

Approved: Carl Dean Holmes
Date 4-29-95

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Carl Holmes on March 7, 1995 in Room 526-S of the Capitol.

All members were present except: Representative Phil Kline

Committee staff present: Raney Gilliland, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Mary Torrence, Revisor of Statutes
Shirley Wilds, Committee Secretary

Conferees appearing before the committee: Jamie Clover-Adams - KS Fertilizer & Chemical Association
Clark Duffy - KS Petroleum Council
Larry Knoche - KS Department of Health and Environment
Whitney Damron - The Coastal Corp & Colorado Interstate Gas
Terry Leatherman - KS Chamber of Commerce
Hal Hudson - National Federation of Independent Business
Bill Craven - KS Natural Resource Council

Others attending: See attached list

The Chair referred to minutes before the Committee to be approved at the end of Committee business today.

Hearing on SB 76:

Jamie Clover-Adams. (See Attachment #1.) Ms. Clover-Adams reported that the Kansas Fertilizer and Chemical Association (KFCA) supports this bill, considering it to be an innovative method to help small business comply with environmental laws without fear of penalties for unwitting violations. She said that significant compliance with environmental laws cannot be achieved through utilization of traditional enforcement methods. Rather, programs must be established offering positive reinforcement to businesses, if further meaningful gains in compliance can be realized.

Noting that most small businesses do not have the resources to hire personnel to continually monitor all regulations, this often leaves the task to a "jack-of-all-trades" manager. The small business then faces the dilemma of wishing to comply with the law, but perhaps choosing the path of blissfully ignoring environmental responsibilities, and hope it will not be discovered by regulators. Ms. Clover-Adams said that currently ignorance is rewarded, while good-faith compliance efforts create risk of punishment. She added that **SB 76** is balanced and contains safeguards to insure compliance.

Clark Duffy. (See Attachment #2.) Mr. Duffy said that by their very nature, environmental audits are designed to identify and document noncompliance and **SB 76** would establish procedures which would: 1) under certain conditions, establish audit reports as privileged material, and 2) under certain circumstances waive the penalties for violations of environmental laws, if the violation was voluntary disclosed. It is important that this legislation ensure appropriate safeguards. Mr. Duffy said that **SB 76** is recognized favorably across the country.

Mr. Duffy reported that the Interstate Oil and Gas Compact Commission adopted a resolution encouraging all states to consider this type of legislation. A copy of this resolution accompanies Mr. Duffy's testimony. Also attached is a summary of **SB 76**, outlining the safeguards to prevent abuses of the privilege contained in Section 3, and to prevent abuses of the penalty waiver contained in Section 7.

Larry Knoche. (See Attachment #3.) Mr. Knoche informed the Committee that KDHE has the document

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 526-S Statehouse, at 3:30 p.m.. on March 7, 1995.

American Society for Testing and Materials E-1527-93, defining the industry standard or model currently being used to prepare environmental site assessments. He said copies are available to the Committee upon request.

Mr. Knoche cited several questions related to the legal implications of **SB 76** that should be reviewed:

- Confidentiality
- Possible creation of a new evidentiary privilege
- Time limits on court review
- Impacts on sentencing guidelines

In conclusion, Mr. Knoche expressed the willingness of KDHE to work with the Committee on any additional requests for clarification to this measure.

Whitney Damron. (See Attachment #4.) Mr. Damron appeared in support of **SB 76** on behalf of Pete McGill and Associates clients The Coastal Corporation and Colorado Interstate Gas Company, a subsidiary of Coastal. He reported that Colorado Interstate Gas Company was a strong supporter of similar legislation adopted by the 1994 Colorado Legislature.

In **SB 76** Mr. Damron said that the measure contains provisions to mitigate or eliminate fines and penalties if the reporting company has acted in good faith and implements appropriate remedies. Also, it contains provisions to withhold preferential treatment in cases of the so-called "bad actor" violations.

Terry Leatherman. (See Attachment #5.) This bill is a clear example of legislation which will improve the environment with the willing participation of the private sector. Mr. Leatherman said that conducting voluntary environmental auditing is smart business and this bill will result in more audits, greater business understanding of needed corrective action, and increased voluntary disclosure of environmental problems to regulators.

Hal Hudson. (See Attachment #6.) Accidents do happen, even in the best run companies, with skilled and well-trained employees. Mr. Hudson believes that the principles embodied in **SB 76** would bring a measure of reasonableness to the enforcement of environmental law. He said that while enactment of this bill will not prohibit the EPA from taking any action, it would provide relief under the Kansas law. Also, he mentioned that enactment would help send a message to Congress that federal law and EPA regulations need to be revised.

