

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT.

The meeting was called to order by Chairperson Joann Freeborn at 3:30 p.m. on March 9, 2000 in Room 231-N of the Capitol.

All members were present except: Rep. Sharon Schwartz - excused

Committee staff present: Raney Gilliland, Kansas Legislative Research Department  
Mary Torrence, Revisor of Statute's Office  
Mary Ann Graham, Committee Secretary

Conferees appearing before the committee: Bill Wiley, Board Director, KS Soybean Association and American Soybean Association, 2930 SW Wanamaker Drive, Topeka, KS 66614  
Leslie Kaufman, KS Farm Bureau, 800 SW Jackson Ste 815, Topeka, KS 66612  
Jim Ploger, Energy Program Manager, KS Corporation Commission, 1500 SW Arrowhead Road, Topeka, KS 66604  
Richard Nelson, Engineering Extension Specialist, Kansas State University, 133 Ward Hall, Manhattan, KS 66506  
Bob Sellers, Maintenance Supervisor, Kansas City Area Transportation Authority  
Doug Pickering, Partner, Ag Environmental Products, 9804 Pflumm Road, Lenexa, KS 66215  
Steve Howell, President, MARC-IV, 16200 Northridge Drive, Kearney, MO 64060  
Bill Fuller, KS Farm Bureau, 2627 KFB Plaza, Manhattan, KS 66505-8508  
Charles Benjamin, Sierra Club & KS Natural Resource Council, 410 Boulder Street, Lawrence, KS 66049  
Senator David Corbin  
Tom Palace, Petroleum Marketers & Convenience Store Association, 201 NW Hwy 24, Ste 320, P.O. Box 8479, Topeka, KS 66608-4374  
Ken Peterson, KS Petroleum Council, 800 SW Jackson, Ste 1005, Topeka, KS 66612-1224  
Jan Sides, Director, Bureau of Environmental Remediation, KS Department Health & Environment, Forbes Field, Bldg 740, Topeka, KS 66620-0001

Others attending: See Attached Sheet

Chairperson Joann Freeborn called the meeting to order at 3:30 p.m. She announced that committee minutes for meetings February 8, 10, and 15, had been distributed for review. If committee members have corrections they should call her office by Monday, March 13, if not, the minutes will be considered approved. She also called attention to testimony that had been distributed from Brandon Decker, Hays, Kansas, in opposition to **SB568**, which was heard in committee on March 7, 2000. (SEE ATTACHMENT !)

The Chairperson opened public hearing on **HCR5069**.

**HCR5069: A concurrent resolution urging all agencies and authorities of the State and of subdivisions of the State to use soydiesel in their diesel-powered vehicles.**

Bill Wiley, KS Soybean Association, was welcomed to the committee. He appeared before the committee on behalf the Soybean Association in support of the resolution. They believe this bill will be a "win-win" situation for all Kansans. Biodiesel, made from soybeans, helps clean the air by lowering emissions, it will

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offer better engine performance, save the state money on costly engine repairs, and it will provide an additional market for soybean farmers by using a surplus product. Farmers across the state are showing more interest and support for the product that is good for the environment, and provides another market opportunity. (See attachment 2) Mr. Wiley distributed a letter from Marc Curtis, President, American Soybean Association, in support of the bill. (See attachment 3)

Leslie Kaufman, KS Farm Bureau, was welcomed to the committee. She testified in support of the resolution on behalf of the Bureau. They believe soydiesel, or biodiesel, has great potential for reducing U. S. reliance on foreign oil and protecting air quality. They support consumer education, promotion and tax credits to expand the use of this, and other, crop-based alternative fuels. The more than 440 voting delegates at the 81<sup>st</sup> Annual Meeting of Kansas Farm Bureau adopted policy supporting the State of Kansas utilizing crop-based alternative fuels in state vehicles, machinery and equipment. This bill would encourage state agencies, authorities and subdivisions to adopt policies encouraging the use of soydiesel when available and economically feasible. (See attachment 4)

Jim Ploger, Energy Program Manager, Kansas Corporation Commission, was welcomed to the committee. He testified in support of the resolution and believes the recent rise in fuel prices illustrates the need to find alternatives to petroleum-based transportation products. The State of Kansas has a significant amount of the renewable resources, naturally occurring vegetable oils and animal fats, which can also be used to produce biodiesel. Prices for these agricultural commodities have also fallen dramatically over the past year. Finding new, high volume uses for our agricultural commodities, such as biodiesel, can help recapture part of this lost revenue and stabilize the market. The KCC biodiesel feasibility project identifies two key factors for use of biodiesel in the State of Kansas; (1) Increasing the visibility of biodiesel; (2) Encouraging the creation of markets for biodiesel. (See attachment 5) A letter from John Wine, Chairman, KCC, expressing the KCC's support for the resolution, is attached.

Richard Nelson, Engineering Extension Specialist, Kansas State University, was welcomed. He addressed the committee in support of the resolution. He believes Kansas has the potential to produce over 100 and 165 million gallons of biodiesel on an annual basis from soybeans and animal fats respectively. Biodiesel production and use offers the opportunity for a "win-win" situation for urban and rural interests across the nation. In urban areas, the public will enjoy additional jobs and cleaner air, and production agriculture and agribusiness processing industries will benefit from the "derived demand" for their products. Use of these agricultural commodities as an alternative transportation fuel will help alleviate our dependence on foreign sources of petroleum, have a positive environmental impact both regionally and nationally, and provide an extremely significantly economic impact to many sectors of our state's economy. He feels this legislation is a vitally important step in enhancing both the agricultural and natural resources and economy of Kansas. (See attachment 6)

Written only in support of the resolution was submitted by Dr. Terry S. King, Dean and the LeRoy C. Paslay Professor of Engineering, Kansas State University, (See attachment 7) and Diane Stoddard, Acting Assistant City Manager, City of Manhattan, Manhattan Area Clean Cities Coordinator, Manhattan Clean Cities Alternative Fuels. (See attachment 8)

Bob Sellers, Maintenance Supervisor, Kansas City Area Transportation Authority, was welcomed to the committee and testified in support of the resolution. The KCATA has been involved with testing and evaluating biodiesel since 1994. They have used almost 30,000 gallons of B20, which is 20% biodiesel blended with 80% diesel, in several of their buses and shared with the committee the results of their testing. The biodiesel they tested has been produced from both soybean oil as well as beef tallow. The highlights of their biodiesel experience has been: (1) The B20 splash blended easily in existing tanks located at their facility with no modifications to the tanks, pumps or other fueling infrastructure. (2) No changes to the engines, buses, or refueling system were necessary to use B20. (3) The fueling of the buses occurred normally, with no difference between the B20 fueling operations and the diesel fuel operations. (4) The B20 buses operated without incident, with no additional maintenance or service requirements compared to diesel fuel. Inspection of the injectors and engines after B20 use by KCATA maintenance staff showed no adverse effects of using B20. (5) Driver surveys regarding starting, responsiveness, pick-up, power, etc. were positive for the B20

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buses. (6) The fuel economy using B20 was similar to that of pure diesel fuel, and varied from an increase of 2% to a decrease of 5% depending on the route, idle time, and fuel calculation method. (7) No additional spare parts inventory, mechanic retraining or ongoing maintenance was required for the use of B20. (8) A visible reduction of black smoke occurred with the use of B20, and there was a noticeable improvement in exhaust odor. (9) The project generated positive response with the local citizens and media. (See attachment 9)

Doug Pickering, Partner, Ag Environmental Products, was welcomed, but had left the meeting due to becoming ill and could not appear. Dennis Morrice, Kansas Soybean Association read his testimony in support of the resolution. He believes soybean acreage in Kansas is increasing and soybeans are becoming a vital component of the agricultural economy. A 2% blend of biodiesel would create a net new industrial market for soybean oil and would help to consume some of the billion plus pounds of carry over, unsold soybean oil in the commodity market. Biodiesel made from soybean oil is renewable, non-toxic, readily biodegradable and significantly reduces greenhouse gases. Biodiesel is good for Kansas farmers, good for Kansas vehicles, good for Kansas clean air, and is a domestically produced renewable fuel. (See attachment 10)

Written only testimony in support of the resolution was submitted by Gary Haer, West Central Cooperative, Ralston, Iowa (See attachment 11) and Dale Ludwig, Executive Director, Missouri Soybean Association. (See attachment 12)

Steve Howell, President, MARC-IV, was welcomed. He addressed the committee in a neutral position. After evaluating the resolution, provided the committee with input that would correct some technical errors in the resolution as drafted. In order to correct the error, suggested the following wording changes in lines 29 and 30. "Subdivision to run on a low blend (2%) of soydiesel or biodiesel and diesel fuel known as B2, when available and economically feasible." (See attachment 13) Attached to his testimony was a letter from Paul Henderson, Manager, Quality Management Systems, Stannadyne Automotive Corp. on their technical position in using low blend levels of biodiesel in diesel fuel, and called attention to the last paragraph of the letter. (See attachment 14) Questions and discussion followed.

The Chairperson closed the hearing on **HCR5069** and announced that Mary Torrence, Revisor of Statutes, will be doing a balloon with some of the recommended languages changes to the resolution, which may possibly be worked in committee on Tuesday, March 14.

