

Approved: Carl Dean Holmes
Date 3/13/96

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Carl Holmes at 3:40 p.m. on February 7, 1996, in Room 526-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee: Bill Bider, Department of Health and Environment
Franklin K. Willis, Rollins Environmental Services, Inc.
Edward Moses, Kansas Cement Council
Horace Compton, Lafarge Cement Corporation, Fredonia, KS
Jim Shea, Ash Grove Cement Company, Chanute, KS
Tom Radar, Heartland Cement Company, Independence, KS

Others attending: See attached list

Chairperson Holmes opened the meeting by announcing we will need to start working on Fridays or stay later to work more bills possibly beginning next week.

Hearing on HB 2789: Fees for off-site hazardous waste treatment and disposal facilities

Bill Bider. Mr. Bider, Director, Bureau of Waste Management for the Kansas Department of Health and Environment, provided comments related to HB 2789. (Attachment #1)

Ron Hein, who has represented Aptus, Inc. for many years, introduced the next conferee to the Committee.

Frank Willis. Mr. Willis, Vice President for Government and Environmental Affairs of Rollins Environmental Services, testified in support of HB 2789. Rollins Environmental Services, Inc. purchased the Aptus hazardous waste incineration facility in Coffeyville, Kansas, last year from Westinghouse. (Attachment #2)

Mr. Willis also distributed a manual titled Burning Hazardous Waste in Cement Kilns in the State of Kansas to the Committee members (copy available in House Energy & Natural Resources Committee file)

Edward Moses. Mr. Moses urged the Committee to maintain the current policy by rejecting HB 2789. (Attachment #3)

Horace Compton. Mr. Compton, Plant Manager for the Lafarge Cement and Co-Processing Facility in Fredonia, Kansas, urged the Committee to defeat HB 2789 and support viable manufacturing systems that utilize resource recovery. (Attachment #4)

Jim Shea. Mr. Shea testified in opposition to HB 2789 although he supported some sort of fee program. (Attachment #5)

Tom Radar. Mr. Radar testified in opposition to HB 2789 although he supported some sort of fee program. (Attachment #6)

Questions followed after which the Chair announced he does not intend to work this bill until the bill comes over from the Senate. No additional hearings will be held for the Senate bill so this is the last opportunity to question the conferees. Two more questions followed, and the hearing was closed.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 526-S Statehouse, at 3:30 p.m.. on February 7, 1996.

Action on HB 2718: Hunting and fishing by former residents on military leave or furlough

Representative Bob Krehbiel moved to amend HB 2718 on page 3, line 42 by striking the words "ar furte" and inserting "Kansas." Representative Richard Alldritt seconded the motion. The motion carried.

Representative Bob Krehbiel moved that HB 2718 be passed out favorably as amended. Representative Richard Alldritt seconded the motion. Discussion followed. Representative Krehbiel withdrew his motion.

Mary Torrence of the Revisor's Office announced the above amendment appears to be a printer's error and would be taken care of in reprinting, but she has found several other technical errors in the bill.

Representative Bob Krehbiel moved to amend HB 2718 as follows: on page 1, in line 41, after the semicolon, the conjunction "or" needs to be inserted; in line 43, the word "forced" should be changed to "forces"; on page 3, in line 39, after the semicolon, the conjunction "or" needs to be inserted; and on page 4, in line 12, after the semicolon, the conjunction "and" needs to be inserted. Representative Laura McClure seconded the motion. The motion carried.

Representative Bob Krehbiel moved that HB 2718 be passed out favorably as amended. Representative Richard Alldritt seconded the motion. The motion carried.

The meeting adjourned at 5:50 p.m.

The next meeting is scheduled for February 8, 1996.

