MINUTES

HOUSE COMMITTEE ON TRANSPORTATION

October 25-26, 1993
Room 526-S -- Statehouse

Members Present

Representative Rex Crowell, Chairman
Representative Kenneth King, Vice-Chairman
Representative Herman Dillon, Ranking Minority Member
Representative Vernon Correll
Representative Delbert Crabb
Representative Carol Dawson
Representative Jim Garner
Representative Gary Haulmark
Representative Walker Hendrix
Representative Steve Lloyd
Representative Jim Long
Representative Laura McClure
Representative Dennis McKinney
Representative Janice Pauls
Representative Don Rezac
Representative Eugene Shore
Representative Marvin Smith
Representative Jonathan Wells

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Staff Present

Hank Avila, Kansas Legislative Research Department
Ben Barrett, Kansas Legislative Research Department
Tom Severn, Kansas Legislative Research Department
Donna Luttjohann, Committee Secretary

Conferees (October 25)

H.B. 2195 -- Regulation of Vehicle Salvage Dealers and Vehicle Salvage Pools

Patricia Wiechman, Executive Director, Kansas Automotive Dismantlers and Recyclers Association
Dale Lehning, A-Auto Salvage, Wichita
Leo Grothaus, Missouri Department of Revenue, Criminal Investigation Bureau
Ed Newson, Kansas City Salvage Pool, Kansas City, Kansas
Melvin Eshbaugh, Topeka Salvage Pool, Inc., Topeka
Trooper Steve Rodina, Kansas Highway Patrol
Betty McBride, Director, Division of Vehicles, Department of Revenue

Restriction on the driving privileges generally, including school-age children/attendance requirements, elderly persons, persons with health impairments, and other drivers to whom restrictions apply.

John Smith, Driver Bureau Control, Department of Revenue
Gerald Henderson, United School Administrators of Kansas
Craig Grant, K-NEA
Mark Tallman, Kansas Association of School Boards
Bill Cutler, Kansas Department of Aging
Rosemary Harris, Director of Older Citizens Information/Chairperson, Kansas Coalition on Aging
Rick Riggs, Legislative Division of Post Audit
Dick Charlton, Paralyzed Veterans of America
Harriet Duff, Greater Kansas City Area Alzheimers Association
Kenji Zweygardt, Topeka Independent Living Resource Center

Conferees (October 26)

Small Airport Development Study

Eugene Anderson, Division of Aviation, Kansas Department of Transportation
Timothy Rogers, President, Kansas Association of Airports
Bailis Bell, Kansas Aviation Advisory Committee
I. D. Creech, City of Ellsworth
Jan Monroe, Federal Aviation Administration
Lee Metcalfe, Director of Airports, Johnson County

Overview of issues related to alternative fuel vehicles.

Ron Hein, Mesa Corporation
Dr. Jeff Seisler, Natural Gas Vehicle Coalition
Jack Glaves, Panhandle Eastern Pipeline
Dick Brewster, Amoco
David Collins, Kansas Geological Survey
Mary Boettcher, Peoples Natural Gas
Lee Eisenhauer, Propane Marketers Association of Kansas
Robert Haley, Kansas Department of Transportation

Hearing on the federal Corporate Average Fuel Economy (CAFE) standards and their effect in Kansas on manufacturing enterprises, consumers, the agricultural sector, and the environment.

Norman Sherbert, General Motors Corporation
Whitney Damron, Pete McGill and Associates
Bill Craven, Sierra Club, Kansas Chapter

October 25, 1993
Morning Session

The meeting was called to order by Vice-Chairman Kenneth King at 9:00 a.m. on October 25, 1993 in Room 526-S of the Statehouse.

1993 H.B. 2195 – Regulation of Vehicle Salvage Dealers and Vehicle Salvage Pools

This study was the result of discussions and hearings held during the 1993 Legislative Session. The purpose of the bill is to impose various regulations and salvage vehicle dealers and salvage vehicle pools in an attempt to address the problem of stolen vehicles. Below is a summary of Committee hearings.

Video Presentation. The Committee viewed a video which consisted of excerpts from the television programs "48 Hours" and "60 Minutes." The video showed various ways cars are stolen, stripped down, auctioned off, bought, reassembled, and sold to unsuspecting consumers. It described some of the actual conditions of these rebuilt vehicles, some of which cause accidents, serious injuries, and even death to their owners. The video pointed out the need to maintain records and identification on cars and parts that are to be resold.

