infectious waste incinerators, rather than using a commercial service. However, increasing regulations and cost are causing many hospitals to re-think operation of individual incinerators. Regardless, the vast majority of the members of AIH are not large enough to justify this tremendous cost. Also, the ability to develop the capital to build an infectious waste incinerator is a problem. We surveyed a number of our member hospitals in the Fall of 1989 and found that the price per pound to dispose of infectious waste by commercial providers ranged between 55 and 62 cents per pound. We also knew that the national average for disposal was considerably less, and

believed that through our joint efforts we could build and operate our own waste incinerator to offer a badly needed service to our membership at a far more economical price. Interestingly, shortly after the filing of our Application for a Special Use Permit to build the incinerator in Kansas City, Kansas, the price began to drop for our member hospitals to a range of 29 to 32 cents per pound. That price has essentially remained the same since that time. At the time we filed our Application in the eight-county metropolitan Kansas City area (Leavenworth, Wyandotte and Johnson in Kansas, and the five metropolitan counties in Missouri) there was only one other existing and operating waste incinerator which was in Kansas City, Kansas. Its owner and operator is Browning Ferris Industries.

After considering the time constraints for permit and construction completion, AIH member hospitals elected to begin operating an interim disposal service. AIH currently services over 120,000 pounds of medical waste per month for over 30 hospitals and 200 physician offices respectively. AIH provides management support for the infectious medical waste, supplies and hauling of the waste to an existing waste destruction site.

The development of the interim service and submission of applications for the Special Use, Air Quality Control and Solid Waste Operating Permits have cost AIH in the range of \$400,000 to

84

date. This does not include land and equipment cost. We are very committed to completion of this project.

AIH was able to locate in Kansas City, Kansas a piece of land, that is zoned heavy industrial, that we believe is very suitable to build and construct a waste incinerator. We applied, and on May 31, 1990, by a vote of five (5) to two (2) the City Council of Kansas City, Kansas issued a Special Use Permit. Like today, there were several people who opposed the application, but we also wish to make the point that there are a number of people who supported our application. All three (3) hospitals in Kansas City, Kansas, none of whom at the time, or even today, are members of AIH, supported our application to build this facility. Mr. Chairman, I would like to ask that the Committee consider as part of my presentation what has been marked as Exhibits "A", "B" and "C", which are letters of support that were considered by the Kansas City, Kansas City Council. These letters are from the University of Kansas Medical Center, Bethany Medical Center and Providence-St. Margaret' Health Care Center. Not only do these hospitals support our Application, several of them have sent representatives to City Council Meetings and have publicly spoken in favor of our project. The point that we stressed to the City Council of Kansas City, Kansas and one we wish to make again today is that we are a not-profit-organization. The purpose of our incinerator is to support our hospitals and provide for them an economical and safe method to dispose of infectious medical waste. We currently serve KU Medical



Center and will make available to the other two (2) hospitals that supported our application the services of our facility, and we anticipate that it will be at a price that is less than what is generally available through commercial providers.

In addition to the support of all of the local hospitals, the neighboring businesses in this heavy industrial area were also supportive of our application. Our proposed facility will be immediately adjacent to a large chemical plant and a construction materials supplier. Mr. Chairman, we ask that the Committee receive and consider Exhibits "D" and "E" in connection with our facility.

In addition to the foregoing described support, the City Council was encouraged by representatives of organized labor to support our project and we would ask Mr. Chairman that Exhibits "F" and "G" be received in evidence and considered by you and your committee members in deliberating on this Bill.

Mr. Chairman, I would like to next briefly touch on safety concerns that were raised by members of the City Council when they considered our application in May of 1990. AIH has employed E. T. Archer & Company, one of the leading environmental engineering firms in the midwest, to design the facility and supervise its construction and equipping. The proposed facility was reviewed by Professor Doull, who is an M.D. and Ph.D. Professor of Pharmacology

86

and Toxicology at the University of Kansas Medical Center. Parenthetically, Dr. Doull is a consultant and advisor to the Kansas Department of Health and Environment and has been so since 1983, and is a member of the Toxicology Advisory Committee. He is an advisor to the Secretary of the Environmental Protection Agency, and is Chairman of the Committee on Toxicology of the National Academy of Sciences of Natural Research Council. Dr. Doull personally appeared before the City Council of Kansas City, Kansas and assured them that the facility AIH proposes to build not only will be state of the art, but will incorporate the most recent technology that is available. Our Air Quality Permit is about to be considered in a public hearing, and I will not only assure you but the other members of the Committee that when our facility is completed, it will be the most advanced facility in the State of Kansas, if not the entire country, and will meet or exceed all EPA and Kansas Department of Health and Environment Rules and Regulations regarding emissions.

The Bill that is before you, if passed, will stop the construction of our facility. Because we have hospitals located in both states, Missouri and Kansas, infectious waste will have to be transported across a state line for incineration. We submit to the Committee that for Kansas hospitals, as well as any hospitals, safe incineration is the best solution at this time for disposal of infectious medical waste. To allow House Bill 3002 to become law eliminates entirely the ability of at least 11 rural Kansas

hospitals plus three Kansas City, Kansas hospitals to safely and economically dispose of medical waste. You must remember that if this Bill becomes law then there will remain only one infectious medical waste incinerator in the eight-county metropolitan area. If there is not competition the cost of waste incineration we predict will dramatically increase. This cost will get passed on to Kansas consumers of health care and it is neither fair nor sensible for them to have to bear that cost while commercial for-profit providers, who are not headquartered in Kansas, profit. We also wish to remind you that while our association is made up of 32 hospitals, you need to keep in mind that the people who govern these hospitals are local citizens and community members who, like us, do not have any intention of establishing a facility that is anything other than safe and efficient. The 11 Kansas hospitals want this project, so that they will have the ability to remain competitive during difficult economic times.

Thank you very much for the opportunity to be here today.

# The University of Kansas Medical Center

Office of the Executive Vice Chancellor

March 22, 1990

Jeff A. Tindle  
President and CEO  
Association of Independent Hospitals  
Waste Management/Incineration, Inc.  
8300 Troost  
Kansas City, Missouri 64131

Dear Mr. Tindle:

It is my pleasure to write this letter in support of your effort to construct and operate a medical waste incinerator in Kansas City, Kansas.