ENERGY AND NATURAL RESOURCES COMMITTEE
 COMMITTEE GUEST LIST

DATE: February 7, 1996

NAME	REPRESENTING
Jois Ripley	Audubon & Sierra
Mel Bailey	
Woody Moses	KANSAS Agg Prod Assn.
Barbara Conyter	Lafarge Corp.
Jim Shee	Ash Grove Cement Co.
Tom Rader	Heartland Cement Co.
Gary Molchan	Lafarge Corporation
Greg Bryant	Sierra Club of Kansas
Go Scott	Wolf River Environmental Society
Frank Willis	Rollins Environmental
Ron Hein	Aptus
Julie Hein	Aptus
Melissa Wangemann	Hein, Ebert & Weir
Paul Weidhaas	self

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

House Bill 2789

The Department of Health and Environment appreciates this opportunity to provide testimony on House Bill 2789. This bill would remove the differential between hazardous waste treatment fees paid by the single commercial hazardous waste incinerator and the three cement manufacturing facilities which burn hazardous waste as supplemental fuel. In the existing statutory language a distinction is made between facilities treating (incinerating) hazardous waste and those burning hazardous waste for energy or materials recovery. The statute established a maximum fee rate of a penny a pound (\$20 per ton) for all facilities but set an annual cap of \$200,000 per treatment facility and \$50,000 per facility burning hazardous waste for energy or materials recovery. In implementing the administrative regulation enabling the department to collect the hazardous waste treatment fees, a fee rate of \$10 per ton (half the allowable maximum) was set for incineration facilities. The fee rate for facilities burning hazardous waste for energy or materials recovery was set at \$.50 per ton (1/40th of the maximum). Under the current proposal, there would be no difference in the fees paid by any of the facilities and the annual cap for all would be \$200,000. The amounts of hazardous waste burned and the fees paid by the four operating facilities in Kansas is provided in the attached table. Many states have imposed fees on hazardous waste management activities in their state and several have treatment fees similar to those in effect in Kansas. In comparison the \$10 per ton rate ranks very low to fees assessed in other states. During fiscal year 1995, the four Kansas facilities burned nearly 120,400 tons of hazardous wastes.

In 1991 when the Kansas legislature established the existing statutory provisions, facilities such as cement kilns, which burn hazardous waste as supplemental fuel, were required by federal and state regulation to limit such fuels to clean materials having a high energy value. KDHE recognized the environmental advantages of burning hazardous waste in place of traditional fuel sources such as coal and natural gas compared to simply burning waste for destruction. In accordance with this preference, the current fee differential (\$10 per ton versus \$.50 per ton) was established.

Prior to 1991, the U.S. EPA considered cement kilns as recycling units and as a result, exempted these facilities from hazardous waste regulation. This position changed on February 21, 1991 when EPA promulgated its Boiler and Industrial Furnace (BIF) regulations. Under BIF the energy content of the waste became less important and in theory, a cement kiln could feed any waste provided the system performed to certain emissions criteria. As a result cement kiln fuel suppliers began to blend low energy content and hard to burn waste materials with higher energy materials. Therefore, the fuels burned by the cement industry now contain the same types of hazardous constituents found in the wastes burned in the incinerators; however, the constituents are generally more concentrated in the wastes which are managed at incinerators. It is noteworthy that many of these concentrated wastes and other hard to burn wastes must be handled by incinerators because the kilns are not designed to burn such materials. Examples of hazardous wastes which cannot be burned in most cement kilns include contaminated soils, paints sludges mixed with metal cans and other inorganics, and various types of contaminated filter media. Incinerators do provide Kansas businesses with an important waste disposal service which is not available through the cement kilns.

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Today, there is not a clear difference between burning high energy content fuels in cement kilns and in commercial incinerators. Both types of facilities utilize kiln technologies to destroy hazardous wastes and both utilize the heat value of high BTU waste fuels to help burn hazardous wastes with little or no energy content. Although cement kilns can directly substitute high energy waste fuel for fossil fuels, incinerators can minimize their use of fossil fuels to maintain incineration temperatures by burning wastes with high energy contents. Under both scenarios, energy is conserved.