Bill Craven. (See Attachment #7.) Mr. Craven reported that environmental bills around the country are usually strongly opposed by environmental groups, because of only a few protections afforded the public. He said that the intent of many like bills is to provide a cover-up to polluters, if they simply label various documents as an "environmental audit." With this in mind, Mr. Craven said that **SB 76** strikes a much better balance than measures adopted (or being considered) in other states.

The Chair referred the Committee to written testimony from **Richard T. Kogler.** (See Attachment #8.)

At close of the hearing, Representative Empson moved to approve Committee minutes for January 30 and 31, and February 1 and 2. Representative Sloan seconded. Motion carried.

Chairperson Holmes announced to the Committee that some members are interested in revisiting the issue of the Citizens' Utility Ratepayers Board, and introduce a substitute bill restructuring the Board. He said a bill draft will be offered at the meeting tomorrow. The Chair discussed the unique situation in this instance, reviewing the action and time previously spent on the original bill, and what to anticipate if another debate is held. He advised that he will take a vote from the Committee tomorrow on their decision.

The meeting adjourned at 4:45 p.m.

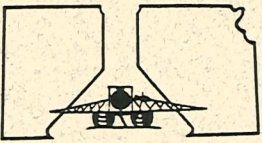
The next meeting is scheduled for March 8, 1995.

ENERGY AND NATURAL RESOURCE COMMITTEE GUEST LIST

DATE: March 7, 1995

NAME	REPRESENTING
Whitney Damron	Coastal CIG
Jack Glaves	Oxy
Jim Ludwig	Western Resources
Jamie Clover Adams	KS Fertilizer & Chemical Assn.
Tom DAY	KCC
Chris Stanfield	KDHE - Gen. Sec.
J.P. Small	KOCH MOBIL
Terry Leatherman	KCCI
Hal Hudson	NFIB/KS
Ken Peterson	KS Petroleum Council
Clark Ruff	KPC
Bill Caven	KNRC / Sigma
Larry Knuche	KDHE
Pt. Casey	-
John J. Fleck	Hein, Ebert & Deir

KANSAS FERTILIZER & CHEMICAL ASSOCIATION



KFCA is committed
to professional
development and
business viability for
the plant nutrient
and crop protection
industry in Kansas.

STATEMENT ON

S.B. 76

TO THE

HOUSE ENERGY & NATURAL RESOURCES

COMMITTEE

REP. CARL HOLMES, CHAIR

MARCH 7, 1995

Energy & Natural Resources
Attachment #1
3/7/95

THE KANSAS FERTILIZER AND CHEMICAL ASSOCIATION

..... A VOLUNTARY PROFESSIONAL ASSOCIATION FOR THOSE INVOLVED IN THE PLANT NUTRIENT AND CROP PROTECTION INDUSTRY. KFCA REPRESENTS OUR NEARLY 500 MEMBERS INTERESTS IN LEGISLATIVE MATTERS AT ALL LEVELS OF GOVERNMENT, AS WELL AS PROVIDING EDUCATIONAL OPPORTUNITIES AND BUSINESS SERVICES. THE INDUSTRY IS COMMITTED TO PROFESSIONAL DEVELOPMENT AND BUSINESS VIABILITY FOR THE PLANT NUTRIENT AND CROP PROTECTION RETAIL INDUSTRY.

Mr. Chairman and members of the committee, I am Jamie Clover Adams, Director of Legislative and Regulatory Affairs for the Kansas Fertilizer and Chemical Association (KFCA). KFCA is the professional trade association for the state's plant nutrient and crop protection industry. Our nearly 500 members are primarily retail dealers, as well as distribution firms, manufacturer representatives and others who serve the industry. The bulk of our members are small businesses who feel the ever growing burden of regulatory compliance firsthand. Therefore, we appear today in support of S.B. 76 as an innovative method to help small business comply with environmental laws without fear of penalties for unwitting violations.

The plant nutrient and crop protection industry has been on the forefront of environmental protection. KFCA lead efforts to pass the fertilizer containment law to protect our groundwater and the state pesticide management area law to address localized concerns. KFCA administers the Kansas Certified Crop Advisor program, a voluntary professional certification program that requires applicators to pass a national and state exam and then maintain certification by acquiring 40 CEUs every two years. Our members learn the latest application techniques at our many schools and seminars. Companies compete fiercely for environmental awards such as Dupont's Environmental Respect Award and actively participate in dialog to protect our environment.

