

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Senator David Corbin at 8:10 a.m. on February 3, 2000 in 245-N of the Capitol.

All members were present except:

Committee staff present:

Raney Gilliland, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes Office
Lila McClafin, Committee Secretary

Conferees appearing before the committee:

Dr. Ron Hammerschmidt, Kansas Department of Health and Environment, (KDHE)
Mary Jane Stattelmann, Assistant Secretary, Department of Agriculture
Bill Fuller, Kansas Farm Bureau
Charles Benjamin, Sierra Club Kansas Chapter & Kansas Natural Resource Council
Ken Peterson, American Petroleum Institute
Tom Palace, Petroleum Marketers & Convenience Store Association of Kansas

Others attending:

See attached list.

With a motion and a second the minutes of January 27, 2000 were approved as corrected.

SB 469—Prohibition of sales of motor vehicle fuels containing MTBE.

Fiscal note was distributed.

Dr. Ron Hammerschmidt, KDHE, presented testimony for information purposes. He said Kansas is ahead of most states in that KDHE laboratories have detected and identified MTBE in the waters of the state. He thought there may be a problem with enforcement if the bill were to pass, it is their understanding that the United States Environmental Protection Agency's current interpretation of the federal Clean Air Act prevents states from controlling or prohibiting the use of MTBE in gasoline. **SB 469** raises some concerns because it would become effective in a very short time frame and industry may be unable to comply that quickly. It would require the addition of enforcement staff to work with the Department of Agriculture inspectors to verify compliance. He included with his testimony an item from Kansas Environmental News dated April 1999, and a news release, dated January 21, 2000 from Sharon Watson, titled "KDHE Responds to Concerns Over MTBE" (Attachment 1). He responded to questions. Attending with Mr. Hammerschmidt were Gary Blackburn, Bureau of Environmental Remediation, Jan Sides, Bureau of Air and Radiation, and Karl Mueldener, Bureau of Water.

Mary Jane Stattelmann, Assistant Secretary, Kansas Department of Agriculture, supported the bill because it would protect the waters of the state from pollution and it also provides an opportunity for ethanol to become the oxygenate of choice, which would increase marketing opportunities for Kansas grains (Attachment 2). Ms. Stattelmann responded to several questions about ethanol.

Bill Fuller, Kansas Farm Bureau, said they supported the bill based on their farm and ranch members' commitments to protecting water quality and increasing the utilization of ethanol (Attachment 3).

Charles Benjamin, Sierra Club and Kansas Natural Resources Council supported the ban on MTBE, but, he did not think promoting ethanol production was the answer (Attachment 4). He disturbed an article from the New York Times 6/19/99 titled "Lawsuits Are Prompting Calls for Changes to Clause in NAFTA" by Timothy Pritchard.

CONTINUATION SHEET

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Jere White, Executive Director, Kansas Grain Sorghum Producers Association and Kansas Corn Growers Association submitted written testimony in support of **SB 469** (Attachment 5).

Ken Peterson, Kansas Petroleum Council, opposed the bill. He said any significant change in a refining process requires about a four year lead time to make the necessary changes. At the present time, 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. If the legislation were to pass Kansas would likely need to obtain a waiver from EPA (Attachment 6). He responded to several concerning would the price of fuel be increased if MTBE was band; how long MTBE has been in use; and what kind of time would be needed by the industry to make the appropriate changes if it were band?

Tom Palace, Petroleum Marketers & Convenience Store Association of Kansas, offered brief remarks from a neutral position. He said the National Blue Ribbon Panel and EPA are already closely looking into this issue. He would be happy to provide some national information on this subject.

The meeting adjourned at 9:02 a.m. The next scheduled meeting is Tuesday, February 8, 2000.