The University of Kansas Medical Center has worked several years to install a medical waste incinerator. Several attempts to design and construct such a facility have been thwarted by an inadequate project budget which had been approved several years ago by the Legislature. Even though the Kansas City-Wyandotte County Department of Health issued on April 17, 1989, an approval to construct a medical waste incinerator on our campus, we have elected to shelve this project for the foreseeable future. In addition to budget constraints, one of the major factors in this decision was our affiliation with the Association of Independent Hospitals and your plans to construct and operate a facility which could address our future medical waste disposal needs. Needless to say, we are disappointed with and frustrated by the difficulties you are experiencing in locating a state-of-the-art medical waste incinerator in Kansas City/Wyandotte County.

As attested by our plans to construct a medical waste incinerator, we believe high temperature incineration is one of the best, if not the best and most environmentally sound method for disposing of medical services waste. Every hospital, physician's office and veterinary clinic generates medical services wastes which must be disposed of properly. The comprehensive program being offered by the Association of Independent Hospitals Waste Management/Incineration, Inc. clearly addresses public concerns about this specialized waste stream and meets a genuine need of every health service provider in the community.

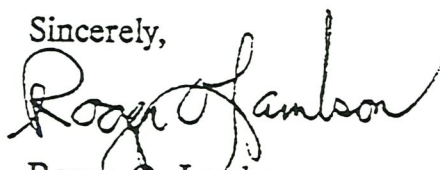
EXHIBIT A

8-9

Jeff A. Tindle  
March 22, 1990  
Page Two

If there is anything further we can do to help, please do not hesitate to call on us.

Sincerely,



Roger O. Lambson  
Vice Chancellor for Administration

ROL:dal

cc: D. Kay Clawson, M.D., Executive Vice Chancellor  
David T. Isabell, City Administrator  
Dean Katerndahl, Director of Economic Development & Planning  
Councilman Richard A. Ruiz  
Mayor Joseph Steineger

8110

John L. Millard, FACHE  
President

March 26, 1990

Dear Mr. Tindle:

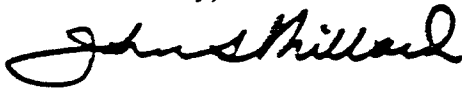
The purpose of this letter is to state our expression of support for your effort aimed at constructing and operating a medical waste incinerator in Kansas City, Kansas.

It seems clear to us that your project is designed to provide a medical waste processing facility that will meet the highest possible standards and address an important need of not only our hospitals, but for the community at large.

We welcome another provider of the service to help maintain high quality services and competitive prices. In addition, your project makes a great deal of sense because it helps to avoid an immense amount of unnecessary duplication of capital expenses among hospitals, a factor which will indirectly effect savings for future purchasers of health care.

Best wishes.

Sincerely,



John L. Millard

dkd

Mr. Jeff A. Tindle  
President and CEO  
Association of Independent Hospitals  
8300 Troost  
Kansas City, Missouri 64131

~~CONFIDENTIAL~~ B



# Providence-St. Margaret Health Center

8929 Parallel Parkway

• Kansas City, Kansas 66112

• (913) 596-4000

March 28, 1990

Mr. Jeff A. Tindle  
President and CEO  
Association of Independent Hospitals  
Waste Management/Incineration, Inc.  
8300 Troost  
Kansas City, MO 64131

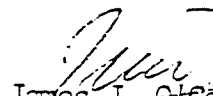
Dear Mr. Tindle:

Providence-St. Margaret Health Center endorses the proposal set forth by the Association of Independent Hospitals to establish a medical infectious waste incinerator in the Fairfax District. Such a business endeavor is environmentally prudent for our community. Not only hospitals, but other patient-care facilities (doctors' offices, health clinics, and even veterinary clinics) would benefit from a centralized, local incineration unit.

We are pleased that the Association of Independent Hospitals is taking action to offer an incineration service to area health care providers.

We support your efforts to establish a medical infectious waste incinerator in Kansas City, Kansas.

Sincerely,

  
James J. O'Connell  
Executive Director

JJCC:kw

EXHIBIT C

8-12



1217 W. 12TH STREET  
P.O. BOX 4090  
KANSAS CITY, MO 64101  
816/421-4070

April 9, 1990

Reverend E. A. Freeman, Chairman  
Planning and Zoning Commission  
City of Kansas City, Kansas  
Municipal Office Building  
Kansas City, Kansas 66101

Dear Reverend Freeman:

PBI/Gordon Corporation has been in business at approximately Third and Bunker for in excess of 40 years. We have become aware of the Application of the Association of Independent Hospitals to build a medical waste incinerator on the land adjacent to us and owned by River's Bend Red-E-Mix. We believe that this facility, as it has been described to us, will enhance the overall visual appearance of the area and will be compatible with existing uses of land. We wish to advise you that we have no objection to the Commission's acting favorably upon their Petition for Special Use Permit.

Very Truly yours,

A handwritten signature in black ink, appearing to read 'W. Everett Mealman', written over a horizontal line.

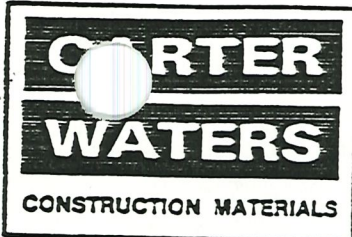
W. Everett Mealman  
President and  
Chief Executive Officer

WEM:csh

~~EXHIBIT~~ D

8-13





HIGHWAY MATERIALS

EXCELLART

CONCRETE ADMIXTURES

BUILDING MATERIALS

EPOXIES

PETROLEUM PRODUCTS

2440 WEST PENNWAY

• BOX 412578

• KANSAS CITY, MO. 64141

• 816/471-2570

April 6, 1990

Reverend E.Z. Freeman, Chairman  
Planning and Zoning Commission  
City of Kansas City, Kansas  
Municipal Office Building  
Kansas City, Kansas 66101

Dear Reverend Freeman:

Our company has received notice of the Application of the Association of Independent Hospitals to construct a medical waste incinerator on property adjacent to our's. We also have had an opportunity to visit with representatives of AIH, and they have supplied us with a preliminary set of plans and other information about their project. Based on the information they have provided us, we wish to express to you that we have no objection to the Planning Commission acting favorably on their request for a Special Use Permit.