I will not spend time this morning going over the provisions of the bill. I leave that to other witnesses. I will, however, attempt to address the broad issues and ramifications of the implementation of a voluntary self evaluation that provides privilege to companies wanting to do what's right.

KFCA supports S.B. 76 as an innovative measure which will benefit the environment through cooperation rather than adversity. Significant compliance with our environmental laws cannot be achieved through utilization of traditional enforcement methods, such as command and control, alone. We must establish programs that offer positive reinforcement to businesses if we are to make further meaningful gains in environmental compliance.

A voluntary self-audit bill will be especially useful to KFCA members as we continue to face a plethora of environmental regulations. The majority of KFCA members, like most small businesses do not have the resources to hire personnel to continually monitor all regulations to determine if a rule applies to the operation. In many instances, the manager must be a jack of all trades. This leaves little time to delve through reams of regulations. Most times it leaves small businesses with a daunting choice. On one hand, they may wish to comply with the law and undertake an audit to determine how their practices must be changed to reach compliance. On the other hand, it may be a more logical business decision to blissfully ignore environmental responsibilities, hope regulators will be too busy to notice and come into compliance only when forced. They may fear they are already violating environmental laws, but are afraid to discover the truth. Currently, ignorance is rewarded while good faith compliance efforts create risk of punishment. S.B. 76 will bring certainty and give new life to an important management tool – voluntary self-audits.

S.B. 76 is balanced and contains safeguards to insure bad actors do not abuse the system. The bill requires the business making the disclosure to make a diligent effort to resolve the violations in order for privilege to apply. KFCA believes this is a strong incentive that will enhance environmental compliance much more than threats and fines. Further, safeguards are found in Section 7 (c) to ensure bad actors do not take advantage of the system. Privilege does not apply in instances where disclosure was not voluntary, the violation was committed intentionally and willfully, the violation was not fully corrected in a diligent manner or there was significant environmental harm or a public health threat was caused by the violation.

It's time to move beyond the time worn "command and control" approaches. Experience has shown that cooperation gets results. And aren't results what all Kansans are interested in?

SENATE BILL 76, as amended
HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE
CLARK DUFFY, KANSAS PETROLEUM COUNCIL
MARCH 6, 1995

I am Clark Duffy, the Associate Director of the Kansas Petroleum Council. The Kansas Petroleum Council represents the major oil and gas companies and allied industries in Kansas. The Kansas Petroleum Council represents these companies in all sectors of the industry; exploration, production, transportation, refining, and marketing. Enhancing the environmental performance of the petroleum industry is part of the mission of the Kansas Petroleum Council. For that reason, the Kansas Petroleum Council requested introduction of Senate Bill 76. We are a proponent of Senate Bill 76 as amended.

The purpose of this legislation is to encourage business and industry to develop voluntary environmental audit programs to help ensure compliance with state environmental laws, and to reduce the risk of liability and costs associated with noncompliance. Environmental audits were originally designed as an internal management tool to help business and industry comply with these laws. An environmental audit may be as simple as a "walk over the lease", or it may be as sophisticated as an integral component of a comprehensive environmental management system.

While environmental audits were designed as an internal management tool, current environmental laws and enforcement policies may have the unintended effect of discouraging such programs. By their very nature, environmental audits are designed to identify and document noncompliance. Senate Bill 76 would establish procedures which would: 1) under certain conditions, establish audit reports as privileged material, and 2) under certain circumstances waive the penalties for violations of environmental laws if the violation was voluntary disclosed.

Energy & Natural Resources
3/7/95
Attachment # 2

SENATE BILL 76, *as amended*
MARCH 6, 1995
PAGE 2

It is important that this legislation ensure that appropriate safeguards are in place to prevent abuse. I have attached to this testimony a summary of Senate Bill 76, which highlights the safeguards to prevent abuses of the privilege contained in Section 3, and the safeguards to prevent abuses of the penalty waiver contained in Section 7.

The concept in Senate Bill 76 is being recognized across the country as simply the "right way" to do business. While the specific techniques on how to achieve this objective may vary, there seems to be no disagreement with the concept. There is model legislation for states (most notably from the American Legislative Exchange Council) and at least five states have enacted similar legislation (the most noteworthy being Colorado's law). At the present time, a number of other states are considering this type of legislation.