Staff Briefing. The staff presented a memorandum which discussed, among other things, the distinction between salvage vehicle dealers and salvage vehicle pools. It was noted that unlike vehicle salvage dealers, salvage vehicle pools are not regulated by the state. Often, the vehicle pools sell salvage vehicles for insurance companies. The memorandum also addressed the concept of a "total loss" vehicle. This concept is used by insurance companies which is a percentage loss of the value of a motor vehicle.

It was noted that at present there is no national consensus on the distinction between a salvage vehicle and a junk vehicle for purposes of defining a total loss vehicle. Staff pointed out that at the national level, the federal Anti-Car Theft Act of 1992 directed the Secretary of Transportation to establish a task force to study various problems relating to motor vehicle theft and fraud. These include motor vehicle titling, registration, and salvage controls (Attachment 1).

Staff explained that the bill proposes to impose various additional requirements on salvage vehicle dealers and pools. These would include:

1. requirements pertaining to the operation of salvage yards such as building and fence size, area dimensions, and sales transactions;

2. requirements pertaining to the storage of nonowned salvage vehicles;

3. requirements relating to the operation of salvage pool yards, including area dimensions, building and fence size, licensing, and sales transactions;

4. various definitions of terms relating to salvage vehicle dealers and salvage vehicle pools; and

5. exemptions from minimum area and office space requirements of existing salvage vehicle dealers and similar exemptions applicable to salvage vehicle pools.

Pat Wiechman explained the need for changes in the state's dealer licensing law as it applies to the salvage vehicle industry. She testified that there is a direct connection between stolen vehicles and the lack of regulation of used car parts and salvage vehicles. Ms. Wiechman said the state does not regulate transactions that occur through the salvage vehicle pools. She also pointed out that to ensure that no existing salvage dealer or pool would be adversely affected by the enactment of the bill, the measure exempts existing dealers or pools from certain structural yard requirements. With respect to problems associated with vehicle certificates of title, Ms. Wiechman pointed out that there is no legal provision for a salvage title to be issued by the Department of Revenue. In addition, the Kansas Department of Revenue is not required to carry forward a salvage designation on future titles of salvage vehicles. Ms. Wiechman favored limiting those who could buy vehicles at salvage pools to licensed salvage dealers (Attachment 2).

Dale Lehning provided various photographs to illustrate the concept of "total loss" vehicles. He said the notion of total loss is a term used by the insurance industry and is not intended to mean that the vehicles are without value. Mr. Lehning discussed the issues that the Task Force, mandated by the Anti-Car Theft Act of 1992 will consider. The Task Force will consider motor vehicle titling, registration, and salvage controls. He said the Task Force discussed the possibility of establishing a damage threshold criteria for purposes of defining a total loss vehicle. The current proposal would define a vehicle with damage exceeding 60 percent of the actual value to fair market value as a total loss and be designated as such on a certificate of title (Attachment 3).

Melvin Eshbaugh pointed out that Topeka Salvage Pool, Inc., has revised its computer system so that all sales activity can be reported to the National Insurance Crime Bureau. He explained that of all vehicles that are wrecked, stolen, or damaged, only 5 to 10 percent are handled by the salvage pools. He indicated that if legislation is enacted to protect the consumer from unknowingly purchasing a previously damaged vehicle, a system of branding of titles will need to be

adopted. He offered some proposed amendments to provide anti-theft measures and improve consumer protection. The amendments he proposes include:

1. redefining brokers to exclude salvage pools;

2. defining "salvage vehicle" as any physically damaged vehicle or, if required by law, to have a branded title;

3. deleting the requirement that a salvage pool operate at the same location where the salvage yard is operated;

4. requiring only upon request that salvage pools disclose the true owner of a vehicle prior to sale, rather than on every sale; and

5. deleting the prohibition that denies salvage pools full-privilege license plates.

Mr. Eshbaugh noted that his suggested changes are intended to ease the proposed regulations of salvage vehicle pools (Attachment 4).

Betty McBride explained that the Division does not regulate salvage pools but assured the Committee that if the Legislature enacts legislation to do so, such legislation could be implemented without the need for additional administrative personnel or funding. She distributed copies of the Kansas Certificate of Title and a sample of a Non-Highway Vehicle Title Affidavit. She informed the Committee that the Department of Revenue had begun branding titles in Kansas when the Division is made aware of the need. She urged the Committee to wait for federal legislation on matters pertaining to titling to avoid making repeated changes to Kansas law (Attachment 5).

Following Ms. McBride's testimony, Chairman Crowell adjourned the morning Committee meeting.

Afternoon Session

The afternoon session began with hearings on the interim topic of restrictions on driving privileges generally, including school-age children/attendance, elderly persons, persons with health impairments, and other drivers to whom restrictions apply.