Chairperson Freeborn opened public hearing on Substitute for **SB469**:

**Substitute for SB469:**            **An act prohibiting sales of certain motor-vehicle fuel and providing penalties for violations.**

Chairperson Freeborn distributed a copy of a paragraph from the Annual Report of UST Fund Activities to the Legislature During Fiscal Year 1999, from Kansas Department of Health and Environment Division of Environment, Bureau of Environmental Remediation Storage Tank Section, which read: The Kansas Storage Tank Program earned a national award for Best Corrective Action Achievement from the Underground Storage Tank Fund Administrators' Association during 1999. KDHE received the award primarily for accomplishments related to corrective action of the gasoline additive Methyl Tertiary Butyl Ether (MTBE). KDHE has recognized MTBE as a chemical of concern at petroleum sites since 1991. Currently over 60 sites with MTBE contamination are being remediated by the storage tank program. The overall Kansas MTBE effort was considered to be outstanding compared to the accomplishments of other state programs. Additionally, Kansas was recognized for its prioritization of clean-up sites and remedial equipment reuse programs. (See attachment 15)

The Chairperson welcomed Jan Sides, Director of the Bureau of Air and Radiation, Kansas Department of Health and Environment. He provided the agency's current information on contamination of groundwater by MTBE, their responses to the known contamination of public water supplies, and provided brief testimony on the bill, which would prohibit the sale of motor vehicle fuel containing methyl tertiary-butyl ether (MTBE).

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The fuel additive MTBE has been used nationally both as an oxygenate to improve air quality and as an octane enhancer since the late 1970's. Recent news reports about MTBE have created concern for Kansas residents. The reports conveyed the message that groundwater contamination had not been investigated and remediation of sites had gone unaddressed. Kansas is ahead of most states in that KDHE laboratories first detected and identified MTBE in Kansas water samples as early as 1985. MTBE was identified as a potential health hazard by the department. Groundwater samples collected by the Bureau of Environmental Remediation have been routinely analyzed for MTBE at sites where gasoline releases occurred since 1991. The Department of Health and Environment has not taken a position on the bill. The department has identified a number of MTBE contaminated sites across the state. They anticipate additional sites will be discovered in Kansas requiring cleanup of MTBE and or other constituents of gasoline. (See attachment 16) Also provided was a copy of "Findings of Kansas MTBE Investigation" and a copy of "KDHE responds to Concerns Over MTBE".

Gary Blackburn, Bureau of Environmental Remediation, KDHE, was in attendance to answer questions concerning contamination issues.

Raney Gilliland, Legislative Research Department, made comments, at the request of Chairperson Freeborn, on two other states' laws, South Dakota and Iowa, on prohibitions with respect to MTBE.

Senator David Corbin was welcomed. He addressed the committee briefly as a proponent to the bill. He believes the Kansas Department of Health and Environment has done an excellent job of explaining the situation. The original bill had his name on it until it became a substitute bill. He began last summer following stories around the country of how MTBE was getting into the ground water. EPA has not said this is a bad thing and have not banned it. But he believes if enough states say they don't want this in their fuels and water supplies they (EPA) may change their minds. Also, it will take refineries time to change their blends and the Senate tried to recognize this when they worked the bill. (No written testimony)

Bill Fuller, Kansas Farm Bureau, was welcomed. He testified on behalf of Farm Bureau in support of the bill based on their farm and ranch members' commitments to protecting water quality and increasing the utilization of ethanol. They believe Kansas has a good alternative to MTBE. The grain-rich state of Kansas produces an abundant supply of ethanol. This renewable product protects air quality, reduces the severe water quality risk and provides another market for Kansas grain. Record low grain prices are causing economic stress in farm country. Additional grain marketing opportunities result in stronger grain prices. This would be good for the Kansas economy. (See attachment 17)

Mary Jane Stattelmann, Assistant Secretary of Agriculture, was welcomed to the committee. She appeared before the committee in support of the bill, not only because it protects the state's waters from pollution, but it also provides an opportunity for ethanol to become the oxygenate of choice, which will increase domestic marketing opportunities for Kansas grain sorghum and corn. The California gasoline market holds the potential for using over 200 million bushels of feed grains for ethanol production, which some economists estimate could raise the price of corn by as much as 20 cents per bushel. Gasoline marketers in the northeastern United States have also started to substitute ethanol for MTBE with similar market opportunities available for expanded ethanol use. (See attachment 18) Constantine Cotsoradis, the weights and measures and laboratory program manager was in attendance to answer any committee questions.

Charles Benjamin, Kansas Natural Resource Council and Kansas Chapter of Sierra Club, was welcomed to the committee. He testified in support of the bill and provided data by the EPA on the potential human health effects of MTBE. The KNRC/Sierra Club position on this issue is that they support a total life cycle analysis of alternative gasoline additives and formulations. They would also like to see the federal and state governments take measures to promote increasing the fleet average fuel economy, encourage mass transit and sound urban planning to reduce the need for and usage of the automobile in major urban areas where the worst air quality problems exist. (See attachment 19) Questions and discussion followed.

Tom Palace, Petroleum Marketers and Convenience Store Association of Kansas, was welcomed. He testified in opposition to the bill and believes the ban of MTBE has become a national issue. Many states are looking

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at banning this compound from gasoline. EPA is reviewing this issue as well. Reports indicate that at the federal level MTBE will be phased out over the next five years. Kansas is very fortunate to have a staff at KDHE that has been on top of this issue since 1986, studying and researching MTBE. PMCA commends them for their continued efforts to keep Kansas environmentally safe. He is sure that if MTBE was causing wide spread water contamination, that KDHE would have been in front of this committee long ago seeking a ban of this compound. Knowing that Kansas has low levels of MTBE, knowing that KDHE has effectively cleaned up MTBE, Kansas should take a "wait and see" attitude and defer to EPA to ban this compound at the federal level. (See attachment 20)

Ken Peterson, Kansas Petroleum Council, was welcomed to the committee. He spoke in opposition to the bill and believes the issue of MTBE is quickly attracting national attention. Local and national news stories have generated a lot of public debate. The Kansas Department of Health and Environment deserves to be commended for their efforts on MTBE that are far ahead of the national curve on this issue. The EPA's blue ribbon panel report on MTBE, as well as California's decision to phase out the use of MTBE, have increased interest in the issue at the federal and state government level. Discussions about MTBE are going on within the refining and fuel supply industry as well. To summarize, they prefer that the federal government set fuel performance standards and determine a national policy on the fate of MTBE. Refiners would develop the best ways to meet the fuel standards, and that may or may not include oxygenates. They continue to argue that this bill, however well intended, is unnecessary. Kansas should defer to a national policy and they will continue their opposition to this measure. (See attachment 21) Questions and discussion followed.

The Chairperson closed the hearing on SB469.

The meeting adjourned at 5:45 p.m. The next meeting is scheduled for March 14, 2000.



To: House Environment Committee

From: Brandon Decker

Subject: Regarding Senate Bill 568

Date: March 1, 2000

I am writing this letter to voice my opinion regarding the Senate Bill 568. I am strongly against the amendment to the bill regarding the two permits for every eighty acres a landowner owns. If this bill passes, the landowner would be able to do what ever he wanted with these permits. Resident and non-resident trophy hunters would be willing to pay top dollar for some of these permits. I feel many landowners would sell these permits for high amounts. The results would be trophy bucks (not does) getting shot. I am a biology major at Fort Hays State University and I can tell you (along with a lot of biologist) that harvesting bucks will not decrease the deer herd. It takes only one male or buck to breed many does. I feel (along with every deer hunter I know) that only trophy hunters would pay for these permits and harvest only mature bucks. Deer hunting for the common Kansas deer hunter would change dramatically. The opportunity of hunting on private land would decrease and does would not get harvested. I also feel that many landowners would not participate in the Walk In Hunting program anymore.

I believe that the Kansas Department of Wildlife and Parks is doing everything they can to curve the deer population. KDWP biologist need to be in charge of this matter and all deer management or something terrible is going to happen. They are educated people and are trying to do what is best for Kansas. Please don't let Senate Bill 568 go any further. Thank you.

Sincerely,

Brandon Decker  
507 W. 6th  
Hays, Ks 67601

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This message was sent using FHSU's Webmail system  
<http://www2.fhsu.edu/mailman/>

*House Environment  
3-9-00  
Attachment 1*



Kansas Soybean Association  
2930 S.W. Wanamaker Drive  
Topeka, Kansas 66614  
Phone (785) 271-1030 or (800) 328-7390  
E-mail: ksbean@inlandnet.net

Testimony  
By  
Bill Wiley  
Kansas Soybean Association  
Before the  
Kansas House of Representatives  
Environment Committee

Good afternoon Madam Chair and members of the House Environmental Committee. I am Bill Wiley of Lyndon, and I serve as a Board Director to both the Kansas Soybean Association and the American Soybean Association.

I am appearing before the committee this afternoon to speak in support of House Concurrent Resolution 5069, the biodiesel bill.

The Kansas Soybean Association supports this bill, and we believe it will be a "win-win" situation for all Kansans. Further distribution of biodiesel is a top priority with the Kansas Soybean Association and the Kansas Soybean Commission.

Biodiesel, made from soybeans, helps clean the air by lowering emissions, it will offer better engine performance, save the state money on costly engine repairs, and it will provide an additional market for soybean farmers by using a surplus product.

The Kansas Soybean Association, Kansas Soybean Commission, Ag Environmental Products, and the Farmers' Cooperative Association of Lawrence first introduced biodiesel in Merriden, Kansas in May of 1997. I am proud to say that my Chevy Blazer was the second vehicle in Kansas to be filled with biodiesel made from soybeans. My reasons for filling my fuel tank with biodiesel is that I believe in the product.

Biodiesel, made from soybeans, has been proven to give engines better lubricity, and therefore longer engine performance without costly maintenance.

Farmers across the state are showing more interest and support for the product that is good for the environment, and provides another market opportunity.



Two-percent blended biodiesel is now available in five different terminal fuel ports across the state. They include: Concordia, Hutchison, Scott City, Olathe, and McPherson. Two-percent biodiesel is also becoming more available at many Kansas farmer-owned cooperatives.

There are a number of companies that offer biodiesel in Kansas. They include: Farmland Industries, Koch, Archer Petroleum, Schaffer Petroleum, and AGP Inc.

Biodiesel is a priority with the state's soybean growers and the nation's soybean growers.

In 1994, Kansas had 1.8 million acres in soybeans. This past crop year, Kansas farmers set a new record by harvesting 2.7 million acres. Economists are expecting even more expansion in Kansas soybean acreage for future years.