While this bill applies to all entities regulated by environmental laws, it is of special interest to the petroleum industry. At its December 1994 meeting, the Interstate Oil and Gas Compact Commission adopted the attached resolution which encourages all states to consider adoption of this type of legislation. This resolution was sponsored by Kansas.

The Kansas Petroleum Council encourages your favorable consideration of Senate Bill 76 as amended.

Thank you.

SUMMARY OF SB76 as amended by Senate Committee
PROCEDURES FOR ENVIRONMENTAL AUDITS

- SECTION 1. Defines "Audit", "Audit Report", and "Environmental Laws." Note that the bill only applies to voluntary audits and state environmental laws.
- SECTION 2. Establishes an Audit Report as privileged material except as provided in Section 3.
- SECTION 3. Establishes procedures and "safeguards" to prevent abuses of the privilege. Note that the privilege is not recognized if a court or administrative tribunal determines that:
- 1) The privilege is asserted for a fraudulent purpose,
 - 2) The party has not implemented a management system to assure compliance with environmental laws,
 - 3) The material is not subject to privilege, and
 - 4) The material shows evidence of noncompliance with the environmental laws.
- SECTION 4. Establishes procedures for the court to determine if material is privileged when the state has probable cause to believe a criminal offense has been committed.
- SECTION 5. Describes material that is not recognized as privileged in Section 2.
- SECTION 6. States that this act does not alter any existing statutory or common-law privilege.
- SECTION 7. Establishes the circumstances whereby the penalties for violations of environmental laws are waived if a person voluntarily discloses the violation. Note that the penalty is not waived if:
- 1) The disclosure was not voluntary,
 - 2) The violation was willful,
 - 3) The violation was not corrected, and
 - 4) The violation caused significant environmental harm or a public health threat.
- SECTION 8. Allows for consideration to be given to a person who has implemented an environmental management system when determining the severity of a penalty.
- SECTION 9. Enactment clause.

RESOLUTION
Regarding An Environmental Audit Privilege

Whereas, the member states of the Interstate Oil and Gas Compact Commission have developed extensive regulatory programs for the protection of the environment; and

Whereas, the effective protection of the environment relies heavily on the commitment of the regulated public to compliance with the complex body of environmental laws; and

Whereas, state environmental protection programs strive to promote voluntary compliance with environmental laws, regulations and permits without unduly impairing the enforcement obligations of state jurisdictional agencies; and

Whereas, persons or entities subject to the environmental laws and regulations of a state should be encouraged to conduct voluntary internal environmental audits of their regulated activities; and

Whereas, for purposes hereof, an "environmental audit" refers to a voluntary internal evaluation of any facilities or operations, or of management systems related to any facilities or operations, conducted by the owner or operator, or by a consultant or independent contractor engaged by the owners or operator, in order to determine the status of compliance, to timely correct any noncompliance, and to improve overall compliance with any applicable environmental laws, regulations and permits; and

Whereas, performance of voluntary internal environmental audits will be fostered by recognition of an environmental audit privilege to protect the confidentiality of communications and documents related to such audits; and

Whereas, state enforcement programs and policies should recognize and encourage voluntary internal environmental audit programs;

Now, Therefore, Be It Resolved, that the Interstate Oil and Gas Compact Commission, convened at its Annual Meeting in Long Beach, California, December 6, 1994, urges its member states to consider such changes to present statutory and regulatory provisions and policies as are necessary (1) to recognize, subject to reasonable exceptions, an environmental audit privilege to protect from disclosure any communications or documents made, collected, or prepared for the purpose and in the course of an environmental audit, and (2) to encourage voluntary internal environmental audits by recognition of the design and implementation of environmental audit programs, voluntary disclosure and timely voluntary correction of noncompliance as mitigating factors in the exercise of a state's enforcement powers.

December, 1994

State of Kansas

Bill Graves



Governor

Department of Health and Environment

James J. O'Connell, Secretary

Testimony presented to

House Committee on Energy and Natural Resources

by

The Kansas Department of Health and Environment

Senate Bill 76

KDHE supports legislation to establish procedures for conducting voluntary environmental audits. KDHE supports legislation which allows a voluntary comprehensive evaluation of a facility or industry to determine compliance with existing environmental laws, evaluate current environmental status and to formulate an environmental compliance or remediation plan to correct environmental problems.

KDHE agrees with the clarifications made in the definition section of the amended S.B. 76; however, the environmental audit as described in this bill may not be sufficient to use for property transfers and business financing. The industry standard or model currently being used to prepare environmental site assessments is ASTM E-1527-93 (American Society for Testing and Materials). KDHE has the ASTM E-1527-93 publication and will make this document available to the committee, if desired.