Sincerely,

THE CARTER-WATERS CORPORATION

  
Jeff Hanes  
President

JH:dh

EXHIBIT E

814

HEART OF AMERICA AFL-CIO  
LABOR COUNCIL

625 W. 39th Street, Suite 202 • Kansas City, Missouri 64111 • (816) 753-1930

Council Meeting 2nd Tuesday, Each Month

May 29, 1990


Honorable Joseph E. Steinager  
Mayor, City of Kansas City, Kansas  
Municipal Office Building  
One McDowell Plaza  
Kansas City, Kansas 66101

Dear Mayor Steinager,

I want to formally request your support of the Medical Waste Incinerator Project that is being proposed by the Association of Independent Hospitals. Their organization has agreed that this will be a union project and it of course will provide jobs and benefits for our members. I view this project to be one that will benefit Kansas City, Kansas and its citizens, not only because of the additional economic development it brings, but because it will provide an opportunity to safely and responsibly dispose of medical waste.

Our membership wholeheartedly supports this project and solicits your support as well as that of the City Council.

Respectfully Yours,

  
Michael Fisher  
President

mf:mt

cc: City Council Members

~~CONFIDENTIAL~~ E

8-15

# International Union of Operating Engineers

AFFILIATED WITH THE AIOEO



HOISTING AND PORTABLE LOCAL NO. 101

6301 ROCKHILL ROAD, FIRST FLOOR

KANSAS CITY, MO. 64131

MAIN OFFICE PHONE (816) 381-8888

DISPATCH PHONE (816) 381-3300

SAM F. LONG, PRESIDENT AND BUSINESS MANAGER  
CARL MILLER, VICE PRESIDENT  
DONALD SPAW, FINANCIAL SECRETARY  
VINCENT ANSELL, RECORDS SECRETARY  
RODGER KAMINSKA, TREASURER

May 29, 1990

Honorable Joseph E. Steineger  
Mayor, City of Kansas City, Kansas  
Municipal Office Building  
One McDowell Plaza  
Kansas City, Kansas 66101

Dear Mayor Steineger,

This is a short follow-up to our meeting in your office earlier this week.

We want to formally request your support of the Medical Waste Incinerator Project that is being proposed by the Association of Independent Hospitals. Their organization has agreed that this will be a union project and it of course will provide jobs and benefits for our membership. We view this project to be one that is beneficial to the City of Kansas City, Kansas and its citizens, not only because of the additional economic development it brings, but because it will provide the opportunity to safely and responsibly dispose of medical waste.

Our union wholeheartedly supports this project and solicits your support as well as that of the members of the City Council.

Respectfully Yours,

Sam F. Long  
President & Business Manager

sfl:mmt

cc: City Council Members

EXHIBIT G

8/16

Jim Finney  
Governor

Jim Robinson  
Chairman

Keith R. Henley  
Commissioner

Rich Kowalewski  
Commissioner

Judith McConnell  
Executive Director

Brian Moline  
General Counsel



Wc 56  
**Kansas Corporation Commission**

March 8, 1991

Representative Kent Glascock  
Capitol Building  
Room 155-East  
Topeka, Kansas 66612

Dear Representative Glascock:

I am in receipt of a copy of a letter from Gerald C. Hostettler of our Public Information staff to a Mr. Ron Flowers. Mr. Hostettler refers to a telephone conversation wherein he advised Mr. Flowers "... the Kansas Corporation Commission (KCC) does not have any jurisdiction over the non-utility portion of any public utility in the state." The letter was sent in response to a telephone inquiry and should be somewhat clarified. Mr. Flower's interpretation that the KCC "do[es] not investigate or have jurisdiction over cross subsidization" is not accurate.

The Kansas Corporation Commission does have full jurisdiction over all retail electric and gas operations, with the exception of municipally owned operations and private companies serving a single community. Some, but by no means all, jurisdictional companies conduct collateral business operations. As pointed out in Mr. Hostettler's letter, these business operations are not regulated by the KCC.

However, the Commission does have jurisdiction and does monitor the financial activity of the regulated entity. It would be impermissible for a jurisdictional utility to use revenues from their utility operations to subsidize collateral business ventures.

Such subsidization, if it existed, would come to the Commission's attention in one of two ways. Utility books and records are regularly audited by our staff of experienced accountants and cross subsidization would emerge as part of the regular audit. Secondly, a formal complaint of such activity would trigger an investigation into the complained activity.

I hope the above is of some help.

Very truly yours,

Brian J. Moline  
General Counsel

BJM:gr

500 S.W. Arrowhead Rd.  
Topeka, KS 66604-4027  
Telephone (913) 271-3100

3/4/93  
House E+NR  
Attachment 9



TOPEKA

HOUSE OF  
REPRESENTATIVES

JOHN D. McCLURE  
REPRESENTATIVE, 119TH DISTRICT  
RT 1, BOX 124  
GLEN ELDER, KANSAS 67446  
(913) 545-3592

COMMITTEE ASSIGNMENTS  
VICE-CHAIRMAN: ENERGY AND  
NATURAL RESOURCES  
MEMBER: GOVERNMENTAL ORGANIZATION  
TRANSPORTATION

## TESTIMONY ON HB 3153

Mr. Chairman and members of the Committee, thank you for the opportunity to speak to HB 3153.

HB 3153 amends the underground storage tank trust fund law to open a window to allow people who owned a tank before December 23, 1988 and never used the tank to access the trust fund without meeting a deductible requirement. This opens a window for people, who inherited or bought property with tanks before December 1, 1988 and never used the tanks, to get problems cleaned up. KDHE has indicated that this window will allow a very limited number of people to access the fund and shouldn't be any threat to the fund's integrity. This provision will generally benefit small business owners and retirees who would have a difficult time meeting even a limited deductible.

The bill also amends the deductible section of the current law. It replaces the existing deductible with a \$3,000 base amount plus \$500 per tank per occurrence. For example an eligible owner with 5 tanks would pay a deductible of \$10,000 under existing law. With the proposed change, the owner would pay the \$3,000 base plus \$500 per tank for a total of \$5,500. This change was suggested by KDHE as a possible solution to the problems small operators have in meeting their deductibles.