Staff Briefing. Legislative Research Staff presented a memorandum providing background information regarding the authority of the Department of Revenue to restrict the driver's license of individual drivers for the safety of the public. The restrictions imposed by the Division are set forth on a blue card the Division of Vehicles issues to an applicant along with the driver's license. Staff also gave background information regarding the linking of driving privileges with education. Comparisons between Kansas and other states graduation rates were discussed and some of the other state's methods to improve their graduation rates. Previous legislation regarding the topic was discussed. In 1993, H.B. 2282 was introduced in an attempt to address the problem of high school dropouts. It prohibits the Division of Vehicles of the Department of Revenue from

issuing a license or instruction permit to an individual under age 18 who does not have a high school diploma or GED certificate. With regard to elderly drivers staff summarized the literature on how a person over 65 drives. Staff pointed out that Kansas policy does not treat the elderly differently for purposes of renewing a driver's license. Recommendations of the Highway Users Federation to make driving safer for both the elderly and the general public were also discussed (Attachment 6).

Finally, staff provided information on drivers with health impairments. Staff summarized past studies and noted that those studies sometimes conflict. Also noted was the 1986 Post Audit study which concluded that the procedures for licensing drivers with physical or mental impairments generally were followed.

Craig Grant said ways need to be found to keep children in school until graduation; however, K-NEA does not believe revoking a driver's license to address this issue would work. K-NEA believes the compulsory attendance age law is one way to address this problem (Attachment 7).

Gerald Henderson explained to the Committee that the proposal is an attempt at a simple solution to a very complex problem. He expressed concerns about additional paperwork. He also raised the question of who would be responsible for enforcing the law and what would constitute a school absence severe enough to warrant losing a driver's license. He said that the problem of students dropping out of school prior to graduation is being addressed in schools through Quality Performance Accreditation (QPA) (Attachment 8).

Mark Tallman provided written testimony expressing support for the concept, provided the legislation did not impose administrative burdens on school personnel and if the legislation exempted school districts and personnel from liability (Attachment 9).

Representative Robert Tomlinson made reference to his remarks before the Committee on February 17, 1993. His testimony indicated that at least 4 percent of Kansas dropouts will eventually re-enter school to retrieve their licenses. The impact of the legislation will be unknown because some students will choose to remain in school if legislation is passed. Representative Tomlinson noted that in order to keep a driver's license, students can be enrolled not only in public schools, but also in private, vocational, proprietary schools, or home schools, or take GED courses. He believes that if the proposed bill is adopted, increased enrollment in these alternative forms of education will result.

The next item on the agenda pertained to elderly drivers.

Bill Cutler compared accident rates of elderly Kansas drivers with other age groups. He outlined a program in Oregon which trains counselors about aspects of the aging process. Counselors discuss medications taken by elderly persons and ask them questions to test alertness. Additionally, a vision and physical reaction test is given to determine whether to further test an applicant. Mr. Cutler claimed that the Oregon program has reduced actual costs to the state. Mr. Cutler also favored improving highway markings and installing clearer road signs. He hoped it could be done in conjunction with the federal legislation regarding kilometers being placed on all road signs before 1995 (Attachment 10).

Rosemary Harris expressed concern about potential driving restrictions on elderly persons. She said that if driving privileges were revoked, other means of transportation should be available (Attachment 11).

The Committee turned its attention to the matter of health-impaired drivers.

Betty McBride explained the current drivers licensing procedures used by the Division of Vehicles. She explained that a driver is only required to have 20/40 vision in one eye to drive. If a driver does not meet this requirement, the Division can request medical evidence or a statement from a doctor or optometrist. An examiner also can initiate a driving test at that time. The applicant can be referred to the Director. Ms. McBride said the Division has a five-member medical advisory board that can oversee a special case. An applicant may take the test three times and can request, in writing, to take it a fourth time if he or she fails the first three attempts. Ms. McBride said in extreme cases she has sent field supervisors to administer the test at the home of an applicant. She said if the proposed legislation is enacted the number of driver tests would increase by about 47,000 per year. Additional funding and personnel would also be needed, she noted.

Rick Riggs explained the Post Audit report of October, 1986 regarding Licensing Kansas Drivers with Medical Disabilities. He discussed procedures used by the Department of Revenue, when it receives applications for driver's licenses from persons with disabilities or disorders. He said that Kansas's policies are more stringent than other states. In addition, most licensing decisions by the Department were made on a timely basis. He said that according to his findings, no applicants were denied driver's licenses for arbitrary reasons. (See Attachment 12 for complete report.)