There are a number of questions related to the legal implications of the proposed bill including confidentiality, possible creation of a new evidentiary privilege, time limits on court review, impacts on sentencing guidelines, etc. These issues should be considered in reviewing this bill.

KDHE is willing to work with the committee on any additional clarifications to the bill that the committee requests.

Testimony presented by: Larry Knoche
Bureau of Environmental Remediation
Division of Environment
March 7, 1995

TESTIMONY PRESENTED TO THE

HOUSE

ENERGY & NATURAL RESOURCES

COMMITTEE

ON

SENATE BILL 76

BY

WHITNEY DAMRON

OF

PETE MCGILL & ASSOCIATES

ON BEHALF OF

THE COASTAL CORPORATION

AND

COLORADO INTERSTATE GAS COMPANY

MARCH 7, 1995

3/7/95
Energy & Natural Res
Attachment # 4

Good afternoon Chairman Holmes and Members of the House Energy and Natural Resources Committee,

My name is Whitney Damron of Pete McGill & Associates appearing before you today in support of SB 76 on behalf of our clients, The Coastal Corporation and Colorado Interstate Gas Company, a subsidiary of Coastal.

SB 76 is patterned after legislation adopted by the 1994 Colorado Legislature and signed into law by Governor Romer of Colorado (SB 94-139/Colorado). Colorado Interstate Gas Company was a strong supporter of that legislation and comes before you today in support of this measure as well.

The environmental audit privilege created by SB 76 is designed to increase compliance with environmental laws and regulations by encouraging companies to perform voluntary self-evaluations (or audits) and to disclose the results of those evaluations to the Kansas Department of Health & Environment (KDHE) when problems or possible violations of laws or regulations are identified. Disclosure to KDHE is voluntary and protections are contained in the bill to prohibit such reports from third-party review as a privileged report.

SB 76 contains provisions to mitigate or eliminate fines and penalties if the reporting company has acted in good faith and implements appropriate remedies to remediate any problems found. However, the bill also contains provisions to

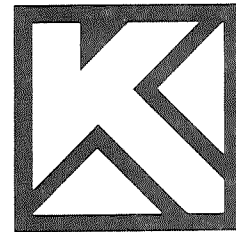
withhold such preferential treatment in the case of intentional, willful or repeated violations, often referred to as a "bad actor" clause.

SB 76 is a good piece of environmental legislation that will benefit both Kansas citizens and business.

On behalf of The Coastal Corporation and Colorado Interstate Gas Company, I thank you for the opportunity to present these comments in support of SB 76 and would stand for questions at the appropriate time.

LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry



835 SW Topeka Blvd. Topeka, Kansas 66612-1671 (913) 357-6321 FAX (913) 357-4732

SB 76

March 7, 1995

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

House Committee on Energy and Natural Resources

by

Terry Leatherman
Executive Director
Kansas Industrial Council

Mr. Chairman and members of the Committee:

My name is Terry Leatherman. I am the Executive Director of the Kansas Industrial Council, a division of the Kansas Chamber of Commerce and Industry. Thank you for this opportunity today to express KCCI's support for SB 76.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

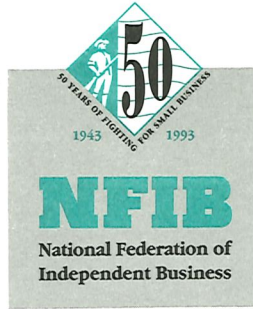
A central test of environmental legislation is whether a proposed action will produce a desired result of improved environmental quality. If this goal can be achieved through cooperation between governmental regulators and the private sector, so much the better. SB 76 is a clear example of legislation which will improve the environment with the willing participation of the private sector.

3/7/95
Energy: Nat. Resources
Attachment # 5

Conducting voluntary environmental auditing is smart business. Measuring how well a company is meeting regulatory and permitting standards is important information a business needs to know. However, an environmental audit becomes a bad business decision when government environmental enforcement agencies can use audit information as the basis for prosecutions. That is why several surveys have indicated that if audit information can fuel government enforcement efforts, a business will decide not perform one at all.

SB 76 reverses that line of logic. The result will be more use of audits, greater business understanding of needed corrective action, and increased voluntary disclosure to environmental problems to regulators.

Thank you for the opportunity to express KCCI's support for SB 76. I would be happy to answer any questions.



