

Approved: 2-14-95  
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES.

The meeting was called to order by Chairperson Don Sallee at 8:00 a.m. on February 8, 1995 in Room 254-E- of the Capitol.

All members were present except:

Senator Robert Vancrum, Excused  
Senator Barbara Lawrence, Excused  
Senator Phil Martin

Committee staff present: Raney Gilliland, Legislative Research Department  
Dennis Hodgins, Legislative Research Department  
Mike Corrigan, Revisor of Statutes  
Clarene Wilms, Committee Secretary

Conferees appearing before the committee:

Thomas C. Stiles, Assistant Director, Kansas Water Office  
Paul E. Fleenor, Director, Public Affairs Division, Kansas Farm Bureau

Others attending: See attached list

**SCR 1607: Expressing concerns of the Kansas Legislature regarding the U.S. Army Corps of Engineers' Missouri River Master Manual Review and the economic consequences resulting from implementation of the review.**

Thomas C. Stiles, Assistant Director, Kansas Water Office, appeared in support of **SCR 1607** presenting written testimony stating reasons why the resolution should go forward. Mr. Stiles told the committee the resolution indicates to the Corps that additional examination of alternatives and more flexibility in operating the system are needed. He stated the resolution delivers a strong call for balance between environmental and economic considerations between upper basin and lower basin concerns; also, it projects a strong legislative concern on these issues to the Corps.

Mr. Stiles suggested several amendments to **SCR 1607** which are contained in (Attachment 1). Mr. Stiles urged the committee to expedite delivery of this resolution to the Corps of Engineers leaving no doubt the state of Kansas has very major concerns about this issue.

Paul E. Fleenor, Director, Public Affairs Division, Kansas Farm Bureau, appeared in strong support of **SCR 1607**. Mr. Fleenor presented written testimony which included a statement to the U.S. Army Corps of Engineers concerning the Environmental Impact Statement - Missouri River, presented in October 24, 1994 (Attachment 2). Mr. Fleenor stated the Corps will take comments up to March 1 so expeditious handling of this resolution was very important. He further stated the "preferred alternative" needed to be reexamined as it is certainly not preferred by those from business, industry, agriculture, community and municipal water plans. He commented the greatest and most negative impact on agriculture of the proposed navigational change is loss of competition for agricultural freight. Statistics concerning this impact are contained in (Attachment 3).

Discussion followed with Mr. Fleenor commenting that "recreation benefits" language, which is not in the authorizing, implementing legislation, has been used by both the Corps and the upper basin area representatives. The beneficial uses listed in the legislation are flood control and navigation. Mr. Fleenor stated he would like to have final language dealing with Kansas reservoirs and lakes.

**Senator Morris made a motion to insert between lines 39 and 40 on the first page an additional "WHEREAS" statement about the rivers and the lakes recommended in Mr. Stiles testimony. Senator Hardenburger seconded the motion and the motion carried.**

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES, ROOM 254-E-Statehouse, at 8:00 a.m. on February 8, 1995.

Senator Lee moved inclusion of recommendations by Mr. Stiles to modify lines 15 and 16. Senator Hardenburger seconded the motion and the motion carried.

Senator Morris made a motion for favorable passage of **SCR 1607** as amended. Senator Lee seconded the motion and the motion carried.

The meeting adjourned at 8:35 a.m. .

The next meeting is scheduled for February 9, 1995.



**SENATE ENERGY AND NATURAL RESOURCES COMMITTEE**  
**FEBRUARY 8, 1995**  
**TESTIMONY BY THOMAS STILES, KANSAS WATER OFFICE**  
**REGARDING SENATE CONCURRENT RESOLUTION 1607**

Chairman Sallee and Members of the Committee:

I am Thomas C. Stiles, Assistant Director of the Kansas Water Office. Our agency wishes to express our support for the Concurrent Resolution before you today. There are three chief reasons why this resolution should go forward:

1. It indicates to the Corps that additional work needs to be done in examining a number of alternatives to the preferred alternative, including a range of operation rule curves and incorporation of more flexibility in operating the system within hydrologic opportunities as they arise.

2. It delivers a strong call for balance between environmental and economic considerations and between upper basin and lower basin concerns.

3. For the first time, it projects a strong legislative voice over concern on these issues to the Corps.

While the Office defers to the Chief Engineer and his staff on the technical review of the Corps current stance, we do offer two points for the Committee's consideration:

1. The use of cost-benefit analysis has created a policy debacle for reservoir operations. Over the last five years, the question has been diverted away from the key issue of how to operate the mainstem system under conditions of stress to what has more economic value: recreation or navigation. The introduction of the issue of endangered species has made a murky situation almost unfathomable.