Richard Charlton said that, in his view, a driver's license examiner can arbitrarily require a driving test. He noted that examiners have not been sufficiently trained to prepare them to adequately make determinations about the applicant's driving abilities. He proposed amending the statute which would require that the Division provide documentation which would prove any applicant for renewal of a driver's license was not competent to drive a car. A second proposed amendment would allow a person with a mental or physical disability to retain their driving privileges while being offered a hearing (see Attachment 13).

Harriet Duff explained that although Alzheimers disease is a degenerative disease each individual responds differently to the disease. She said that Alzheimers disease may be diagnosed long before a person becomes incapable of driving safely. Properly applied the current system is adequate to protect the public, including Alzheimers patients, she noted (Attachment 14).

Kenji Zweygardt addressed the Committee about discrimination against disabled persons. He asserted that driver's license examiners have, in some instances, subjected an applicant to a driving test based on the physical appearance of that person. He said that if a person limps or is "out of the ordinary" in any way, some examiners will require that person to submit to a driving test. He cited three cases in which this occurred (Attachment 15).

Following Mr. Zweygardt's testimony, Chairman Crowell adjourned the meeting.

October 26, 1993
Morning Session

Chairman Crowell opened the morning session with a study of small airports development. Legislative Research Staff presented a memorandum entitled "Interim Study Regarding the State's Relationship with Kansas Airports and Aviation." Staff indicated that the

study was requested by KAA. KAA believes Kansas has not kept abreast with other states in the development and maintenance of public use airports. KAA also believes that without state funds, many communities may lose access to emergency medical services and experience a decline in economic growth. Staff added that the Division of Aviation has not been able to participate in the federal block grant program (a federal program which allows the state to administer federal funds for airport improvements for some airports within the state) due to, among other things, an inadequate staff. Staff said KAA urged appropriate action to prepare the Division of Aviation of the Kansas Department of Transportation (KDOT) for participation in the block grant program. KAA also urges, staff noted, the Legislature to address zoning questions to enable local communities to adopt effective land use and zoning regulations for the protection of airports and airspace (Attachment 16).

Eugene Anderson explained the various phases of the Kansas Aviation Systems Planning program. He noted that the program began in December, 1982 when the Aviation Division initiated Phase I of the Kansas Aviation Systems Planning program. He explained that the primary objective of Phase I was to prepare a statement of airport system requirements for the State of Kansas through the year 2000 (Attachment 17).

Tim Rogers addressed the question of whether the Division of Aviation is prepared to participate in the Federal Aviation Administration's Airport Improvement program block grant program for general aviation airports. He said that to properly develop and maintain the state's system of general aviation airports, the Division of Aviation must maximize federal funding by identifying state funding. He noted that funding shortages among Kansas general aviation airports exists and that many Kansas airports are in need of improvements and maintenance. He pointed out that the state has the opportunity to assume greater control over the development and maintenance of its general aviation airports. Mr. Rogers said the state should:

1. prepare a complete inventory of development needs at all Kansas general aviation airports and assign priorities to those needs;

2. prepare a plan to increase federal funding for Kansas general aviation airports including ways to secure state funding for such airports;

3. prepare a comprehensive update of the State Aviation System plan;

4. develop a program which would enable KDOT planners and engineers to assist general aviation airports with the preparation of the documents necessary for securing federal airport improvement program grants;

5. develop a program whereby KDOT planners and engineers can advise general aviation airports on airport maintenance priorities; and

6. develop a program which enables KDOT personnel and equipment to assist general aviation airports with basic airport maintenance (Attachment 18).

Jan Monroe explained the Federal Airport Improvement program and provided information on the federal block grant program. He explained that the purpose of the Airport Improvement program is to promote a safe and efficient nationwide system of public use airports. He indicated that the Kansas Aviation System plan is used to identify the aviation needs of the state.

With regard to the block grant program, Mr. Monroe indicated that seven states have been selected to participate in the pilot program. FAA expects more states to be added in the future. He noted that in order for it to assume the responsibilities of the program, the Division of Aviation will need additional personnel. These personnel will include individuals with expertise in pavement evaluation, civil engineering design, construction, inspection, and planning (Attachment 19).

Lee Metcalfe was unable to attend the hearing but submitted written testimony which stressed the need for local governments that operate public airports to exercise more control over land use planning and zoning decisions in the proximity of airports. His written testimony is Attachment 20.

The Chairman adjourned the meeting at 11:35 a.m. to reconvene at 1:30 p.m. He requested the Committee members take part in the demonstration of the natural gas powered vehicles on the south side of the Capitol grounds which took place on adjournment.