These changes are the only substantive policy changes in HB 3153. All the other revisions in the bill are technical in nature and were included on the recommendation of the agency or the revisor's office.

I want to inform the committee that one of my prime interests in this issue is to establish a comparable trust fund for above ground tanks. Mr. Eddie Long from Kensington, Kansas, is here today to tell us about the environmental and economic impact on his community caused by a leak-

3/4/92

House E+NR

Attachment 10

ing above ground tank system. It wasn't possible to get all the details worked out on the above ground tank fund before the deadline for bill introductions, so I will be offering a substitute bill for the committee's consideration. I'm offering a substitute bill instead of a balloon, because so many sections of statute need minor amendments. A balloon would be very cumbersome.

The substitute bill incorporates the provisions of HB 3153 with language to create a separate above ground tank fund. The major provisions of the above ground amendments are as follows:

1. Establishes a separate above ground tank trust fund with a provision to shift the .01¢ per gallon assessment to the above ground tank fund when the UST fund fills up.
2. Provides for the same deductible established in HB 3153. A \$3,000 base plus \$500 per tank.
3. Excludes tanks at pipeline terminals from participating in the fund.
4. Excludes petroleum producers and refiners (same as UST program)
5. Exempts farm tanks under 1100 gallons from registration, but allows them to participate in the fund. (same as farm UST's).
6. Exempts all above ground tanks under 660 gallons from registration but allows them to access the fund.
7. Places the same caps on above ground tank liability as for UST's, but doesn't have the \$1,000,000 total cap for self insurers because federal law doesn't require self insurance for above ground tanks.

Thank you for your consideration.



Department of Health and Environment  
Azzie Young, Ph.D., Secretary

Reply to:

Testimony Presented to  
House Committee on Energy and Natural Resources  
by  
Kansas Department of Health and Environment  
House Bill 3153

My name is Larry Knoche, Bureau Director for the Bureau of Environmental Remediation of the Kansas Department of Health and Environment. I am here this afternoon to testify on House Bill 3153 which amends the Storage Tank Act passed by the 1989 Legislature.

House Bill 3153 amends the existing law by eliminating the distinctions between marketing, non-marketing and self-insured facilities regarding the deductible liability of owners/operators of petroleum storage tanks for costs of corrective action taken in response to a release. The amended bill, as proposed, requires a deductible of \$3,000 plus \$500 for each storage tank owned or operated in Kansas.

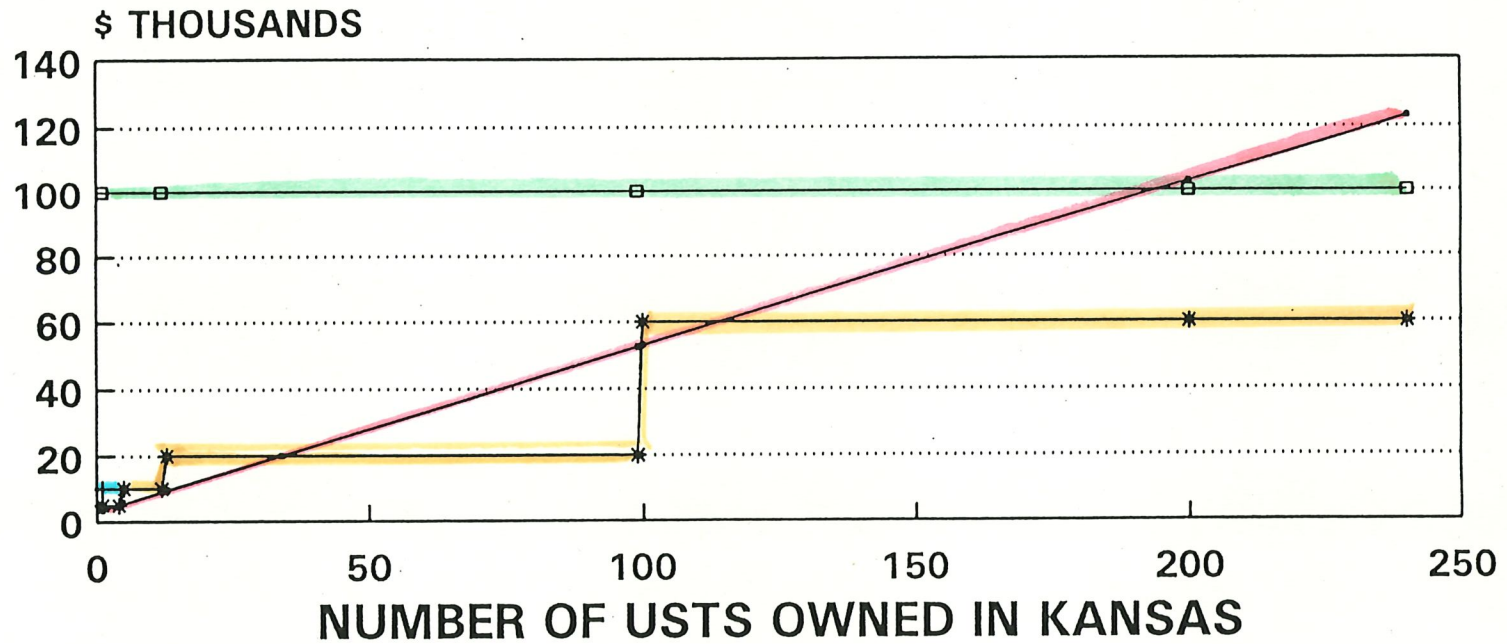
Changing the deductible liability costs will cause an increase in deductible amounts in proportion to the number of tanks owned or operated. According to our registration records, 26 owners would be adversely affected by the proposed changes, while over 3,000 owners would realize a reduction in the deductible amounts. The provisions of this bill would not increase any owner's deductible for sites where an application has already been submitted for payment from the Petroleum Storage Tank Trust Fund.

The agency estimates the maximum fiscal impact of implementing the proposed new deductible option would be \$3,281,000.00 for the 361 sites which have made application to the Trust Fund. This amount is based on calculating the difference between the existing and proposed deductible amounts. Most of the fiscal impact is because many self-insured owners presently in the Trust Fund do not own or operate large numbers of petroleum storage tanks.