This bill would directly impact the three cement kilns which currently burn hazardous waste as supplemental fuel. If the department applies the existing fee rate for incineration (\$10 per ton) to all four facilities and the quantities of waste burned remains at 1995 levels, two of the three cement kilns would pay fees at the \$200,000 annual cap level while the third would be somewhat less than the cap.

If a uniform treatment fee of \$10 per ton is imposed on all Kansas facilities, total fee revenues will be approximately \$675,000 per year. This is about \$430,000 more than what is currently received under the differential fee structure. These revenues will likely decrease in the future as more waste minimization and pollution prevention programs are implemented by businesses. According to statute, one-quarter of the collected funds is used to support the state's household hazardous waste program. This program has also been supported by \$150,000 per year in state water plan funds.

The remaining 75 percent of fee revenues is currently used to support the pollution prevention program which also receives federal funding. The household hazardous waste (HHW), pollution prevention (P2), and hazardous waste regulatory programs are important to the state and they have generally been successful in achieving their goals. Thousands of persons have participated in the voluntary HHW and P2 programs resulting in less waste generated and less hazardous materials in our landfills. The operation of a state hazardous waste program has minimized federal involvement in compliance and enforcement which has improved the flexibility under which our businesses operate.

In closing, the department would like to emphasize that this bill primarily involves an economic policy decision rather than a technical decision related to the protection of human health and the environment. Based upon the background information provided by the department and other conferees, the legislature must determine whether differential fees are warranted for cement kilns (or other BIF facilities) and incinerators. The department neither supports nor opposes this bill as written.

Thank you for this opportunity to provide comments related to HB 2789.

Testimony presented by: Bill Bider
Director, Bureau of Waste Management
Division of Environment
February 7, 1996

**COMPARISON OF HAZARDOUS WASTE TREATMENT FEES
TO FACILITY CAP PER FISCAL YEAR
AND TOTAL QUANTITIES OF HAZARDOUS WASTE
MANAGED BY FACILITY PER FISCAL YEAR**

FACILITY	CAP	FY 1993	FY 1994	FY 1995	FY 1996 (3 QTRS)
APTUS	\$200,000	\$33,842	\$57,832	\$85,397	\$73,119
QUANTITY MANAGED (tons)		3,384.2	5,783.2	8,539.7	7,311.9
ASH GROVE	\$ 50,000	\$18,901	\$15,836	\$17,715	\$15,011
QUANTITY MANAGED (tons)		37,802	31,672	35,430	30,022
HEARTLAND	\$ 50,000	\$ 3,674	\$ 9,245	\$ 7,739	\$ 7,130
QUANTITY MANAGED (tons)		7,348	18,490	15,478	14,260
LAFARGE	\$50,000	\$34,989	\$33,898	\$30,498	\$24,338
QUANTITY MANAGED (tons)		69,978	67,796	60,996	48,676

Source: KDHE 2/6/96

HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE

TESTIMONY RE: HB 2789

Presented by Franklin K. Willis

Vice President/Government and Environmental Affairs

on behalf of

Rollins Environmental Services, Inc.

February 7, 1996

Mr. Chairman, Members of the Committee:

I appreciate this opportunity to appear before the House Energy and Natural Resources Committee to testify on behalf of HB 2789, a bill to equalize taxes and fees on hazardous waste combusters. I am Vice President for Government and Environmental Affairs of Rollins Environmental Services, which last year purchased the Aptus hazardous waste incineration facility in Coffeyville from Westinghouse. Appearing with me is Ron Hein. Ron Hein has represented Aptus here in Topeka for many years.