House Concurrent Resolution 5069 will provide Kansas farmers with another market that will be good for the environment, and the people of Kansas.

Thank you for this opportunity to address this issue, and I will be willing to answer any questions from the committee.



March 8, 2000

Ms. Joann Lee Freeborn  
Kansas House Republican  
District 107  
Chairman, House Environment Committee

Dear Ms. Freeborn:

This letter is to express the American Soybean Association's support for the Kansas House Concurrent Resolution No. 5069 that encourages the use of biodiesel in low blend levels in the State of Kansas.

The American Soybean Association represents over 30,000 soybean producers across the country and their interests in biodiesel and biodiesel legislation. For the last seven and a half years, through our national and state check-off programs, soybean growers have invested over \$22 million dollars in the research, development and commercialization of biodiesel. We believe that biodiesel offers significant potential for utilizing vegetable oils that are often in surplus pulling down the price of soybeans.

ASA was instrumental in pulling together a wide coalition of interested parties to pass nation wide legislation that helped level the playing field for B20 (20% biodiesel blended with 80% petroleum based diesel fuel) under the Energy Policy Act of 1992. This legislation, the Energy Conservation Reauthorization Act of 1998, allows the use of B20 in existing diesel vehicles to generate the vehicle purchase credits required by the Energy Policy Act. This legislation has resulted in a 700% increase in biodiesel use over the last year.

ASA believes there is a role for biodiesel as a low level blending component now, as well as in future reformulation of petrodiesel being considered.

We fully support the increase use of biodiesel in any blend level and would like to encourage the adoption of House Concurrent Resolution No. 5069.

Sincerely,

A handwritten signature in dark ink, appearing to read "Marc Curtis" with a stylized flourish at the end.

Marc Curtis  
President  
American Soybean Association

Washington Office

600 PENNSYLVANIA AVENUE, N.E. SUITE 1000 WASHINGTON, D.C. 20003

PHONE: (202) 690-7100 FAX: (202) 690-7036

HTTP://WWW.ASABIODIESEL.ORG

House Environment  
3-9-00  
Attachment 3



# PUBLIC POLICY STATEMENT

## HOUSE ENVIRONMENT COMMITTEE

**RE: HCR 5069 – Urging all agencies and subdivisions of the state to use soydiesel in diesel-powered vehicles.**

**March 9, 2000  
Topeka, Kansas**

**Presented by:  
Leslie Kaufman, Assistant Director  
Public Policy Division  
Kansas Farm Bureau**

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Chair Freeborn and members of the House Committee on the Environment, thank you for the opportunity to appear today and share Farm Bureau's support for increased use of soydiesel. I am Leslie Kaufman. I am the Assistant Director of Public Policy for Kansas Farm Bureau.

Soydiesel, or biodiesel, has great potential for reducing U.S. reliance on foreign oil and protecting air quality. We support consumer education, promotion and tax credits to expand the use of this, and other, crop-based alternative fuels. The more than 440 voting delegates at the 81<sup>st</sup> Annual Meeting of Kansas Farm Bureau adopted policy supporting the state of Kansas utilizing crop-based alternative fuels in state vehicles, machinery and equipment.

HCR 5069 would encourage state agencies, authorities and subdivisions to adopt policies encouraging the use of soydiesel when available and economically feasible. As evident from our policy noted above, we support the resolution and would respectfully request the committee act favorably on HCR 5069. Thank you.

*House Environment  
3-9-00  
Attachment 4*

**Environment Committee**  
**Kansas House of Representatives**  
**Written Testimony of the Kansas Corporation Commission Staff**  
**March 9, 2000**

**House Concurrent Resolution 5069**

Chairwoman Freeborn, members of the committee, I am Jim Ploger, Energy Program Manager for the Kansas Corporation Commission. We support HCR 5069 which encourages the use of biodiesel in low blend levels in the State of Kansas.

The office of Energy Programs within the Kansas Corporation Commission has been involved with an exciting biodiesel feasibility project. Your committee was briefed recently on this project.

As KCC Chairman John Wine points out in his letter of support of this resolution, we believe that biodiesel has tremendous financial, health and environmental advantages for Kansas. Federal legislation such as the Energy Policy Act and Clean Air Act have made products such as biodiesel increasingly feasible.

The low blend level referred to in this resolution, if adopted, would serve as a catalyst in helping to overcome the high cost of soybean oil processing currently used for blending with diesel fuels. This low blend product (approximately 2%) costs about three cents more than No. 2 diesel at the wholesale level and up to five cents more at retail. Studies have indicated this biodiesel will result in a 5% increase in mileage and power efficiency. At today's diesel prices, this actually results in a savings for the user.

The ultimate goal is to produce a 20% blend of soydiesel, commonly called B20, at a price near the cost of No. 2 diesel. A 1% national share of the diesel market would use 23 to 25 million bushels of soybeans. Kansas's annual production of soybeans is nearing 3 million bushels, so the impact could be extremely positive for the agriculture community.

As Chairman Wine points out, the recent rise in fuel prices illustrates the need to find alternatives to petroleum-based transportation products. The state of Kansas has a significant amount of the renewable resources—naturally occurring vegetable oils and animal fats—which can also be used to produce biodiesel. Prices for these agricultural commodities have also fallen dramatically over the past year. Finding new, high volume uses for our agricultural commodities, such as biodiesel, can help recapture part of this lost revenue and stabilize the market.

As the KCC biodiesel feasibility project has identified, two of the key factors for use of biodiesel in the state of Kansas are:

- 1) increasing the visibility of biodiesel, and
- 2) encouraging the creation of markets for biodiesel.

House Concurrent Resolution 5069 accomplishes both these needs. Thank you.

##

*House Environment*  
*3-9-00*  
*Attachment 5*



## Kansas Corporation Commission

Bill Graves, Governor John Wine, Chair Cynthia L. Claus, Commissioner Brian J. Moline, Commissioner

March 9, 2000

The Honorable Joann Lee Freeborn  
Chairman, House Environment Committee  
Statehouse Room 155-E  
Topeka, KS 66612

Dear Representative Freeborn:

This letter is to express the Kansas Corporation Commission's support for House Concurrent Resolution No. 5069 which encourages the use of biodiesel in low blend levels in the state of Kansas.

The office of Energy Programs within the Kansas Corporation Commission has been involved with an exciting biodiesel feasibility project. This project was reviewed in recent hearings before the House Environment and Agriculture Committees as well as the Senate Agriculture Committee.

We believe that biodiesel has tremendous financial, health and environmental advantages for Kansas. Federal legislation such as the Energy Policy Act and Clean Air Act have made products such as biodiesel increasingly feasible. Biodiesel has significant potential as a fuel component for addition to diesel fuel to 'stretch' diesel fuel for large trucks and other heavy duty equipment that run on diesel engine technology. The recent rise in petroleum prices shows the wisdom of the need to find alternatives to petroleum products.

In addition, the state of Kansas has a significant amount of the renewable resources--naturally occurring vegetable oils and animal fats--which are used to produce biodiesel. Prices for these agricultural commodities have also fallen dramatically over the last year. Finding new, high volume uses for our agricultural commodities such as biodiesel can help recapture part of this lost revenue and stabilize the market.

The KCC biodiesel feasibility project has identified that two of the key factors for adoption of biodiesel in the state of Kansas are increasing the visibility of biodiesel and encouraging the creation of markets for biodiesel. We believe House Concurrent Resolution No. 5069 accomplishes both these needs.

We enthusiastically support the adoption of House Concurrent Resolution No. 5069.

Sincerely,

A handwritten signature in black ink that reads "John Wine".

John Wine  
Chairman  
Kansas Corporation Commission

Testimony by Richard Nelson, Kansas State University in support of  
House Concurrent Resolution No. 5069

The build up of greenhouse gases such as carbon dioxide (CO<sub>2</sub>) and their effect on the environment, in conjunction with recent increases in petroleum fuel costs, have prompted a genuine concern regarding our continued reliance on petroleum-based fuels and their effect on our air quality and energy security. Carbon emissions, strongly believed to contribute to global warming, are also projected to increase another one-third by 2010 and almost 50% per year by 2020. Nearly one-tenth of CO<sub>2</sub> emissions are attributable to distillate fuel consumption. Biodiesel production and use produces nearly 80% less CO<sub>2</sub> emissions than petroleum-based diesel fuel.

Since 1990, energy consumption in the United States has increased by 14% (28% in the last 25 years) and is forecast to increase another 22% by 2020. In addition, net petroleum imports are projected to increase to 65% of our total energy consumption (up from ~50% today) within 20 years while domestic crude production is expected to continue to decline during this period. Currently, the transportation sector accounts for approximately 70% of petroleum use. Clearly the effect of continuing to rely so heavily upon imported petroleum and the potential environmental, economic, and energetic consequences associated with its continued use is an issue that must be addressed.

In a recent edition of the *Los Angeles Times* (2/25/00), the lead story detailed the California Air Resources Board decision to implement significantly tighter regulations concerning petroleum-based diesel fuel use in municipal bus fleets. These regulations are designed to reduce particulate matter in new transit buses by 80% within the next four years and eight-five percent (85%) of all new bus purchases must be fueled with alternative fuels. This action by the Air Resources Board, along with the new EPACT legislation, creates a tremendous opportunity for the agricultural commodity and processing sectors of Kansas to develop and market Kansas-based products, not only locally, but nationally as well.

Kansas has the potential to produce over 100 and 165 million gallons of biodiesel on an annual basis from soybeans and animal fats respectively. Biodiesel production and use offers the opportunity for a "win-win" situation for urban and rural interests across the nation. In urban areas, the public will enjoy additional jobs and cleaner air, and production agriculture and agribusiness processing industries will benefit from the "derived demand" for their products. Use of these agricultural commodities as an alternative transportation fuel will help alleviate our dependence on foreign sources of petroleum, have a positive environmental impact both regionally and nationally, and provide an extremely significantly economic impact to many sectors of our state's economy.