The Department is of the opinion that this legislation resolves many of the problems which are associated with the present trust fund deductibles. The Department supports the passage of H.B. 3153.

Testimony presented by: Larry Knoche  
Director  
Bureau of Environmental Remediation  
March 4, 1992

# PETROLEUM STORAGE TANK RELEASE TRUST FUND DEDUCTIBLES



## OWNER TYPE

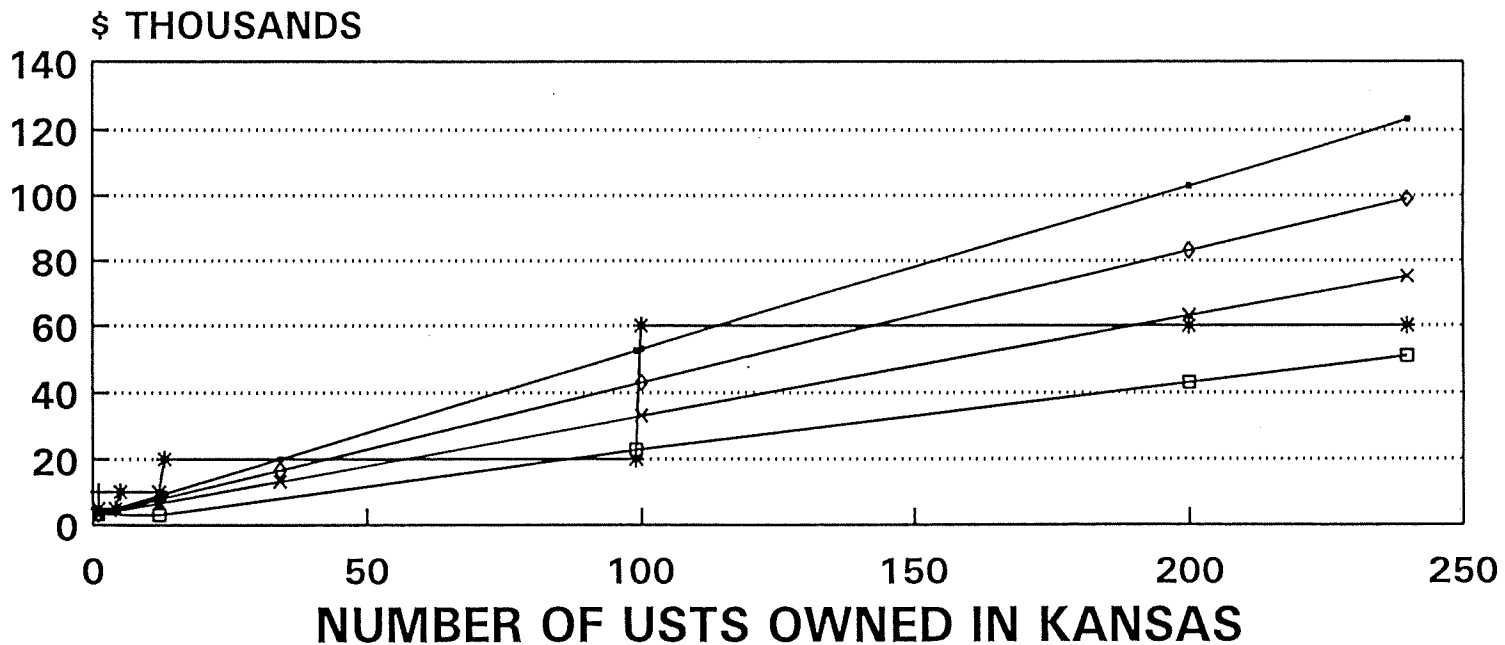
- PROPOSAL NO.1
- \*— NON-MARKETERS

- +— MARKETERS
- SELF-INSURED

11-2



# PETROLEUM STORAGE TANK RELEASE TRUST FUND DEDUCTIBLES

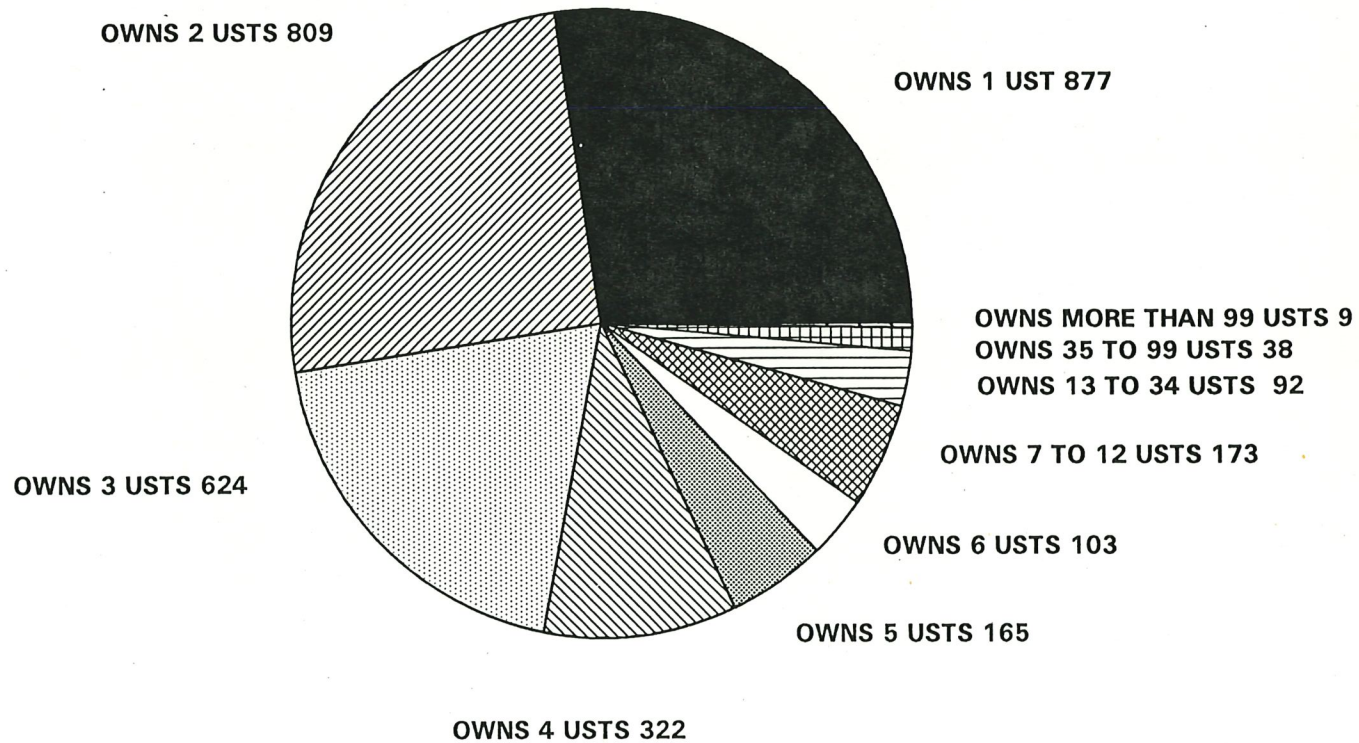


### OWNER TYPE

- |                            |                            |                            |
|----------------------------|----------------------------|----------------------------|
| —●— \$3000 plus \$500/tank | —+— MARKETERS              | —*— NON-MARKETERS          |
| —□— \$3000 plus \$200/tank | —x— \$3000 plus \$300/tank | —◇— \$3000 plus \$400/tank |

113

# UST OWNER DISTRIBUTION NUMBERS OF TANKS OWNED



**TOTAL NUMBER OF OWNERS IS 3212**

4-11

HOUSE BILL 3153

HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES

March 4, 1992

Prepared by

EDWARD LONG,  
GENERAL MANAGER  
KENSINGTON COOP ASSN.

Good Afternoon. Mr. Chairman and Members of the committee, I am Edward Long, Manager of The Kensington Coop Assn. I represent 1527 members in North Central Kansas.

We are in support of House Bill 3153 and the Amendment to include above ground fuel tanks. The House Bill 3153 and the purposed Amendment will help Small and Middle sized Fuel Retailers stay in operation and preserve much needed jobs. The Bill and Amendment will also help clean up our environment. There are several reasons why we support House Bill 3153 and Purposed Amendment to include above ground fuel tanks.

First, I would like to share the impact a fuel leak can have on a business and the communities it operates in. I will try to keep this brief and just hit the highlights. In 1989 our business reported a loss of fuel. Health and Environment was called in to help with the cleanup. The cleanup has cost our company in excess of \$110,000. Because of the cost and the continued expense of the cleanup we were forced to close our station. The problem has cost our communities 8 full time jobs. Plus a loss of Tax Revenue and a loss of the only business in town.

3/4/92  
House E+NR  
Attachment 12

One very important reason to support the Above Ground Fuel Tank amendment is fairness. Above Ground Tank owners have been paying in to the UST fund just like everyone else. We pay to cleanup our neighbors leaks, but we can't use it for our own. It isn't right to pay for something you can't use.

Secondly, what is our trust fund paying on today. Figures from Kansas H & E are surprising. On Sept. 1, 1991 there were 384 sites using the Trust Fund. The breakdown of the types of leaks are as follows. Tank 169: Pipe 114: Overfill/Spills 113: Others 17:. We believe pipes coming from any tank should be included in the trust fund. Under ground pipes coming from an above or below ground should be treated the same. This Amendment will help insure that.