Rollins has been in the commercial business of incinerating hazardous waste for more than a quarter century. That makes us the most experienced and largest company in the United States specializing in high technology combustion of hazardous waste with major facilities in five states and annual revenues in excess of \$200 million. We believe that our technology for safely destroying and disposing of hazardous waste is among the most sophisticated in the world, and that our operating performance meets the strictest standards established by any government agency. We believe the public demands no less, and if our citizens are to have confidence that procedures for the handling, combustion and final disposal of hazardous waste adequately protect health and the environment, they deserve no less than the highest standards. Later this month, the EPA is expected to announce tough new air emission standards for hazardous waste combusters. We already meet these new standards in most regards, and will meet all of them well before their final effective dates.

Many of you may be surprised to hear that, with this history of experience, Rollins' Aptus facility in Coffeyville only burns 7% of the hazardous waste in Kansas. In fact, the other 93% is burned by three cement companies: Ash Grove in Chanute; LaFarge in Fredonia; and Heartland in Independence. Aptus operates under a permit issued by KDHE, and the terms and conditions of that permit have in large part been established by KDHE after their development in public processes conducted by KDHE. The cement companies operate under regulations issued by the federal EPA which gives them temporary, or "interim" status to engage in the commercial business of incinerating hazardous waste. They do this by introducing hazardous waste into their kilns at the same time as they are making cement. They also are to go through the permitting process (though none has a permit at present); however, in large part the terms and conditions for the permits for the three cement companies will be issued by the EPA.

We firmly believe that the standards and conditions that have been established by the EPA for cement companies to incinerate hazardous waste under "interim" status have

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departed in very significant respects from the tough standards that have been imposed on Aptus and Rollins' other specialized incinerators throughout the country. Specifically, these standards allow cement companies to emit levels of lead, cadmium, arsenic, chromium, mercury and other toxic and carcinogenic heavy metals at 10, 100, even 1,000 times the levels applicable to Aptus, and vastly above levels that reasonable cost technology could meet. Further, the residues from incineration, referred to as cement kiln dust, blow freely in the wind and are dumped in quarries or giant waste piles with no management standards applied to them, despite the significant presence of toxic heavy metals in the dust which come from the hazardous waste that has been injected into the cement kiln for incineration. By contrast, Aptus' residues, which are not essentially different from the cement kiln dust in metals content, must be collected in bags to prevent any blowing, and they are trucked to Colorado for permanent entombment in a specialized hazardous waste landfill.

These double-standards are not directly before the Committee, but we would urge the Committee to seek to determine from the EPA what the basis is for looser standards for cement companies that burn hazardous waste. We think that any facility that engages in the commercial business of hazardous waste incineration should meet the same, uniform tough standards which have been imposed for the best facilities. But, it appears that the EPA, in establishing final permit conditions for the Kansas cement companies, may continue to apply different, and more lax standards for air emissions--and may continue to ignore any management standards for the cement kiln dust piles. We believe there is a good argument that Kansas would not have dual standards if KDHE had full permitting responsibilities for all hazardous waste facilities in Kansas and not just Aptus. We believe they would insist on uniform standards, because KDHE has already determined what is protective of health and the environment in Aptus' permit. And, we believe it is entirely appropriate that KDHE have the permitting power, rather than the federal EPA, because of course it is ultimately Kansans who will have to live with the consequences of hazardous waste burning in the state.

The clear area where direct Kansas state authority does now exist is with respect to fees and charges. Current law and regulations require that Aptus pay \$10/ton for hazardous waste incinerated at its facility; cement companies pay a fee of 50¢/ton for the same waste incinerated at their facilities. We find that our Aptus facility is paying more than 60% of the hazardous waste treatment fees in Kansas, even though it is burning only 7% of the waste! Such a differential is inequitable, and constitutes an incentive to use lower technology facilities to treat hazardous waste. We would ask the Committee to right this imbalance, and thereby impose a level playing field with respect to fees and charges. We are not asking for special treatment, but fair play. We will carry our part of the burden in bearing the cost for the State of Kansas to manage its hazardous waste program, but all should participate on a proportionate basis.

Nationwide, only 23 or 24 cement kilns burn hazardous waste; 120 cement kilns do not burn hazardous waste. In Southeast Kansas, 3 burn hazardous waste, 1 does not. Therefore, uniform fees and standards for hazardous waste incineration should not impair the ability of the cement kilns to compete in the cement industry.