This legislation is a vitally important step in enhancing both the agricultural and natural resources and economy of Kansas and I strongly encourage its consideration and passage.

*House Environment  
3-9-00  
Attachment 6*

March 8, 2000

Ms. Joann Lee Freeborn  
Chair, House Environmental Committee  
Kansas State House of Representatives  
Topeka, KS 66612

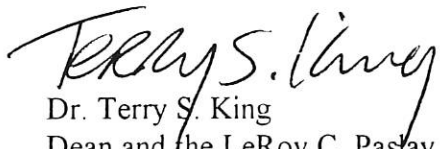
Dear Representative Freeborn:

I am writing in support of House Concurrent Resolution No. 5069 that urges use of soydiesel at low-blend levels in diesel-powered fleets within the state of Kansas. For the past 20 years, the College of Engineering at Kansas State University has been a nationally recognized leader in the area of soy and tallow-based biodiesel supply assessments, economic feasibility analyses, and application of tallow-based biodiesel in municipal vehicle fleets. The College of Engineering continues to have an active interest and currently plays an important role in development and promotion of alternative fuel sources, including biodiesel.

Recent developments concerning cost of motor fuels, as well as buildup of greenhouse gas emissions due to fossil-fuel use, demonstrates the need to continually pursue development and use of alternative fuel sources. Kansas is rich in many renewable energy resources such as feedstocks required to produce biodiesel. Use of agricultural commodities like soybeans, and low-cost alternative fuels will provide important economic, environmental, and energetic benefits not only to Kansas, but the United States as well. In addition, use of Kansas-based products will continue to enhance our state's image as a leader in promoting and implementing renewable energy resources.

The KSU College of Engineering, an institution dedicated to educating and equipping students to be high-tech leaders and engineers of tomorrow, believes adoption of House Concurrent Resolution No. 5069 will be extremely beneficial for the future of the state of Kansas. We enthusiastically support its adoption.

Sincerely,



Dr. Terry S. King  
Dean and the LeRoy C. Paslay Professor of Engineering

House Environment  
3-9-00  
Attachment 7



March 8, 2000

RE: House Concurrent Resolution No. 5069

Dear State Legislators:

The Manhattan Area Clean Cities Coalition wishes to express its full support of House Concurrent Resolution No. 5069, a concurrent resolution urging all agencies and authorities of the State of Kansas and subdivisions of the State to use ~~oil~~ diesel in their diesel powered vehicles. *soy*

The Manhattan Area Clean Cities Coalition is an organization of twenty public and private-sector stakeholders who are interested in furthering the use of alternative fuel and alternative fuel vehicles. Alternatives to gasoline and diesel fuel are extremely important both in terms of decreased emissions, as well as improved energy security. Many of these alternative fuels also offer economic development opportunity to the State of Kansas, as many fuels are produced in our state.

Our Coalition would strongly support the adoption of the concurrent resolution as proposed and would further encourage the State and its political subdivisions to continue to enhance the use of alternative fuel and alternative fuel vehicles.

Should you have any questions, comments, or concerns, please contact me.

Sincerely,

Diane Stoddard  
Acting Assistant City Manager, City of Manhattan  
Manhattan Area Clean Cities Coordinator

cc: Manhattan Area Clean Cities Coalition Steering Committee

DS/wrs  
00070



**Testimony of Robert E. Sellers**  
**Maintenance Supervisor**  
**Kansas City Area Transportation Authority**  
**Presented before the Kansas House Environment Committee**  
**March 9, 2000**

Good morning Madam Chairman and members of the Committee. My name is Robert Sellers and I am here today in my capacity as a Maintenance Supervisor with the Kansas City Area Transportation Authority. Due to the short notice I received to prepare for this hearing, my remarks will reflect my observations as a KCATA Maintenance Supervisor, but do not formally represent the views of KCATA. I would like to thank you for the opportunity to testify today.

The Kansas City Transportation Authority operates 273 diesel powered transit coaches in Kansas City, which provide mass transit bus services for the citizens of Kansas City and the surrounding metropolitan area. The KCATA coaches operate over 7 million miles per year and consume over 2 million gallons of diesel fuel annually. As transit systems go, we represent the mid-range in terms of number of buses and fuel consumed per year.

The KCATA has investigated a variety of options for meeting local, state, and federal clean air and alternative fuel regulations. KCATA continues to evaluate the options that can provide the most cost effective solutions for meeting its customer's needs while complying with these laws. As part of this effort, KCATA has been involved in a program to evaluate the use of biodiesel.

The KCATA has been involved with testing and evaluating biodiesel since 1994. We have used almost 30,000 gallons of B20, which is 20% biodiesel blended with 80% diesel, in several of our buses and I wanted to share with the committee the results of our testing. The biodiesel we have tested has been produced from both soybean oil as well as beef tallow.

The highlights of our biodiesel experience has been:

1. The B20 splash blended easily in existing tanks located at our facility with no modifications to the tanks, pumps or other fueling infrastructure.
2. No changes to the engines, buses, or refueling system were necessary to use B20.
3. The fueling of the buses occurred normally, with no difference between the B20 fueling operations and the diesel fuel operations.
4. The B20 buses operated without incident, with no additional maintenance or service requirements compared to diesel fuel. Inspection of the injectors and engines after B20 use by KCATA maintenance staff showed no adverse effects of using B20.

*House Environment  
3-9-00  
Attachment 9*

5. Driver surveys regarding starting, responsiveness, pick-up, power, etc. were positive for the B20 buses.
6. The fuel economy using B20 was similar to that of pure diesel fuel, and varied from an increase of 2% to a decrease of 5% depending on the route, idle time, and fuel calculation method.
7. No additional spare parts inventory, mechanic retraining or ongoing maintenance was required for the use of B20.
8. A visible reduction of black smoke occurred with the use of B20, and there was a noticeable improvement in exhaust odor.
9. The project generated positive response with the local citizens and media.

KCATA found the use of B20 to be comparable to existing diesel operations and easy to implement. It was well received by the mechanics as well as the public, which is an important factor to KCATA. This test served to prove to KCATA that B20 is technically feasible. When considering the entire cost of operation, in other words the cost of purchase of new buses, fueling infrastructure, mechanic retraining, etc., B20 represents a feasible, cost effective option as an alternative fuel.

Our experience with B20, as well as the experience of many others who have used B20, provides concrete evidence that the current proposal of using B2 will be a seamless transition from the use of conventional petrodiesel. Not only will the change to B2 be seamless, but there is increased concern about the lubricity of diesel fuel that would be addressed by the addition of 2% biodiesel. Biodiesel has significantly higher lubricity than petrodiesel and can improve lubricity in even very low blend levels such as 2%.

I believe lubricity will be an even bigger problem in the future than it is now, since EPA is going to force the sulfur in diesel fuel even lower, which the experts tell me will make lubricity worse. Incorporating 2% biodiesel now would not only provide much needed support to the depressed farming sector in Kansas, but would also serve as an insurance policy for future lubricity concerns with petroleum based diesel fuel.

Thank you for your attention to my testimony. I would be happy to answer any of your questions.



March 8, 2000

Ms. Joann Lee Freeborn  
Kansas House Republican  
District 107  
Chairman, House Environmental Committee

Dear Ms. Freeborn:

Ag Environmental Products is writing this letter in support of the Kansas House Resolution No. 5069 which encourages the use of biodiesel fuel in low blend levels in the State of Kansas heavy duty and medium duty diesel vehicles.

Ag Environmental Products is a Kansas based marketer and producer of biodiesel fuel from soybean oil. Ag Environmental Products is a joint venture subsidiary of Ag Processing Inc of Omaha, NE. Ag Processing is the world's largest, farmer owned soybean processing cooperative indirectly representing more than 300,000 soybean farmers.

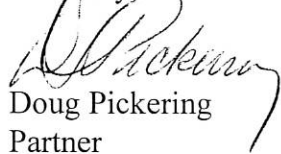
Soybean acreage in Kansas is increasing and soybeans are becoming a vital component of the agricultural economy. A 2% blend of biodiesel would create a net new industrial market for soybean oil and would help to consume some of the billion plus pounds of carry over, unsold soybean oil in the commodity market.

My partner Bill Ayres and I were instrumental in introducing soybean oil based biodiesel into the State of Kansas and the rest of the United States in 1991. At that time, then Kansas Secretary of Agriculture, Sam Brownback was most supportive of our early efforts and as a U.S. Senator he remains a supporter today.

Biodiesel made from soybean oil is renewable, non-toxic, readily biodegradable and significantly reduces greenhouse gases. Biodiesel is good for Kansas farmers, good for Kansas vehicles, good for Kansas clean air, and is a domestically produced renewable fuel.

For these reasons and many more we encourage the adoption of House Concurrent Resolution No. 5069.

Sincerely,



Doug Pickering  
Partner

Ag Environmental Products, L.L.C.

# WEST CENTRAL

CORPORATE OFFICE

406 1<sup>st</sup> Street

Ralston IA 51459

Phone: 712-667-3200

March 9, 2000

Ms. Joann Lee Freeborn  
Kansas House Republican  
District 107  
Chairman, House Environment Committee

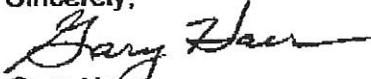
Dear Ms. Freeborn:

This letter is to express West Central Cooperative's support for the Kansas House Concurrent Resolution No. 5069, which encourages the use of biodiesel in low blend levels in the State of Kansas.

West Central Cooperative is actively involved in promoting the use of biodiesel and biodiesel blended fuel for fleet use. Our members believe in the value-added philosophy and view biodiesel as an opportunity for agriculture to increase the value of a basic agricultural raw material. This belief is exemplified by the fact that our members have been using biodiesel in diesel fuel since 1997. Biodiesel is a domestically produced, renewable fuel that has the potential to reduce the surplus of soybean oil, support American agriculture, and increase the lubricity of diesel fuels. We believe biodiesel creates a win-win situation for agriculture and the diesel fuel consumer.