**Testimony of
Hal Hudson, Kansas State Director
National Federation of Independent Business**

**Before the
Kansas House Energy & Natural Resources Committee**

on Senate Bill 76

Tuesday, March 7, 1995

Mr. Chairman and members of the Committee: Thank you for allowing me to provide testimony here today. My name is Hal Hudson, and I am the State Director for the Kansas Chapter of National Federation of Independent Business (NFIB), the State's largest small-business advocacy group, with about 8,000 members who employ nearly 100,000 Kansans. Over 80% of our members employ 15 or fewer, while only one percent of our members employ over 100.

NFIB supports enactment of S.B. 76, because, while our members are concerned about environmental protection, they also are concerned about harsh and unreasonable regulation. Accidents do happen, even in the best run companies, with skilled and well trained employees. When unintentional violations of environmental law occur, companies who take the initiative to correct the violation, and promptly report both the violation and the corrective action taken, should be spared harsh and unreasonable penalties.

The principles embodied in S.B. 76 would bring a measure of reasonableness to the enforcement of environmental law. We believe that relief from penalties, as spelled out in Sec. 7. (a) of the bill is appropriate. While enactment of S.B. 76 will not prohibit the U.S. E.P.A. from taking any action, it would provide relief under and Kansas law. Enactment of S.B. 76 also would help send a message to Congress that federal law and E.P.A. regulations need to be revised.

I will be happy to respond to questions. Thank you.

ABOUT NFIB / KANSAS

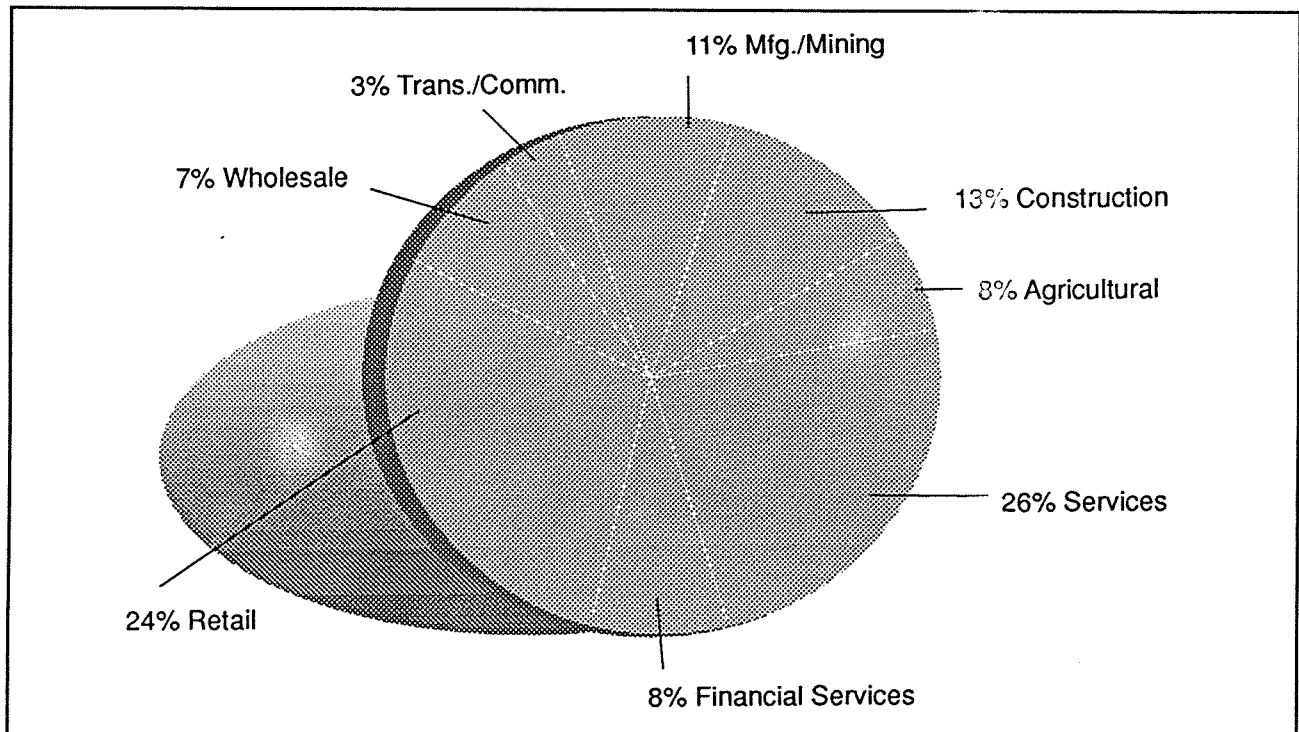
With nearly 8,000 members, the Topeka-based National Federation of Independent Business/Kansas is the state's largest small-business advocacy organization. Independent-business owners join the federation to have a greater say in the crafting of legislation and regulations that affect their lives and livelihoods.