Kansas today provides a magnet for the nation's hazardous waste. Its fee structure gives an incentive to hazardous waste generators to send their waste to Ash Grove, LaFarge, and Heartland Cement Company, and they enjoy additional low costs because of lax standards applied to cement kiln air emissions and because of non-existent disposal standards for the toxic cement kiln dust residues. Kansas ranks second in the country, Missouri first, in the capacity of cement companies that burn hazardous waste--together 40% of the nation's total. In the fee structure, and in permit conditions to be applied to this activity, Kansas can have uniform strict standards, or Kansas can accept something less than that. For the moment, the lead, arsenic and other toxic metals in hazardous waste that go to Kansas cement kilns remain in Kansas. You can insist on change.

Thank you for the opportunity to testify on HB 2789. I would be happy to answer any questions you might have.

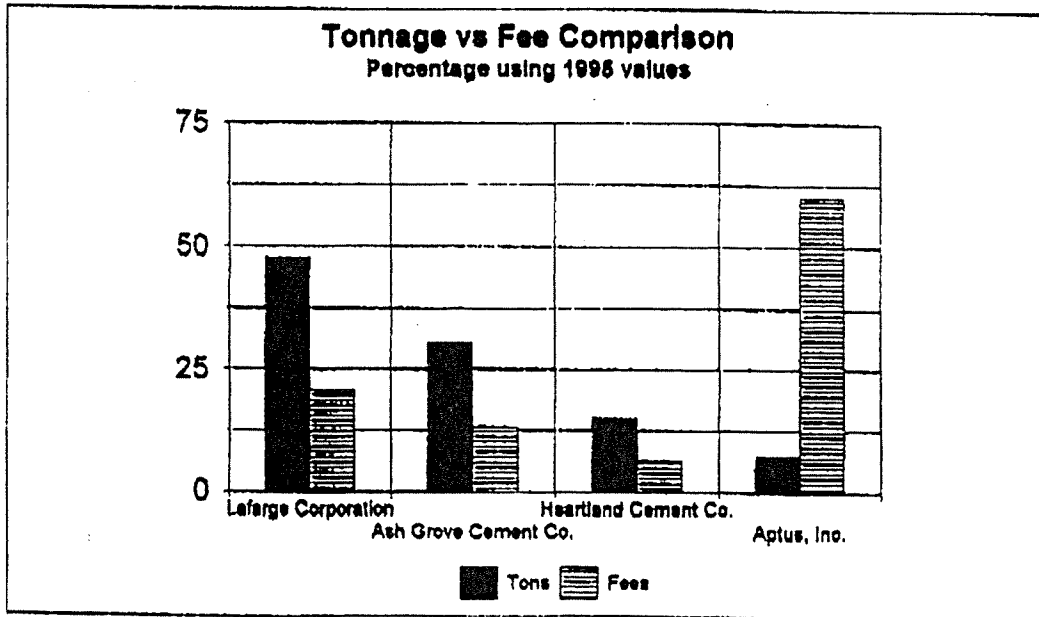
**State of Kansas Off-Site Hazardous Waste Combustion
Comparison of Quantities and Fees
CURRENT RATES: \$10.00/ton for Aptus, \$0.50/ton for CK**

Annual Data Quantity & Fees

Company	Tons		Fee	
	1994	1995	1994	1995
Lafarge Corporation	62771	60229	\$31,386	\$30,115
Ash Grove Cement Co.	34554	38531	\$17,277	\$19,265
Heartland Cement Co.	13438	18695	\$6,719	\$9,347
Aptus, Inc.	8480	8837	\$84,800	\$88,373
TOTAL	119243	126292	\$140,181	\$147,100