The fault for this lies with the Corps for trying to establish hard and fast rules which apply uniformly over the hydrologic spectrum. A call for greater flexibility and discretion in regard to Corps operations would be in order. Once periods of stress are in place, be it drought or flood, then is the time to impose more rigid operating rules.

We would suggest to the committee a modification of Line 9 of the second page by substituting "impacts of" for the words "a cost/benefit analysis for" and in Line 10, substitute "in conjunction with" for "and negative economic impacts from". We would also suggest modifying Line 15 of the second page by replacing "navigation" with "operation" and insert after "curves" , the phrase "based on hydrologic conditions".

2. The state has consistently argued with the Corps over the use of Milford, Tuttle Creek and Perry Reservoirs to supplement Missouri River navigation flows below Kansas City. This operation, last done in 1991, drops those three lakes up to six feet below conservation pool while producing a "benefit" to the Missouri River of an increased water level of about two inches. Ironically, in this situation, Kansas is more closely aligned with the concerns of the upper basin. However, this is not a concern which is anti-navigation. Rather it is a concern of disproportionate impacts to state resources for an extremely marginal benefit to the navigation function of the Missouri River. Our Office would suggest an additional "WHEREAS" paragraph inserted between Lines 39 and 40 on the first page. Suggested language might be:

"WHEREAS, The Draft Environmental Impact Statement for the Missouri River Master Control Manual Review and Update has failed to address the issues of impact on the Kansas River Reservoir System of periodic support of navigation target flows on the Missouri River at Kansas City; and"

The Office also suggests inserting the following between Lines 11 and 12 on the second page:

"(3) The economic and environmental impacts of operating Milford, Tuttle Creek and Perry Reservoirs for the purpose of supplementing navigation flows at Kansas City."

Thank you for your time and consideration of these suggestions. The Office feels it is important for the Legislature to convey its concerns on this matter to the Federal Government.



# PUBLIC POLICY STATEMENT

## SENATE ENERGY AND NATURAL RESOURCES COMMITTEE

### RE: S.C.R. 1607 - A resolution expressing concerns with Corps of Engineers' Draft Environmental Impact Statement

February 8, 1995  
Topeka, Kansas

Presented by:  
Paul E. Fleener, Director  
Public Affairs Division  
Kansas Farm Bureau

Mr. Chairman and Members of the Committee:

We sincerely appreciate the opportunity to testify strongly in support of S.C.R. 1607. We commend and thank the committee for introducing the resolution. We urge unanimous support for it ... both in the committee and on the floor of the Senate.

For the record, my name is Paul E. Fleener. I am the Director of Public Affairs for Kansas Farm Bureau.

The Draft Environmental Impact Statement (DEIS) of the Corps of Engineers came to our attention in late Spring of 1994. It was exactly as the name implied ... a **DRAFT**. We were in communication

Senate Energy & Nat'l Res.  
February 8, 1995  
Attachment 2

with staff members working with Senator Nancy Kassebaum and Senator Bob Dole. They kept us apprised of what the Corps was looking at and thinking of proposing. When the DEIS was made public and came out to the country, the Corps, under some degree of modest pressure, agreed to conduct public hearings. To its credit there were 30 or more of those hearings. They began on September 19 in Omaha. They worked their way up and down the Missouri River in communities large and small.

On September 13 we alerted members of the House and Senate from Junction City east to Missouri and north to Nebraska. We informed and encouraged attendance at one or both of the Kansas hearings ... October 13, 1994 in Atchison and October 24 in Topeka. We attended both. We testified publicly at the October 24 hearing in Topeka. A copy of our statement is attached.

Mr. Chairman and members of the committee, S.C.R. 1607 is a very timely resolution. The Corps of Engineers needs to go back to the drawing board. In essence that is what you have told them. You have asked them, as did countless conferees in meetings up and down the river, that the "preferred alternative," misnamed as it is, be reexamined. It certainly is not preferred by those from business, industry, agriculture, community and municipal water plants. In the two hearings I attended, I heard one proponent.

We want to thank you sincerely for introducing S.C.R. 1607. We urge and encourage its adoption. We will be testifying in the House of Representatives when they have received it and we'll be urging



them to expedite its transmittal to the Corps of Engineers and every member of the Kansas Congressional Delegation. This DEIS must be reexamined, restudied and resubmitted. We cannot have the slowdown in navigation and the threat of Spring floods that the DEIS would bring about.

Thank you for the opportunity to make these comments. I would respond to questions, if there are any.



# PUBLIC POLICY STATEMENT

## U.S. ARMY CORPS OF ENGINEERS

### RE: Draft Environmental Impact Statement - Missouri River

October 24, 1994  
Topeka, Kansas

COPY

Presented by:  
Paul E. Fleener, Director  
Public Affairs Division  
Kansas Farm Bureau

We appreciate the opportunity to comment on the Draft Environmental Impact Statement prepared by the U.S. Army Corps of Engineers, relating to the Missouri River.