NFIB/Kansas draws its members from all walks of commercial life: from family farmers to neighborhood retailers, from independent manufacturers to doctors and lawyers, from wholesalers to janitorial service firms.

Each year NFIB/Kansas polls its diverse membership on a variety of issues. The federation uses the poll results to form its legislative agenda, aggressively lobbying in support of positions approved by majority vote.

Because policy is determined by direct vote of the membership rather than by a steering committee or board of directors, NFIB/Kansas lobbyists have exceptional credibility as spokespersons for the entire small-business community. Rather than represent the narrow interests of any particular industry or trade group, NFIB/Kansas promotes the consensus view of small-and independent-business owners from throughout the state.

N F I B / K A N S A S M E M B E R S H I P by Industry Classification



NFIB Federal Legislative Office
600 Maryland Ave. Sw, Ste. 700
Washington, DC 20024
(202) 554-9000

3601 S.W. 29th St.
Ste. 107
Topeka, KS 66614
(913) 271-9449

NFIB Membership Development
53 Century Blvd., Suite 205
Nashville, TN 37214
(615) 872-5300

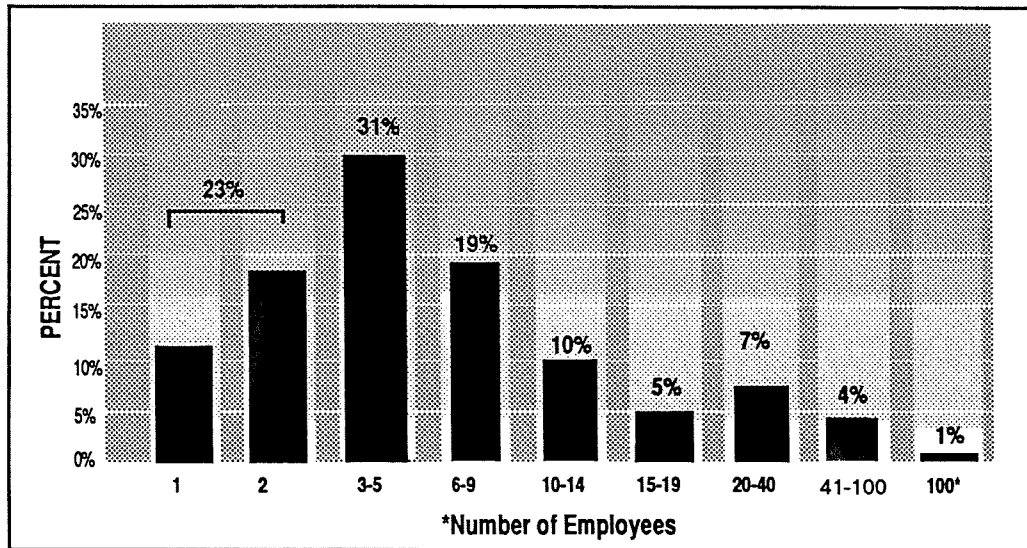
NFIB
National Federation of
Independent Business