We fully support the use of biodiesel and encourage adoption of House Concurrent Resolution No. 5069.

Sincerely,



Gary Haer  
West Central Cooperative



House Environment  
3-9-00  
Attachment 11



# Missouri Soybean Association

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March 9, 2000

Ms. Joann Lee Freeborn  
Kansas House Republican  
District 107  
Chairman, House Environment Committee

Dear Ms. Freeborn:

This letter is to express the Missouri Soybean Association's support for the Kansas House Concurrent Resolution No. 5069 that encourages the use of biodiesel in low blend levels in the State of Kansas.

With agricultural commodity prices at record low levels, and petroleum prices approaching record highs, it is clear that more can be done to utilize domestic surpluses of oils while enhancing our energy security. Because biodiesel can be used with existing petroleum infrastructure, it provides a substantial opportunity for **immediately** addressing our dependence on imported petroleum oil.

Missouri soybean farmers, along with farmers from Kansas and other states have invested their own dollars to test and validate the performance and environmental benefits of biodiesel. Missouri's soybean producers feel that biodiesel represents a "win" for both urban and rural interests. Environmental benefits can be realized in urban airsheds such as Kansas City and rural interests as well as the metropolitan areas can benefit from job creation and economic development opportunities from biodiesel production and use.

We encourage increased use of biodiesel and support the adoption of House Concurrent Resolution No. 5069 and other similar efforts. Please contact me at 573.635.3819 if you have any questions regarding these comments.

Sincerely,

Dale Ludwig  
Executive Director  
Missouri Soybean Association



P.O. Box 104778 • 3337 Emerald Lane • Jefferson City, MO 65110  
Phone: (573) 635-3819 • 800-662-3261 • Fax: (573) 635-5122 • [www.mosoy.org](http://www.mosoy.org)

*House Environment  
3-9-00  
Attachment 12*



Kansas City Office  
16200 Northridge Drive  
Kearney, MO 64060  
phone: 816.635.5772  
fax: 816.635.4836

Columbia Office  
402 Oak Street  
Ashland, MO 65010  
phone: 573.657.5537  
fax: 573.657.1058

March 9, 2000

Ms. Joann Lee Freeborn  
Kansas House Republican  
District 107  
Chairman, House Environment Committee

Dear Ms. Freeborn:

I have evaluated House Concurrent Resolution 5069 and would like to provide the committee with input that would correct some technical errors in the resolution as drafted, as well as provide the committee with input received from the Stannadyne Automotive Corp. relating to technical matters.

In the current draft, lines 29 and 30 state, "...subdivision to run on a low blend (2%) of soybean oil and diesel fuel known as soydiesel or biodiesel, when available and economically feasible;"

This statement as written is technically incorrect. As stated in my previous testimony to this committee, biodiesel is defined by the American Society of Testing and Material, ASTM, as the mono-alkyl esters of vegetable oils and animal fats and is designated B100. Pure vegetable oils or animal fats are not biodiesel. Further more, mixtures of biodiesel are defined as biodiesel blends, and are designated Bxx, where the xx is the volume percentage of biodiesel blended with petrodiesel.

In order to correct this error, I suggest the following wording changes in lines 29 and 30: "...subdivision to run on a low blend (2%) of soydiesel or biodiesel and diesel fuel known as B2, when available and economically feasible;"

Also, I am attaching to my testimony a letter from the Stannadyne Automotive Corp. on their technical position in using low blend levels of biodiesel in diesel fuel. I wanted to bring special attention to the last paragraph of the Stannadyne statement that I will now read for the committee.

I thank you for this opportunity to provide this technical correction and other technical information to the committee.

Sincerely,

Steve Howell  
President

Discovering the Power of Nature

House Environment  
3-9-00  
Attachment 13



March 8, 2000

Ms. Joann Lee Freeborn  
Kansas House Republican  
District 107  
Chairman, House Environment Committee

Dear Ms. Freeborn:

This letter is to express support for Kansas House Concurrent Resolution No. 5069 which encourages the use of biodiesel in low blend levels in the State of Kansas.

As an introduction, I am Quality Systems Manager at Stanadyne Automotive Corp., the leading independent U.S. manufacturer of diesel fuel injection equipment. Also, I serve as chairman of the Society of Automotive Engineers (SAE) diesel fuel injection equipment standards committee and chairman of the International Organization for Standardization (ISO) working group on diesel fuel lubricity. In supporting the above mentioned resolution, I am speaking not only for Stanadyne, but for the entire worldwide diesel fuel injection equipment community.

All diesel fuel injection equipment has some reliance on diesel fuel as a lubricant. Wear due to excessive friction resulting in shortened life of diesel injection pumps and injectors, has sometimes been ascribed to lack of lubricity in the fuel. For many years, the lubricity of the diesel fuel was sufficient to provide the protection needed to maintain adequate performance. Recent changes in the composition of diesel fuel, primarily the need to reduce the sulfur level, have inadvertently caused the removal of some of the compounds that provide lubricity to the fuel. This has, in turn, given rise to concerns that today's diesel fuels do not have sufficient lubricity to protect certain fuel injection equipment. There have been numerous examples from the field where lack of lubricity in the fuel has caused premature equipment breakdown and in some cases, catastrophic failures. This problem will be more dramatic as EPA moves to further reduce the sulfur levels in petrodiesel fuel.

Through cooperation with the National Biodiesel Board, we have tested biodiesel at Stanadyne and results indicate that the inclusion of 2% biodiesel into any conventional diesel fuel will be sufficient to address the lubricity concerns that we have with these existing diesel fuels. From our standpoint, inclusion of 2% biodiesel is desirable for two reasons. First, it would eliminate the inherent variability associated with the use of other additives and whether sufficient additive was used to make the fuel fully lubricious. Second, we consider biodiesel a fuel or a fuel component--not an additive. It is possible to burn pure biodiesel in conventional diesel engines. Thus, if more biodiesel is added than required to increase lubricity, there will not be the adverse consequences that might be seen if other lubricity additives are dosed at too high a level.

For the reasons above, we fully support and encourage the adoption of House Concurrent Resolution No. 5069.

Sincerely,

Paul Henderson  
Manager, Quality Management Systems

Diesel Systems Group, Stanadyne Automotive Corp.  
92 Deerfield Road, Windsor, CT 06095-4209, USA Tel: (860) 525-0821

House Environment  
3-9-00  
Attachment 14

**KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT  
DIVISION OF ENVIRONMENT  
BUREAU OF ENVIRONMENTAL REMEDIATION  
STORAGE TANK SECTION**

**ANNUAL REPORT OF  
UST FUND ACTIVITIES TO THE LEGISLATURE  
DURING FISCAL YEAR 1999**

Pursuant to the requirements of K.S.A. 65-34,121.

*House Environment  
3-9-00  
Attachment 15*



the bidding required considerable effort to develop and implement; however the bidding process is presently working very effectively. Due to the technical nature of the activities, few tank owners are able to prepare the bid documents needed to obtain three competitive bids for site investigation and remediation. The department developed pre-approved work-plans for each phase of corrective action needed to complete site remediation. These scopes of work are adapted for individual sites which reduce the overall level of effort required to bid each site.

Although the UST fund is operating very effectively at the present time, the large number of sites continue to pose a potential long term financial risk to the fund. Care must be taken to continue the priority ranking system in conjunction with the bidding process to maintain a strong program. As indicated in the attached UST fund balance information, KDHE encumbers funds for remedial activities as the work is approved. This process insures that when invoices are submitted, funds are available to provide timely reimbursements. The Kansas UST fund is continuing to operate well within the budget constraints established by the legislation. During FY 1999, the processing of most reimbursement requests were performed in less than four weeks.

The second attachment indicates the FY 1999 UST fund activities. It reflects that the number of sites being remediated continues to increase at a steady pace. Previously, several consulting firms who were awarded numerous bids were then unable to complete the work in a timely fashion. This problem prompted the agency to carefully track the activities of each consultant to insure that problems of this type do not recur. Compliance with deadlines are now tracked to prevent firms from continuing to accept new bids when existing work is not being completed. In order to limit cost, KDHE is careful not to approve unneeded remedial action. As shown by the statistics, a large percentage of sites are being monitored.

The Kansas Storage Tank Program earned a national award for Best Corrective Action Achievement from the Underground Storage Tank Fund Administrators' Association during 1999. KDHE received the award primarily for accomplishments related to corrective action of the gasoline additive Methyl Tertiary Butyl Ether (MTBE). KDHE has recognized MTBE as a chemical of concern at petroleum sites since 1991. Currently over 60 sites with MTBE contamination are being remediated by the storage tank program. The overall Kansas MTBE effort was considered to be outstanding compared to the accomplishments of other state programs. Additionally, Kansas was recognized for its prioritization of clean-up sites and remedial equipment reuse programs.



# KANSAS

## DEPARTMENT OF HEALTH & ENVIRONMENT

BILL GRAVES, GOVERNOR

Clyde D. Graeber, Secretary

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### Testimony Presented to House Committee on Environment

by

### Kansas Department of Health and Environment Substitute for Senate Bill 469

#### Introduction

My name is Jan Sides, Director of the Bureau of Air and Radiation, Kansas Department of Health and Environment. I am here today to provide the agency's current information on contamination of groundwater by MTBE, our responses to the known contamination of public water supplies, and to provide brief testimony on Senate Bill 469, which would prohibit the sale of motor vehicle fuel containing methyl tertiary-butyl ether (MTBE).

#### Summary/Background

The fuel additive MTBE has been used nationally both as an oxygenate to improve air quality and as an octane enhancer since the late 1970s. Recent news reports about MTBE have created concern for Kansas residents. The reports conveyed the message that groundwater contamination had not been investigated and the remediation of sites had gone unaddressed.