Third, House Bill 3153 and the purposed Amendment would treat all Tank owners equal. This House Bill and Amendment will help businesses stay open and continue to offer much needed jobs, plus the cleanup of our environment.

We believe it is important for all fuel systems to be included in the trust Fund. This is a benefit to everyone in the state of Kansas. The successful passing of this bill and Amendment will help all areas of the State of Kansas, urban and rural alike.

I want to thank you for the opportunity to speak on this Bill and Amendment and respectfully request that the House Committee on Energy and Natural Resources vote in favor of

House Bill 3153 and the purposed Amendment on above-ground tanks.

12-3

Edward Long  
Kensington Coop  
RE: Trust Fund Data  
Page 2

The total number for each column is as follows:

- 1) Site ID #: 384
- 2) Leak Type:
  - 1 - Tank Leaks: 169
  - 2 - Piping Leak: 114
  - 3 - Overfill/Spills: 113
  - 4 - Other: 15
  - 5 - Spills: 2
- 3) Dispenser:
  - 1 - Pressure: 46
  - 2 - Suction: 157
- 4) Cause:
  - 1 - Corrosion: 157
  - 2 - Rupture: 6
  - 3 - Installation Practices: 18
  - 4 - Other: 11
  - 5 - Spill/Overfill: 22

These totals only represent information submitted by our district staff. Sometimes the information is not available or is unknown; therefore, the numbers don't always add up to the total number of trust fund sites.

Because I did not copy all of the reports as we had originally discussed, there is no charge. I hope this information is adequate. If you have any questions, please don't hesitate to contact me at (913) 296-1666.

Respectfully,



Lisa Larsen  
Environmental Geologist  
Bureau of Environmental Remediation

Enclosure

12-4

Testimony on HB 3153  
House Committee on Energy and Natural Resources  
Wednesday, March 4, 1992  
Prepared by Joe Lieber  
Kansas Cooperative Council

The Council supports HB 3153. The current underground storage tank law seems to be working properly and with the adjustments made in HB 3053 it will work even better. Kansas cooperatives are included in the current law and HB 3153 does not change that.

It is the Council's understanding that there may be an amendment to HB 3153 that would establish a clean up fund for above ground tanks.

If there is such an amendment, and it is similar to the current underground storage law, we would support it.

Thank you, and I will attempt to answer any questions.

3/4/92  
House E+NR  
Attachment 13

Statement of  
Jim Cooper  
Presented to the House Committee on  
Energy & Natural Resources  
The Honorable Ken Grotewiel, Chairman  
March 4, 1992      Statehouse      Topeka, Kansas

Mr. Chairman, members of the Committee, good afternoon. My name is Jim Cooper and I am representing QuikTrip Corporation. QuikTrip markets motor fuel and other consumer goods at numerous locations in Kansas. Thank you for the opportunity to present the views of QuikTrip Corporation regarding HB 3153. I am testifying as a proponent of the Bill.