Annual % of Total Comparison

Company	Tons		Fee	
	1994	1995	1994	1995
Lafarge Corporation	52.6	47.7	22.4	20.5
Ash Grove Cement Co.	29.0	30.5	12.3	13.1
Heartland Cement Co.	11.3	14.8	4.8	6.4
Aptus, Inc.	7.1	7.0	60.5	60.1
TOTAL	100.0	100.0	100.0	100.0



TESTIMONY

by

Kansas Cement Council

Before the

HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE

Regarding HB 2789 - Hazardous Waste
February 7, 1996

Good morning Mr. Chairman and members of the committee. Thank you for the opportunity to appear before you today with our comments on House Bill No. 2789 concerning hazardous waste treatment fees.

My name is Edward Moses. I represent the Kansas Cement Council. The Kansas Cement Council is a group of Kansas cement plants comprised of the Heartland Cement Company, Independence, Ash Grove Cement Company, Chanute and Lafarge Corporation., Fredonia. All of these plants are currently engaged in the burning of hazardous waste material as a substitute fuel source in the manufacture of cement. This technology is extensively used as a primary fuel source at all three locations. The advantage of this energy saving system are several fold:

- (1) It is a resource recovery system that utilizes flammable, hazardous waste liquids and solids in the normal cement making process thereby reducing the need for alternate fuels such as coal.
- (2) By using these waste materials as a substitute for coal it saves burning several thousand tons of coal per year, reducing the resulting sulfur dioxide (SO₂) and carbon dioxide (CO₂) emissions from the burning of this fossil fuel.
- (3) As the process treats the waste materials they need not be permanently landfilled, injected into deep wells, or commercially incinerated.
- (4) It makes our Kansas cement industry a profitable operation, which otherwise it presently would not be. The Kansas cement industry generates substantial tax flow into the state and employs several hundred people in Southeast Kansas and provides quality construction materials for the people of Kansas.

Our technology is favorably recognized nationally and in the state of Kansas. Development and installation of this new resource recovery method represents a major investment for our companies and their business partners. Several million dollars in capitol improvements have been invested in Kansas alone.

The Kansas cement industry is not in the **commercial** waste incineration business. The industry has no interest in these fuel wastes unless they can be acquired and burned at less cost than the price of fossil fuels. Fuel expense for the rotary cement kilns represent about 1/3 of the cost of manufacturing Portland cement. As one way of remaining competitive in a seriously depressed cement market, the industry has focused on the reduction of fuel cost through the use of alternate fuels, such as those derived from hazardous waste. The use of these waste fuels has

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become one of the rare events when good environmental practice also produces positive economic benefits. Fees, based on quantities treated, of course increase our cost of fuel. If fees are raised, at some point the Kansas cement industry will no longer be able to burn hazardous waste in their kilns. It is also certain that the jobs of our employees in Southeastern Kansas will then also become less secure. Unfortunately, with the increased importation of environmentally unregulated cement from Mexico there is no economically viable alternative. At the turn of the century Kansas was a leader in national cement production with 17 cement mills. Today there are only 4 cement mills left. A change in current policy could ultimately result in preventing a beneficial method for the treatment of hazardous waste and have unfavorable economic consequences as well. In other states where the commercial incineration industry has been successful in "leveling the economic playing field", such as Tennessee and Texas, the cement industry has merely left the "playing field".

Our industry has no problem with the Kansas Department of Health & Environment (KDHE) having the authority to require reasonable regulations and mandate fees to defray the cost of permitting, reviewing, and monitoring hazardous waste management. Accordingly, we supported the passage of House Bill 2021 in 1991. At that time we made an overwhelming case for the regulation of our industry in a different manner from the commercial incineration industry; and the legislature supported this policy with the approval of HB 2021 now current law.