While this may be true in other states, it is not the case in Kansas. We are ahead of most states in that KDHE laboratories first detected and identified MTBE in Kansas water samples as early as 1985. MTBE was identified as a potential health hazard by the department. Groundwater samples collected by the Bureau of Environmental Remediation have been routinely analyzed for MTBE at sites where gasoline releases occurred since 1991.

Since 1996, the KDHE labs and the Bureau of Water have routinely monitored for MTBE in public water supplies. The compound has been detected in 18 of the state's 1,122 public water supplies, with most detected levels being below EPA's recommended level of 20 ug/l. The department considers any detection of MTBE at a water supply as a reason for investigation and

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*House Environment  
3-9-00  
Attachment 16*

corrective action to protect individuals from exposure and possible health risk. Actions can range from requiring the affected water well to be shut down, or -- in severe cases -- building treatment systems to remove MTBE from the water. Based on current test results, no public water supplies in Kansas are delivering water with greater than 20 ppb of MTBE in the water. At this time, the department currently has 3 treatment systems with one additional system under construction at public water supplies in use across the state. There are 44 systems treating MTBE contamination (the 4 mentioned above are included in the 44.) Mr. Gary Blackburn, Director of the Bureau of Environmental Remediation is here to answer specific questions on the clean up costs and locations of sites. For your review, we have attached an article from the agency newsletter of April 1999 and a recent press release on MTBE.

As previously noted the compound MTBE is used as both an octane enhancer and oxygen source for improvement of air quality. Since the state has not been required to use reformulated fuel (RFG), the primary distribution of MTBE in fuel has been for octane enhancement, that is an anti-knock agent. The release of fuel from spills and leaking tanks led to the contamination of groundwater across the state. The upgrading of tanks in recent years has slowed the number of releases; but we have remaining problems. There will be a continuing need for octane enhancers and oxygen sources such as MTBE in order to meet the needs of automobiles. These compounds include benzene, ethyl benzene, various ethers, toluene, xylene, ethanol, and other organic compounds containing oxygen, such as tertiary amyl methyl ether (TAME) and ethyl tertiary butyl ether (ETBE).

#### Potential Problems

KDHE understands that the United States Environmental Protection Agency's (USEPA) current interpretation of section 211(c)(4) of the federal Clean Air Act (42 USCA 7545(c)(4)) prevents States from controlling or prohibiting the use of MTBE in gasoline. According to USEPA, a waiver from this prohibition can be granted only by a formal demonstration to the USEPA that the control or prohibition is necessary to achieve a national primary or secondary ambient air quality standard. KDHE cannot testify as to whether the EPA would actively seek enforcement of this interpretation if Kansas were to implement SB 469. California, which has used reformulated fuels for some time, will break some new regulatory ground with their MTBE ban.

Senate Bill 469 raises some practical concerns because it would become effective in a very short time frame and industry may be unable to comply so quickly. The implementation of the bill will require close cooperation between KDHE charged with the enforcement of the bill and the Weights and Measures Program of the Kansas Department of Agriculture. KDHE enforcement of the law may require additional work for enforcement staff to verify compliance. The increased cost of these compliance programs will depend upon the expected scope and stringency of the enforcement programs.

Technical issues related to Senate Bill 469 involve additional research into what analytical protocols for analysis of MTBE in fuel are available and if the methods are certified (certified so that results will stand up in court if necessary). If we have to certify an appropriate analytical method, the process could require an additional 6 to 12 months before enforcement actions could be completed.

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16-2

Some inspections will be performed at the station while other activities would be performed at refineries and bulk terminals. The refineries and bulk stations may be located within Kansas or in surrounding states. Enforcement across state lines typically is problematic and may pose some unique challenges.

### Conclusion

The Department of Health and Environment has not taken a position on Senate Bill 469. The department has identified a number of MTBE contaminated sites across the state. We anticipate additional sites will be discovered in Kansas requiring cleanup of MTBE and or other constituents of gasoline.

attachments:

Article, from *Kansas Environmental News*, April 1999  
KDHE News Release, January 21, 2000

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For Immediate Release

January 21, 2000

Contact: Sharon Watson  
785-296-1529

## **KDHE Responds to Concerns Over MTBE**

Recent news reports about the gasoline additive MTBE is causing undue alarm for Kansas residents. The Kansas Department of Health and Environment (KDHE) has received many questions about how methyl tertiary-butyl ether (MTBE) is contaminating the state's water supply. Some news reports have left the impression that this issue is going unaddressed. That is not the case in Kansas.

Kansas is ahead of many states in that KDHE laboratories first detected MTBE in Kansas water samples as early as 1985. Since 1996, the KDHE labs have routinely monitored MTBE compounds in public water supplies while monitoring volatile organic compounds, commonly called VOCs. KDHE staff began studying how to remove MTBE from the water, and treatment systems were successfully designed and put into place in 1997. These were developed by consulting engineers along with KDHE staff. The systems have led to a 94-100 percent reduction of MTBE contamination from public water supply systems.

MTBE is an octane enhancer and is used to make gasoline burn cleaner and produce less air pollution. It is soluble in water and has been found in soil and groundwater near leaking storage tanks, along with benzene, toluene, and other contaminants.

Even though there is no regulatory standard established for MTBE in terms of an unsafe level in drinking water or human exposure, in 1997 EPA issued a health advisory level for MTBE at 20-40 ppb (parts per billion). KDHE considers any detection of MTBE at a water supply a reason for investigation and possible corrective action to protect individuals from

exposure and possible health risk. Actions can range from requiring the affected well to be shut down, blending it with other wells, or in severe cases, building treatment systems to remove MTBE from the water. At this time, no water supplies are delivering water with greater than 20 ppb of MTBE in the water, based on current test results.

Since 1996, 27,935 water samples from public water supplies have been tested for MTBE and the compound has been detected 101 times. The latest round of sampling has shown 18 of the state's 1,122 public water supplies have had some detect of MTBE in one or more of their sources since 1996. Detected levels of MTBE range from 0.5 to 90 ppb. As part of an a petroleum storage tank release investigation, MTBE was detected at levels significantly higher than 90 ppb at one water supply. A treatment system was designed and installed in response to this problem and has effectively removed the MTBE from the water system.

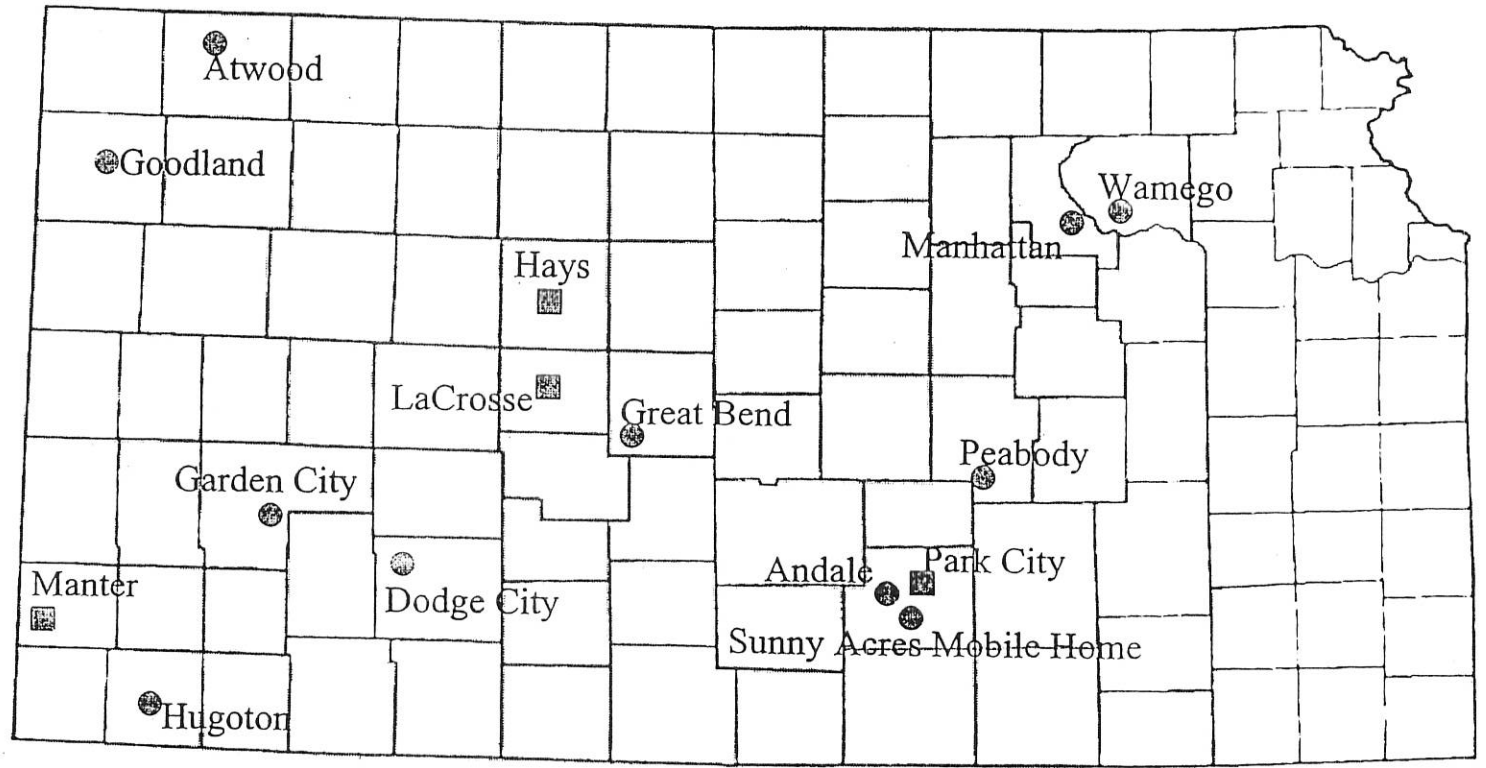
To date, KDHE has installed treatment systems to remove MTBE at three public water supplies and is planning to install a fourth treatment system. In contrast to recent news reports, the treatment systems have been very effective in removing the contaminant. The treatment units are either granular activated carbon or air strippers which are common technologies used for removal of other petroleum compounds from water. The treatment units are paid for by the Underground Storage Tank Trust Fund, and have been installed with minimal cost to the affected water supplies.