Let me begin by saying that the Kansas Legislature should be commended for establishing an Underground Storage Tank trust fund three years ago. As you know, Kansas has been a leader in the environmental movement for many years, especially with regard to Underground Storage Tanks (USTs). Compared to Missouri, for example, where the LUST fund will not be finalized and working before this summer (1992), Kansas is way ahead.

There is one issue however, that QuikTrip feels is problematic. THAT IS THE ISSUE OF THE UST TRUST FUND DEDUCTIBLE. Since QuikTrip is a self insured Company (with respect to pollution liability) we automatically fall into the \$100,000.00 deductible category. That is, by almost any comparative yardstick, an extraordinarily heavy burden.

In Kansas, as well as every other state in which QuikTrip operates (5 others), we have been good corporate citizens. We believe we have conducted, and continue to conduct, business in a positive manner. Irrespective of these good intentions and model performance, the existing Kansas UST trust fund deductible scheme results in inequitable treatment of QuikTrip, without basis, relative to other companies providing the same services.

QuikTrip has been in operation in Kansas since 1966 and presently has sixty-eight (68) stores in Kansas. Forty-eight (48) of these facilities are in the Wichita area and twenty (20) are in Johnson and Wyondotte counties. I should add that we are in a continuous state of renovation and construction to provide the highest quality service in an aesthetically pleasing manner. To that end, we have spent nearly \$4,000,000.00 on construction cost of new facilities in Kansas in fiscal year 1991. At these sixty-eight (68) locations QuikTrip operates 208 Underground Storage Tanks - 143 in Wichita and 65 in Johnson and Wyondotte counties.

QuikTrip employs more than 400 individuals at our Kansas facilities. Those employees received nearly \$10,000,000.00 in wages and benefits in our 1991 fiscal year, May 1, 1990 - April 30, 1991. During the 1991 Kansas fiscal year, QuikTrip's payroll taxes totalled nearly \$725,000.00. Also, in calendar year 1991 sales taxes totalling approximately \$3,500,000.00 and motor fuel taxes totalling approximately \$10,200,000.00 were collected at our stores. Again, by most yardsticks, that's putting a lot of people to work - and a lot of money into the economy.

These figures are certainly not those of a Fortune 500 Company, but they do show a solid and enduring presence in the

*3/4/92  
House E+NR  
Attachment 14*



State. QuikTrip is continually working hard to provide good friendly service and quality products to our customers. Also, we have always attempted to provide that service in an environmentally safe manner. This practice is evidenced by the fact that QuikTrip founded it's own environmental company, BDAT Environmental, about 1 1/2 years ago, to directly address the environmental impact of USTs. That action, coupled with the fact that QuikTrip has spent nearly \$235,000.00 on site clean-up and corrective actions in Kansas, underscores our strong environmental commitment. Additionally, for your information, QuikTrip, to date, has collected and paid approximately \$150,000.00 into the Kansas UST fund. IN SPITE OF THESE FIGURES, AND DIRECTLY ATTRIBUTABLE TO THE CURRENT UST TRUST FUND DEDUCTIBLE SCHEME, QUIKTRIP HAS NOT BEEN ELIGIBLE FOR ONE CENT OF REIMBURSEMENT MONEY FROM THE FUND. Ladies and gentlemen, this is fundamentally unfair. It is hard to believe that the legislative intent behind the original UST trust fund legislation was, in effect, meant to exclude a company like QuikTrip from accessing the fund.

The initial version of this years bill did reduce QuikTrip's deductible. Today's version would in fact increase our deductible to \$107,000.00 per site. Obviously QuikTrip cannot support this aspect of HB 3153. QuikTrip's position is that we want to see the deductible reduced to a more reasonable and equitable level. Our view is that a \$5,000 - \$10,000 per occurrence deductible, in other words, one similar to the original draft, would be a more equitable and uniformly fair law.

In closing I want to address the notion that QuikTrip should not be treated disproportionately, compared to an operator with fewer tanks or one that is not self insured. I will use two examples to demonstrate this point.

First, an owner or operator who has 20 tanks at 10 locations will pay a deductible of only \$13,000.00 for corrective actions taken for a release from one of that companies sites. Secondly, an owner or operator who has 50 tanks at 20 sites will pay only \$28,000.00 for corrective actions taken on a similar release before being eligible for reimbursement from the fund. BEFORE QUIKTRIP IS ELIGIBLE FOR ANY REIMBURSEMENT WE WOULD BE REQUIRED TO PAY \$107,000.00, PER OCCURRENCE. This, in spite of the fact that approximately 40% of our sites already meet 1998 Federal Regulations. The deductible scheme presently in HB 3153 does precisely that, even though the environmental damage, and corrective action costs, could be identical in all three incidents. This is the basic inequitable treatment we are addressing and want to see changed in HB 3153. Any method of deductible which ignores the fact that QuikTrip contributes thousands of dollars to the fund (which, again, we have not been able to access) in order to pay for the clean-up costs of others, is not equitable. The non-uniform treatment of similarly situated parties undercuts the basis of the free market system. QuikTrip is not asking for favoritism or a hand-out, only equitable treatment as a long time business entity in the State of Kansas.

Thank you for your time and consideration.



# PUBLIC POLICY STATEMENT

HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES

**RE: H.B. 3153 - Amending the Kansas Storage Tank Act**

March 4, 1992  
Topeka, Kansas

Presented by:  
Bill Fuller, Assistant Director  
Public Affairs Division  
Kansas Farm Bureau

**Chairman Grotewiel and members of the Committee:**

My name is Bill Fuller. I am the Assistant Director of the Public Affairs Division for Kansas Farm Bureau. We certainly appreciate this opportunity to testify on behalf of the farmers and ranchers who are members of the 105 County Farm Bureaus in Kansas.

We support the amendments to H.B. 3153 that have been proposed by Representative McClure. Our support is based upon new policy approved by the Voting Delegates at the 73rd Annual Meeting of Kansas Farm Bureau in Topeka last fall:

*ENVIRONMENTAL CLEAN-UP*

*The Kansas Legislature has created the Petroleum Storage Tank Release Trust Fund. The Trust Fund assists owners of certain underground petroleum storage tanks with clean-up of soil and water resulting from any leaking tanks.*

*The Trust Fund is currently being used for clean-up from underground tanks, pipes and spills. We believe the clean-up assistance should be expanded to include above-ground tanks.*

*3/4/92  
House E+NR  
Attachment 15*

While the proposed amendments would allow clean-up assistance with some larger farm tanks, our members major concern is for the cooperatives and independent tank wagon operators that supply their fuel. Without clean-up assistance the cost of fuel could be forced higher and the very existence of some businesses could be threatened whenever the high cost of contamination clean-up was required.