Today, we think this policy should be continued for a number of valid reasons:

- Economics - We think the people of Kansas will benefit economically in several different manners. By recovering energy through the treatment of hazardous waste we provide a more economical means of management for hazardous waste generators in Wichita, Kansas City and beyond. Thus assisting other Kansas industries to remain competitive. Further, by converting this waste to energy, we produce a value added and environmentally friendly product (cement) for the Kansas construction industry at a competitive price. Finally, we save both local and state governments the problems and expense of dealing with an even larger waste streams. Finally, the Kansas cement industry provides over 600 highly paid jobs in Southeast Kansas.
- Technically - There are several reasons in favor of maintaining current law. As the commercial incinerator sponsoring this bill does burn highly toxic wastes and is the only processor of Dioxins in the nation, we think there is justification in setting a higher fee for the higher risk associated with the monitoring and regulation of this hazardous waste stream. A cement kiln treats waste at 2700°F - 3200°F while traveling through a 700 ft. - 800 ft. kiln achieving complete (99.99%) destruction. A commercial incinerator, constrained by design, can only afford to burn at much lower temperature over a shorter period of time. Thus, promoting the need for closer monitoring by government. The commercial incinerator industry sometimes will allege as we now burn "dirtier" or blended fuels the cement kilns should be regulated on the same basis. The truth is we burn "cleaner" fuels today, than when this regulatory program was first passed and the average BTU content is higher (see attached charts).
- Policy - In 1991 the Kansas Department of Health & Environment proposed and the legislature wisely adopted a policy of regulating cement kiln fuels in a different manner. The purpose in doing so was to encourage a more efficient use of our waste streams. Current policy in other jurisdictions tend to support these principals and goals. At the Federal level cement kilns standards are more stringent than older commercial incinerators under both the Boiler & Industrial Furnace (BIF) regulations and the Resource Conservation and Recovery Act (RCRA). Many other states provide incentives to recycle waste through energy recovery. Among them are North Carolina,

Oklahoma, Oregon, Texas, Ohio, Georgia, Louisiana, Maine, Massachusetts, and Maryland. Governments, since the beginning of government, have always used tax incentives and other differential regulatory policies to promote positive outcomes. Yes, creating a "level playing field" is appropriate when all the players are in the "same ballpark", but clearly this is not the case here.

The legislation before you today, sponsored by one and only one company, is a predatory attempt to use government policy to destroy the market efficiencies of a whole industry. To approve this legislation would provide a windfall for one firm. A windfall paid for by all Kansans through increased hazardous waste treatment fees, and decreased economic efficiency in the Kansas cement industry. We urge this committee to maintain the current policy by rejecting HB 2789.

Thank you for the opportunity to appear before you this morning. I will be happy to respond to any questions you may have.

LAFARGE CORPORATION

TESTIMONY BEFORE THE HOUSE
COMMITTEE ON ENERGY & NATURAL RESOURCES

Good morning Mr. Chairman and distinguished members of this Senate.

I am Horace Compton, Plant Manager for the Lafarge Cement & Co-Processing Facility in Fredonia Kansas. I am representing Lafarge while testifying today regarding Senate Bill 531. Lafarge is the second largest supplier of cement in the United States. We operate 14 Cement Plants in the US & Canada. Three are Co-Processing Facilities, the most successful being here in Kansas. The Fredonia Co-Processing Facility includes the Lafarge Cement Plant and Systech fuels handling facility which employ 153 local people. In addition to the \$ 8 MILLION in annual payroll, we provide the local economy with another \$2 MILLION in purchased goods and services and are the County's' largest private employer.

In my testimony before the House in 1991 regarding the original Proposal to collect off site hazardous waste treatment fees. I supported the concept of revenue generating fees for permit programs in the Department of Health and Environment. The legislation at that time was and is consistent with RCRA. Many States have followed the progressive lead of Kansas in developing a fee structure that recognizes the benefits of energy recovery and recycling. We have paid \$ 123,726 under this fee to the Department over the last four years and are in full support of continuing to fund the direct services and oversight we receive from the Department. We continue to work at improving our relationships with the Department in the

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permitting, inspection and oversight roles which they have.