Water treatment is only part of an overall clean up project undertaken to eliminate MTBE from the soil and groundwater. KDHE has worked with owners of the underground storage tanks (USTs) to ensure that all active tanks have been upgraded to the new standards which went into effect in December of 1998. These requirements for USTs will dramatically reduce the number of releases in the future. Additionally, owners of USTs are required to perform routine testing of

tanks to detect and eliminate releases quickly.

When releases are discovered, the extent of contamination is determined and clean up efforts are undertaken to eliminate the type of impacts other states are seeing. Those actions include additional monitoring of public and private water supplies in the areas where releases are detected.

# MtBE Impacted Public Supply Wells



■ Active Treatment System

● Impacted Public Supply Well





# PUBLIC POLICY STATEMENT

## HOUSE ENVIRONMENT COMMITTEE

**RE: Sub. SB 469 – Prohibiting sales of motor-vehicle fuel containing MTBE.**

**March 9, 2000  
Topeka, Kansas**

**Presented by:  
Bill R. Fuller, Associate Director  
Public Policy Division  
Kansas Farm Bureau**

---

Madam Chairman Freeborn and members of the House Committee on the Environment, we certainly appreciate this opportunity to express support for Sub. SB 469. The bill prohibits sales in Kansas of motor-vehicle fuel containing MTBE. My name is Bill Fuller. I serve as the Associate Director of the Public Policy Division for Kansas Farm Bureau.

Farm Bureau support for Sub. SB 469 is based on our farm and ranch members' commitments to protecting water quality and increasing the utilization of ethanol.

Kansas Farm Bureau member-adopted policy encourages additional efforts to prevent contamination of groundwater and surface water in Kansas. KFB policy contains statements calling for protecting, enhancing, improving and protecting water quality.

Recent news reports have identified methyl tertiary-butyl ether (MTBE) as a pollutant in several groundwater sources in Kansas. MTBE is an octane enhancer and is used to make gasoline burn cleaner and produce less air pollution. It is very soluble in water and has been found in soil and groundwater near leaking storage tanks. We are fortunate that the Kansas Department of

*House Environment  
3-9-00  
Attachment 17*

Health and Environment is ahead of many states in detecting, monitoring and developing treatment systems to remove MTBE from public water supplies. However, the fact remains that MTBE pollutes water and is present at a number of sites in Kansas.

We believe Kansas has a good alternative to MTBE. The grain-rich state of Kansas produces an abundant supply of ethanol. This renewable product protects air quality, reduces the severe water quality risk and provides another market for Kansas grain. Record low grain prices are causing economic stress in farm country. Additional grain marketing opportunities result in stronger grain prices. This would be good for the Kansas economy.

We appreciate this opportunity to express our support for Sub. SB 469 that would achieve the desirable goals of protecting water quality and increasing the utilization of ethanol.

Thank you!

STATE OF KANSAS

BILL GRAVES, GOVERNOR  
Jamie Clover Adams, Secretary of Agriculture  
109 SW 9th Street  
Topeka, Kansas 66612-1280  
(785) 296-3558  
FAX: (785) 296-8389



KANSAS DEPARTMENT OF AGRICULTURE

House Environment Committee

March 9, 2000

Testimony Regarding Substitute for SB 469

Mary Jane Stattelman, Assistant Secretary of Agriculture

Chairperson Freeborn and members of the House Environment Committee, I am Mary Jane Stattelman, Assistant Secretary of the Kansas Department of Agriculture. I am here today in support of Substitute for SB 469, not only because it protects the state's waters from pollution, but it also provides an opportunity for ethanol to become the oxygenate of choice, which will increase domestic marketing opportunities for Kansas grain sorghum and corn.

Much has been said and written in the past year about the prevalence of MTBE in the nation's waters, including Kansas waters. You have heard from the Kansas Department of Health and Environment (KDHE) about the extent of MTBE contamination in Kansas. Further, an EPA blue ribbon panel has recommended the phaseout of MTBE in the nation's fuel supply because of environmental concerns.

As you know, KDA routinely tests motor fuel quality in retail channels under the Weights and Measures law. KDA tests approximately 2,000 samples per year. These samples are analyzed for oxygenates, including MTBE. Between 1996 and February 1999, 34% of these samples contained MTBE with a detection rate ranging from 0.1 to 15.4 volume percentage. While this bill places enforcement authority with KDHE, KDA is ready to provide KDHE with

retail sampling results to supplement any sampling done at the terminal to enforce the MTBE prohibition.

The Committee may also be aware that current Weights and Measures regulations have adopted the NIST H-130 fuels section, which requires that a pump be labeled with the predominate oxygenate if the fuel contains at least 1.5 mass percent oxygenate. Substitute for SB 469 also requires labeling. This approach lets the consumer make the choice with her pocketbook or his wallet.

This bill is an avenue to enhance environmental protection and provide an opportunity for agriculture. Removal of MTBE from the market opens a window of opportunity for ethanol, which has served well for the past 10 years as the oxygenate of choice in certain areas, including Chicago and Milwaukee.

During calendar year 1999, Governor Graves served as Chair of the 23-state Governors' Ethanol Coalition. Last October, the GEC completed a study, "The Fate and Transport of Ethanol-Blended Gasoline in the Environment," that clearly shows ethanol's friendliness toward the environment. The study concludes that:

Because biodegradability decreases with increased chemical branching, highly branched oxygenated organic compounds, including MTBE, will have a higher residence time in the environment. In contrast, the structural characteristics of ethanol favor rapid biodegradation.

Microorganisms capable of metabolizing ethanol are widely distributed in the environment and relatively rapid rates of ethanol biodegradation have been measured under aerobic and anaerobic conditions.

Ethanol is a short-lived compound in surface waters and subsurface aquifers.

One of the primary purposes of this study was to include its results in a package submitted by the GEC to California state officials, as Gov. Gray Davis' phaseout of MTBE

proceeds and opportunities for ethanol use in California expand. KDA Assistant Secretary Greg Krissek represented Gov. Graves in presenting this, and other information from the GEC, at the California Energy Commission hearings in Sacramento last November. Just last month, the California Environmental Policy Council gave ethanol a clean bill of health for the environment, paving the way for it to replace MTBE as an oxygenate in California gasoline.

The California gasoline market holds the potential for using over 200 million bushels of feed grains for ethanol production, which some economists estimate could raise the price of corn by as much as 20 cents per bushel. Gasoline marketers in the northeastern United States have also started to substitute ethanol for MTBE with similar market opportunities available for expanded ethanol use.

With me is Constantine Cotsoradis, the weights and measures and laboratory program manager. We would be happy to answer any questions that you may have at this time.

Testimony in Support of S.B. 469  
Before the Kansas House Committee on the Environment  
March 9, 2000

On behalf of the Kansas Natural Resource Council and  
Kansas Chapter of Sierra Club

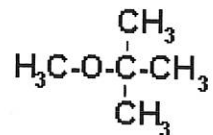
by  
Charles Benjamin, Ph.D., J.D.  
Attorney at Law  
410 Boulder St.  
Lawrence, KS 66049



MTBE  
(methyl tertiary butyl ether)

Office of Underground Storage Tanks

MTBE



MTBE in drinking-water sources is of concern because it is a possible human carcinogen and it has low taste and odor thresholds which can make a water supply nonpotable even at low concentrations. Although there is no established drinking-water regulation, USEPA has issued a drinking-water advisory of 20 to 40 micrograms per liter ( $\mu\text{g}/\text{L}$ ) on the basis of taste and odor thresholds. This advisory concentration is intended to provide a large margin of safety for noncancer effects and is in the range of margins typically provided for potential carcinogenic effects.



MTBE FAQ 4:  
What are the health effects of MTBE?

Office of Underground Storage Tanks

MTBE is a *potential* human carcinogen. Although tests on rats have demonstrated that MTBE can cause cancer in animals, no studies have yet been completed to determine if MTBE causes cancer in humans. Preliminary data suggests that *if* MTBE does cause cancer in humans, the dosage required is much higher than the levels at which MTBE can be tasted or smelled in drinking water.

Non-cancer effects of exposure to (or ingestion/inhalation of) MTBE include: headaches, eye irritation, nose and throat irritation, cough, nausea, dizziness, and disorientation.

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Madam Chair, members of the Committee, because of the potential human health effects of MTBE, as described by the EPA (reprinted from their web site above), we support this bill. However, we hasten to point out that there are probably a lot worse things in gasoline than MTBE. Leaking underground storage tanks or pipelines should be dealt with as just that.

We sympathize with the plight of family farmers in Kansas and elsewhere. However, promoting ethanol production as a substitute for MTBE is not the answer. So far as we can determine ethanol production is a net energy loser. Supporting ethanol at this time further promotes the corporate corn economy and encourages further environmental degradation - including soil erosion and the use of increasing amounts of atrazine (a known carcinogen and endocrine disrupter that is harmful to human health and the ecosystem of our surface waters).

The KNRC/Sierra Club position on this issue is that we support a total life cycle analysis of alternative gasoline additives and formulations. We would also like to see the federal and state governments take measures to promote increasing the fleet average fuel economy, encourage mass transit and sound urban planning to reduce the need for and usage of the automobile in major urban areas where the worst air quality problems exist.

Thank you for your time and attention.



Testimony: House Environment Committee  
From: Thomas M. Palace  
Date: March 9, 2000  
RE: SB 469

Madam Chairman, and Members of the House Environment Committee:

My name is Tom Palace, Executive Director of the Petroleum Marketers and Convenience Store Association of Kansas (PMCA of Kansas), a statewide trade association representing over 360 independent petroleum companies and convenience stores throughout Kansas.