The Kansas Storage Tank Act establishes a 1 cent per gallon environmental assurance fee to fund the Trust Fund on all petroleum products except aviation fuel. That fee stops when the \$5 million cap is reached, and resumes when the balance is equal to or less than \$2 million. All fuel that is stored and marketed through **underground and above ground** tanks is taxed. We believe this is a fairness issue. All fuel that is taxed should be eligible for any contamination clean-up regardless whether it is stored in underground or above ground tanks. Contamination is contamination and needs to be cleaned up whatever the location of the leaking tank.

We encourage the Committee to adopt the amendments to expand the Kansas Storage Tank Trust Fund to include above ground tanks.

Thank you!

STATEMENT FOR HOUSE COMMITTEE ON  
ENERGY AND NATURAL RESOURCES  
BY KANSAS OIL MARKETERS ASSOCIATION  
HB 3153  
MARCH 4, 1992  
3:30 P.M.

Dear Mr. Chairman and Members of This Committee

My name is Charles Nicolay. I'm Executive Director of the Kansas Oil Marketers Association.

KOMA is a state wide trade association made up of independent petroleum marketers who market motor fuel through bulk plants, service stations and convenience stores.

Our association appears today as a proponent to what HB 3153 attempts to do. However, we do have some strong concerns. First of all, we want to compliment the Kansas Department of Health and Environment on the manner in which they have assumed and carried out their responsibilities on the petroleum storage tank law that the legislature passed three years ago. We also appreciate the fact that KDHE is attempting to address the concerns that have to do with the constitutionality of the storage tank law with regard to the levels of the deductible for tank owners.

As proposed in HB 3153, there is a \$3000 deductible that is applied to each occurrence where there is evidence of a release from a petroleum storage tank. In addition to the \$3000 per occurrence, each tank owner would figure his deductible based on the number of underground storage tanks he owns in Kansas.

We feel that the degree of risk should not be based on the total number of tanks owned or operated in Kansas, but rather it should be based on the amount of risk per location or per site where underground storage tanks have been installed. Identifying or determining the risk on a per site basis is consistent with what this legislature did regarding the section of the law that establishes the third party liability plan. The deductible per occurrence is set by statute at \$10,000.

3/4/92  
House E+NR  
Attachment 16

A deductible amount that is determined by the number of tanks owned or operated by an individual or company in the state of Kansas does not relate to the risk at an individual location. Creating an ever increasing deductible based on the number of tanks within the state is inequitable.

For example, let us make a comparison of two owners. The first owner has 50 tanks in the state of Kansas and the second has 15 tanks in the state of Kansas. If owner number 1 has filed a corrective action plan for necessary remediation to clean up a site, the amount of deductible that has to be satisfied before he is eligible to receive reimbursement from the fund under the proposal before you, would be \$28000. \$3000 initial plus \$500 per each tank owned in Kansas. Owner number 2 has a corrective plan of action approved for remediation and his deductible is \$10500 for that one site.

Based on this example, it is our opinion that the degree of risk should be determined by site or location of the tanks and not by the total number of tanks within the boundaries of the state of Kansas. Sound insurance principles indicate that tying the risk to a location rather than the number of locations throughout a given state is much more equitable.

In the interest of improving the environment by remediating contaminated sites as a result of releases from aboveground tanks, we would strongly urge that the legislature establish a trust fund for aboveground tanks.

Mr. Chairman and members of the committee, I appreciate the opportunity to have presented our views and would be happy to respond to any questions. Thank you.

**TESTIMONY**  
**FROM**  
**PETE MCGILL & ASSOCIATES**  
**ON BEHALF OF**  
**THE**  
**THE COASTAL CORPORATION**  
**PRESENTED BEFORE**  
**THE HOUSE**  
**ENERGY AND NATURAL RESOURCES**  
**COMMITTEE**

**March 4, 1992**

**RE: HB 3153**

*3/4/92  
House E+NR  
Attachment 17*

Chairman Grotewiel and Committee members:

Thank you for taking the time to review our comments concerning HB 3153 which amends the Kansas Storage Tank Act. Currently the Coastal Corporation employs 3213 employees in Kansas through its convenience stores, refining operations. Our total payroll to Kansas citizens is \$34,152,000 which results in \$1,018,000 in employee taxes and \$327,000 dollars in unemployment tax to the state of Kansas. Additionally, our C-Mart operation remits to the state of Kansas \$662,913 dollars in property tax annually. We are proud of our presence as a corporate citizen in Kansas and the opportunities we have to provide employment and service to the Kansas community.

We are concerned that HB 3153 in its current form impacts adversely on our operations in Kansas. Through our C-Mart retail outlets we collected and submitted \$909,148 to the Underground Storage Tank Petroleum Release fund during its first year of operation from April 1, 1990 to April 1, 1991. Even though we collected a significant amount of the fund that caps at \$5,000,000, we were excluded from participation in the fund and continue to be, pursuant to the language contained in HB 3153.

With 137 retail locations in Kansas, Coastal owns approximately 400 underground storage tanks. Under the current law, Coastal is excluded from participation in the fund because we are engaged in refining operations, even in spite of the fact that we are one of the largest contributors to the fund.

Excluding Coastal from participation in the fund because we are engaged in the refining of petroleum products is not consistent with the rationale of protecting the environment and ensuring clean up of underground petroleum releases. Both current law and HB 3153 contain this exclusion. The exclusion of our retail outlets from participation in the fund because we refine in other locations should be addressed when considering this legislation.

The deductible language contained in HB 3153 further exacerbates our situation by creating a deductible of approximately \$200,000 per release from any tank. Even if the refining exclusion is addressed, the deductible language in HB 3153 also has the practical effect of excluding our participation. This provision should be addressed by the Committee as well.

Thank you for taking the time to review our concerns regarding HB 3153. We would be happy to provide any further information you might require.

17-2