I appear before you today in continued support of a fee program but in opposition to the proposed changes which are inconsistent with RCRA and contained in the proposed Senate Bill 531.

1. These changes are a step backward in promoting resource recovery and recycling and are inconsistent with RCRA. This single interest Bill is in support of the Rollins Environmental Toxic Waste incinerator.
2. The Rollins incinerator is the only one in the country that burns Dioxin and PCBs, substances that have the highest degree of hazard. Rollins receives \$1.00 /lb. or more for disposal of this material.
3. The Rollins incinerator at Aptus utilizes technology was constructed & developed over 10 years ago and is operating under the same dated permit. The technology is similar in design to the Incinerator that exploded in Ohio a few weeks ago and remains closed by Ohio EPA. It is inferior for managing certain energy bearing hazardous wastes when compared to utilizing a cement kiln for recovery of fuel and manufacture of a product.
4. Lafarge handles different waste streams than Rollins, our cement kilns utilize low hazard energy bearing waste, we control the solids and metals to levels allowed in our Certification of Compliance. The Rollins incinerator handles Highly Toxic , HIGH HAZARD low BTU hazardous wastes and should pay proportionally higher fees as allowed in the current legislation.

I urge you to defeat this special interest legislation and support viable manufacturing systems that utilize resource recovery.

TESTIMONY

by
Jim Shea
Ash Grove Cement Company
Chanute, KS

Before the
HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE

Regarding HB No. 2789 - Hazardous Waste
February 7, 1996

Good morning chairman and members of the committee. Thank you for this opportunity to come before you today with our comments on HB No. 2789. I am speaking on behalf of the Ashgrove Cement Company today.

Ash Grove owns and operates a cement plant in Chanute, Kansas which uses "waste derived fuels" in its pyroprocess. The operation employs 158 people and contributes about \$10,000,000 annually to the local economy.

The State of Kansas was a national leader in establishing a fee structure for the treatment of hazardous wastes which encouraged its use for energy recovery. Since then, numerous other states have or are in the process of following this state's lead. The use of waste derived fuels in lieu of coal or natural gas conserves non-renewable natural resources.

The proposed legislation would impose an additional \$150,000 in annual fees on our operation for conserving these precious resources. My question today is , why are we being penalized, punished if you will, for recycling and protecting our limited natural resources and the environment. The proposed fee structure in HB 2789 would discourage the use of waste fuels for energy recovery thus causing an increase in pollution and possibly cost to the concrete consumer from burning coal and other natural resources.

In closing, let me emphasize the importance of disregarding this bill. It would seem that our common denominator would be to preserve and protect the environment. By imposing what we feel are excessive and unfairly assessed fees on our waste fuel burning, we would be forced to use up the very natural resources that we are concerned with protecting and further release an increased amount of carbon pollution into the air.

We are in complete support of some sort of fee program, but in opposition to the proposed changes contained in the House Bill 2789. Thank you for your time and attention.

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TESTIMONY

by
Tom Radar
Heartland Cement Company
Independence, KS

Before the
HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE

Regarding HB No. 2789 - Hazardous Waste
February 7, 1996

Good morning chairman and members of the committee. Thank you for this opportunity to come before you today with our comments on HB No. 2789. My name is Tom Radar and I am the manager of the Heartland Cement Kiln in Independence, Kansas.

Heartland Cement owns and operates a cement plant in which uses "waste derived fuels". The operation employs 148 people and contributes about \$8,000,000 annually to the local economy.

My colleagues have given you several reasons why this proposal should be rejected, but one community has been ignored in all this. And that is the waste generation community. Specifically, we feel it is inappropriate to reward high risk/low energy waste by penalizing generators who provide high energy/low risk waste treatment.

We are in complete support of some sort of fee program, but in opposition to the proposed changes contained in the House Bill 2789. I urge you to defeat this special interest legislation and support viable manufacturing systems that utilize resource recovery. Thank you for your time and attention.

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Attachment 6