For the record, my name is Paul E. Fleener. I am the Director of Public Affairs for Kansas Farm Bureau. My Testimony this evening is on behalf of the more than 140,000 Kansas families who belong to Farm Bureau in this state.

We come before you this evening to ask you to go back to the drawing board. The DEIS would work economic hardship on thousands of farmers in the State of Kansas. We want to invite your attention to some factual material, research developed by our Economists in Kansas Farm Bureau, measuring the economic impact of proposed navigational changes which would be brought about by the "preferred alternative" for operation of flows of the Missouri River.

Senate Energy & Nat'l Res  
February 8, 1995  
Attachment 3

**First and foremost:** The greatest and most negative impact on agriculture of the proposed navigational change is loss of competition for agricultural freight. Let us focus on that with you for just a moment. Competition is the factor that drives freight rates and therefore the cost of shipping. The Corps proposal would **limit** the use of the most efficient - least costly - mode of transportation available to agriculture in the United States ... namely, barge transportation.

Though the impact would reach well across the state of Kansas, we will focus this evening on just the Northeast District (as carved out by the Kansas Agricultural Statistical Service). This Northeast District is made up of the following counties: Atchison, Brown, Doniphan, Jackson, Jefferson, Leavenworth, Marshall, Nemaha, Pottawatomie, Riley and Wyandotte. All data are complete, full-year data for the calendar year of 1992.

The Northeast District produces approximately \$313 million worth of field crops a year. The big four in that total are soybeans worth more than \$100 million, corn worth more than \$65 million, grain sorghum with a value of \$64 million and wheat with a value of \$33 million. Acreage utilization in the area is almost evenly divided between grain production and forage and grazing acreage.

Let's look at the affect of the Corps navigation proposal on northeast Kansas grain production. It is worth noting that an increase in the cost of transportation would immediately run throughout the system but would fall squarely on the shoulders of the

farmers and producers in the area. For every nickel (\$.05) per bushel increase in transportation, the producers of the Northeast District would be out \$4.7 million.

The most efficient transportation system available to farmers is the relatively inexpensive barge traffic that takes grain east on the Missouri and south on the Mississippi. What this has produced has been a very strong basis situation (cash price in relation to the futures price) in this part of the state. Now, our Economists indicate the total impact of the Corps proposal is difficult to gauge but it could result in a \$.10 per bushel weaker basis for grain on a yearly average. The annual impact would then be \$9.4 million. The very modest multiplier effect would mean an impact of \$27-\$30 million in losses to the northeast Kansas economy.

We have focused on an area comprised of 11 Kansas counties. But let me say to you the impact would be far greater to the state of Kansas than we have laid out here. And we believe that to be true because of the University of Missouri Study which expresses it this way: A 34% increase in railroad shipping rates as far as 150 miles away from the Missouri River. That would take in a large number of Kansas counties and the impact ... the economic impact, the loss to agricultural producers and the multiplier effect throughout the economy of Kansas ... would be millions and millions of dollars.

Let us tell you a little bit about input costs, because they are going to go up for our agricultural producers. The lack of competition from river freight or diminished barge traffic freight

capacity could increase fertilizer cost by \$5-\$10 per ton. The net result of that would be a \$1-\$2 million increase for the Northeast District. Individual farmers will face approximately \$500 annually in higher fertilizer cost. That, added to the nearly \$4,000 loss of revenue because of weaker grain prices, would be devastating to the agricultural producers in the State of Kansas.

We favor a "win-win" situation. We favor the best possible management of the flow of the Missouri River in keeping with the best economic analysis, the best productive use consistent with flood control. We recognize there are benefits which derive to all of society by the practice of those in production agriculture who are very environmentally aware and conscience of opportunities to protect water and soils. They need to. They are the resources which, coupled with their own hard work, generate the food and fiber needed in this nation for one farmer to feed nearly a hundred people here and abroad. These producers have been environmentalists and ecologists before those terms were so in vogue. They have helped protect water supplies because they drink those waters. They have helped preserve soils because they steward those soils. These are the sensible people who help feed us all. Please don't put the burden of this Draft Environmental Impact Statement and the "preferred alternative" of the Corps of Engineers on the backs of the productive segment known as farmers and ranchers. They want to live in harmony with their land. They want to live in harmony with their neighbors in communities large and small, up and down the river. They get power sources from this

river just as other citizens do. They cannot stand the increased rise in Spring flows and then be cut off at the pass for navigation capability. Let's be good neighbors up and down the river and let's not put the farmers of this state out of business.

Thank you very much for giving us the opportunity to share these comments tonight. We reserve the right to make additional observations and file them for the record which we thankfully recognize has been moved to March 1, 1995.