We appreciate the opportunity to appear before you in opposition of SB 469.

PMCA of Kansas, opposes SB 469 because it "would make it unlawful to sell or deliver to any service station in Kansas, motor-vehicle fuel containing methyl tertiary-butyl ether (MTBE). Petroleum distributors and petroleum retailers ONLY sell product that is purchased from the supplying companies. Currently, most petroleum marketers are not aware that gasoline in their storage tanks contain MTBE. Although, every supplying company (Amoco, Phillips etc.) provides a Material Safety Data Sheet that offers data showing the composition of the fuel the retailer is purchasing, the data offers only a range by percentage of weight and not a specific amount. This means Kansas petroleum marketers have no idea what percentage of MTBE exists in the gasoline that they receive or is stored in their bulk plants today. For this reason, PMCA strongly urges the committee to exempt petroleum marketers and retailers from this bill. This bill holds the marketer and retailer liable for selling someone else's product. SB 469 does provide for an appeal process by way of requesting a hearing. This would be a hardship for a small marketer/retailer being forced to take a day off from his day-to-day business to attend the hearing. Small marketers/retailers normally have a small staff, which makes it very difficult for the owners to be away from their businesses.

Also, the bill does not provide for the definition of "service station." There are many different fueling sites in Kansas, some that provide service bays to repair vehicles, some with convenience stores and some without any attendants at all. We would suggest "service station" be defined as "any licensed motor fuel distributor or retailer," as used in current statutes.

Although MTBE in its purest form is a harsh compound, KDHE has been able to easily identify the compound when found in groundwater, and has been able to clean up MTBE effectively. KDHE has reported that even the worst case of MTBE levels found in groundwater are lower than the acceptable levels that EPA requires.

Petroleum Marketers and Convenience Store Association of Kansas  
201 NW Highway 24 • Suite 320 • PO Box 8479  
Topeka, KS 66608-0479  
785-233-9655 Fax: 785-354-4374

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Leaking underground storage tanks have been identified as one of the causes of MTBE contamination found in groundwater. It should be noted that petroleum marketers with registered underground storage tanks were required to replace or upgrade underground storage tanks by December 22, 1998, and spent millions of dollars in the process.

The ban of MTBE has become a national issue. Many states are looking at banning this compound from gasoline. EPA is reviewing this issue as well. Reports indicate that at the federal level MTBE will be phased out over the next 5 years. Kansas is very fortunate to have a staff at KDHE that has been on top of this issue since 1986, studying and researching MTBE. PMCA commends them for their continued efforts to keep Kansas environmentally safe. I am sure that if MTBE were causing wide spread water contamination, that KDHE would have been in front of this committee long ago seeking a ban of this compound. Knowing that Kansas has low levels of MTBE, knowing that KDHE has effectively cleaned up MTBE, Kansas should take a "wait and see" attitude and defer to EPA to ban this compound at the federal level.

Madam Chairman, I appreciate the opportunity to appear before you today and will stand for questions.



MATERIAL SAFETY DATA SHEET

MSDS No. 09748000  
ENGLISH

## 1.0 CHEMICAL PRODUCT AND COMPANY IDENTIFICATION

**PRODUCT NAME:** GASOLINES (LEAD-FREE)

**MANUFACTURER/SUPPLIER:**  
Amoco Oil Company  
200 East Randolph Drive  
Chicago, Illinois 80601 U.S.A.

**EMERGENCY HEALTH INFORMATION:**  
1 (800) 447-8735

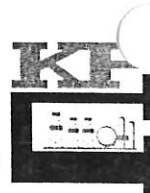
**EMERGENCY SPILL INFORMATION:**  
1 (800) 424-9300 CHEMTREC (USA)

**OTHER PRODUCT SAFETY INFORMATION:**  
(830) 836-5441

## 2.0 COMPOSITION/INFORMATION ON INGREDIENTS

<u>Component</u>	<u>CAS#</u>	<u>Range % by Wt.</u>
Gasoline	8006-61-9	80-100
Benzene	71-43-2	1-4
Butane	106-97-8	1-12
Cyclohexane	110-82-7	1-5
Ethylbenzene	100-41-4	1-2
Heptane	142-82-5	1-2
Hexane	110-54-3	1-5
Pentane	108-66-0	1-10
Toluene	108-88-3	1-22
Trimethylbenzene	95-63-6	1-7
Xylene	1330-20-7	1-10
Methyl tertiary butyl ether (MTBE)	1634-04-4	0-18
Ethanol (ethyl alcohol)	64-17-5	0-10
Ethyl tertiary butyl ether	637-92-3	0-21
Tert-amyl methyl ether (TAME)	994-05-8	0-20
Isopentane	78-78-4	1-20
Naphthalene	91-20-3	0-1.1

(See Section 8.0, "Exposure Controls/Personal Protection", for exposure guidelines)



**Comments on Substitute for Senate Bill 469, MTBE Ban in Motor Fuel**

**Offered by the Kansas Petroleum Council  
To the House Environment Committee  
March 9, 2000**

Thank you, Madam Chairman and members of the Committee, my name is Ken Peterson. I am director of the Kansas Petroleum Council, a trade association that represents several refiners who supply motor fuel to all parts of our state. I appreciate the opportunity to offer these comments in opposition to Substitute for Senate Bill 469, legislation to halt the distribution and sale of motor fuel containing MTBE in Kansas.

The issue of MTBE is quickly attracting national attention. Local and national news stories have generated a lot of public debate. The Kansas Department of Health and Environment deserves to be commended for their efforts on MTBE that are far ahead of the national curve on this issue.

The EPA's blue ribbon panel report on MTBE, as well as California's decision to phase out the use of MTBE, have increased interest in the issue at the federal and state government level. Discussions about MTBE are going on within the refining and fuel supply industry as well.

Because a uniform national policy surrounding MTBE is still evolving, we believe that a state-focused ban is premature at this time. That is why I rise in opposition to Substitute for Senate Bill 469.

A state prohibition on MTBE use is neither an ideal nor practical approach. Fuel suppliers believe the policies governing the use of MTBE should be set nationally, not locally. Kansas should not become an island on the MTBE issue, helping to create a patchwork of different fuel requirements and blends from state to state.

Congress, in rewriting the Clean Air Act in 1990, mandated the use of oxygenates in Reformulated Gasoline – the blend that is used in cities with the worst air problems. Our industry opposed any oxygenate mandate. Instead, we told Congress to establish performance and emission standards and we would design the fuel. But Congress went ahead and established the recipe for gasoline with the oxygenate mandate, creating government gas. MTBE became the most widely used oxygenate in reformulated gasoline.

Washington has reversed course and is now seeking some resolution on an MTBE phase-out. They required the use of an oxygenate that they eventually hope to abolish.

Even in states where bans have been considered and debated – and this issue is especially intense in California and New England - all allowed MTBE to be phased out over a period of years. In 1999, Iowa restricted the amount of MTBE in their gasoline with the knowledge that no MTBE was in their current gasoline supply. South Dakota this year did the same thing. But those were safe and easy decisions. Refiners were not affected in Iowa or South Dakota because MTBE is not put into fuel sold within the borders of those states. Refiners, however, would be affected in Kansas.

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Based on a survey of several refiners who provide fuel in Kansas, we found that MTBE is used in limited amounts as an octane booster for premium gasoline. If a ban is enacted, suppliers using MTBE in Kansas would have to find a replacement to make their premium grades. That takes time and is expensive.

Fuel suppliers will need time to adjust to an MTBE ban. Any significant change in a refining process requires about a four-year lead time to make the necessary changes.

In July of 1999, a blue ribbon panel established by the EPA to study MTBE and other oxygenates pointed out that MTBE is an integral component of gasoline both as an oxygenate and an octane booster. Changes or reductions in the use of MTBE must be implemented with sufficient time, certainty and flexibility to allow fuel suppliers to maintain the stability of supply system and gasoline prices, the panel concluded.

A state prohibition on MTBE use is not an ideal approach. Fuel suppliers believe the policies governing the use of MTBE should be set nationally, not locally. A resolution of this complex issue will likely require negotiation on several key issues between the industry and other major interests.

To summarize, we prefer that the federal government set fuel performance standards and determine a national policy on the fate of MTBE. Refiners would develop the best ways to meet the fuel standards, and that may or may not include oxygenates.

We continue to argue that Substitute for Senate Bill 469, however well-intended, is unnecessary. Kansas should defer to a national policy and we will continue our opposition to this measure.

I must say that the bill before you is less objectionable than the original plan, a total end to MTBE in Kansas effective July 1 of this year. As I have said, my goal is to stop this legislation. IF that is impossible, I want to make the bill as practical as possible for the industry I represent.

I would support two amendments. The first would raise that .5 percent threshold in the bill to 2 percent by volume. This amount would address the problem of traces that may show up in samples. It is consistent with the level established by Iowa and South Dakota. No fuel supplier uses MTBE at that level in their product.

The second suggested amendment involves the legal aspects of an MTBE ban. The Clean Air Act requires all states, except California, to get EPA's approval before imposing controls on fuel characteristics or components different from what EPA has already imposed. Since the EPA has imposed controls applicable to oxygenates for both RFG and conventional fuel, Kansas will likely need to obtain a waiver from EPA. Maine and the blue ribbon panel have already recognized the Clean Air Act arguments and requirements for a waiver.

The bill before you contains waiver language (subsection i) but does not link the granting of a waiver to a timetable for an MTBE phase-out. We respectfully request an amendment that would allow Kansas to control or limit MTBE use in the state 24 months after a waiver is granted. That is consistent with the phase-out created by the Senate Substitute.

But again, I would ask the committee to table or adversely report Substitute for Senate Bill 469. While well-intended on many fronts, this bill should be stopped. The issue of MTBE is a national concern. Policies regarding its future should be developed at the national level.

Thank you for your courtesy and attention.