N F I B / K A N S A S M E M B E R S H I P P R O F I L E

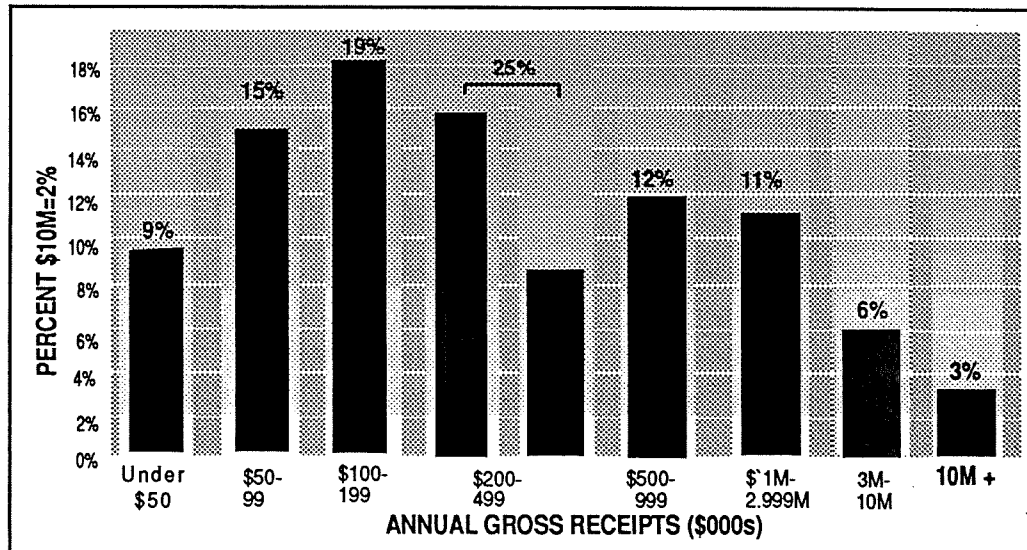
NFIB/Kansas represents the entire spectrum of independent business, from one-person "cottage" operations to quite substantial enterprises.

The typical NFIB/Kansas member employs five workers and rings up gross sales of about \$270,000 per year. In aggregate, the organization's members employ nearly 92,000 workers.

N F I B / K A N S A S M E M B E R S H I P by Number of Employees



N F I B / K A N S A S M E M B E R S H I P by Annual Gross Receipts





Kansas Natural Resource Council

P.O. Box 2635
Topeka, KS 66601-2635

Officers

President
Bill Ward, Lawrence

Vice President
Joan Vibert, Ottawa

Secretary
Ann Fell, Winfield

Treasurer
Art Thompson, Topeka

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Senate Bill 76 Environmental Audit Legislation

Testimony of Bill Craven on behalf of the Kansas Natural
Resource Council and the Kansas Sierra Club

House Energy and Natural Resources Committee
March 7, 1995

The two groups I represent generally support self-reporting and self-monitoring of environmental compliance by businesses whose operations potentially affect the environment. We support the provision in this proposal allowing regulators the discretion to waive enforcement penalties when violations are self-reported and the deficiencies remedied. Many businesses spend a great deal of money to achieve compliance regardless of the activities of Kansas' regulators. They do this out of their commitment to internal management requirements, and not because they are particularly worried about Kansas' regulators. Self-reporting and monitoring are ways to complement enforcement and regulatory compliance.

However, you should know that around the country environmental audit bills are usually strongly opposed by environmental groups because too few protections are afforded to the public. Allowing polluters to shield their activities from the public or from victims of personal injury is contrary to the American legal tradition. The intent of many of these bills is to provide a cover-up to polluters if they simply label various documents as an "environmental audit."

This bill strikes a much better balance than the measures either adopted in, or being considered by, other states. Numerous technical and complex legal questions have been fairly addressed in this version of the bill.

Thank you for the opportunity to testify.



3/7/95
Energy's Nat. Resource
Attachment # 7



Waste Management, Inc. - Midwest
Two Westbrook Corporate Center • Suite 1000
P.O. Box 7070
Westchester, Illinois 60154
708/409-0700 • 708/409-0773 Fax

March 7, 1995

House Energy and Natural Resources Committee
Capitol Building
Topeka, KS 66612-1592

Mr. Chairman and Members of the Committee,

Waste Management would like to convey its support of Senate Bill 76 which recognizes voluntary environmental audit programs and compliance with environmental laws and regulations.

Waste Management has dedicated considerable time and resources to developing its internal environmental audit and compliance program. Our compliance program entails a dedicated environmental management staff, internal environmental audit group as well as computerized programs to alert and assist our facilities in compliance with complex state and federal regulations. This bill officially recognizes the commitment and resources companies such as Waste Management have made to voluntary audit programs. Furthermore, this bill will encourage companies that have not implemented audit programs to do so.

Senate Bill 76 also addresses an unintentional flaw contained in current regulations which actually discourages voluntary audit programs. This bill sends a clear message to Kansas businesses -- voluntary environmental audit programs are not only good for the environment, they also make good business sense.

We applaud Kansas' effort to implement this type of legislation. We are aware of similar legislation that is being considered in more than half the states. This represents a national trend to encourage compliance thorough voluntary audit programs.

Again, Waste Management supports Senate Bill 76 which promotes compliance, encourages protection of the environment and represents sound public policy.

Sincerely,

Richard T. Kogler
Vice President
Waste Management of Kansas, Inc.

Energy & Natural Resources
Attachment #8
3/7/95