Afternoon Session

Chairman Crowell opened the afternoon session's hearings with an overview of issues related to alternative fuel vehicles.

Ron Hein testified on the impact that the natural gas industry has had on the Kansas economy in the past few years and on the negative impact Kansas tax policy has imposed on this industry. Specifically, he noted that the burden now facing the gas industry is the imposition of severance tax and property tax burden which amounts to about 19 percent of gross receipts on Mesa Corporation. He pointed out that Kansas is one of the largest gas producing states in the country and that gas is cheap, abundantly available, clean burning, safer, and better for the environment than other fossil fuels. Additionally, he noted, Kansas will need to comply with the federal and state environmental laws by promoting natural gas vehicles. He spoke of proposed legislation pending in both the Senate Transportation and Utilities Committee (S.B. 330) which would exempt compressed natural gas (CNG) from the motor fuel tax, and the House Transportation Committee bill, H.B. 2499, which would provide for income tax credits for conversion of equipment or original equipment capable of burning CNG. He addressed the concern raised by KDOT on the impact a CNG fuels tax exemption would have on the State Highway Fund or an income tax credit might have on the State General Fund. He said that because there are few natural gas vehicles in the state any fiscal impact would be minimal. He noted that vehicle conversions to CNG would be mostly by fleet vehicle operators and many conversions would include government vehicles. He hopes this type of legislation will provide an incentive to the natural gas vehicle industry without adversely affecting the State Highway Fund (Attachment 21).

Video Presentation. The Committee viewed a video, "Natural Gas Vehicle: The Road to Clean Air." It explained how natural gas vehicles operate in comparison to vehicles now. Safety of the storage tank in the vehicle was explained along with the impact these vehicles have on the environment.

Dr. Jeffrey Seisler informed the Committee that states are creating a balance of alternative fuel programs through incentives, mandates, taxes, and education that are economically feasible for individuals and businesses while accomplishing the clean air and energy security goals to

promote alternative fuels and natural gas vehicles. He pointed out that some programs being developed are:

1. alternative fuel vehicle conversion or purchase programs for state vehicles;
2. vehicle conversion and/or sales mandates for alternative fuel vehicles;
3. tax credits, deductions, rebates, or exemptions;
4. low interest loan funding or financing schemes;
5. standards, specifically for emissions, but also for safety and installation of equipment;
6. demonstrations and pilot programs;
7. studies evaluating alternative fuels; and
8. public education.

He said some policies and options at the state level that should be acknowledged are fuel taxes and how they are levied, tax credits and deductions, state and local standards and codes, state and local government procurement procedures which can be detrimental if not properly handled, and emissions testing requirements. In summary, he said, Kansas has the opportunity to capitalize on natural gas vehicle commercialization now because it is one of the top five gas producing states (Attachment 22).

Dick Brewster informed the Committee that few CNG refueling stations are in place to encourage vehicle owners and fleet operators to purchase CNG operated vehicles or to convert existing cars and trucks to bi-fueled vehicles. There are, also, not enough CNG fueled vehicles to encourage fuel marketers to install CNG refueling facilities. He favors a partnership among governments at all levels and the private sector to proceed with the development of CNG fueled vehicles and refueling facilities. He informed the Committee that AMOCO has installed several CNG refueling locations throughout the country which are expensive and have not brought a good return on investment. AMOCO remains dedicated, however, because the company believes that the future of CNG is strong and viable. He said a major concern with this topic has been the method-of-sale of CNG. Because of its compressed form, CNG is not a liquid but a gaseous substance which requires the sale by weight or volume. Advocates of CNG believe motorists cannot make needed price, performance, and value comparisons unless CNG can be sold in units comparable to the gasoline gallon. Kansas has taken a leadership role in overcoming some obstacles and was the first state to adopt legislation creating a "gasoline gallon equivalent" unit (GGE) and permits the sale of CNG by that unit (Attachment 23).

David Collins presented an overview of the natural gas resource base in Kansas and the history of its development and production. He presented maps and charts to visualize the geographic distribution of oil and gas fields in Kansas, annual production of crude oil and natural gas, the Kansas Rig Activity in relation to the price of crude oil and the historic trend in the nominal value of annual crude oil and natural gas production. He showed the strong correlation between employment of individuals in oil and gas extraction and the total value of crude oil and natural gas production and the estimated direct state revenue from severance taxes and taxes on individual wages and royalty

incomes. The chart for cumulative gas production shows that over 86 percent of all production through 1992 has come from reservoirs in Permian rock formations due, primarily, to the importance of the Hugoton Gas Area (Attachment 24).

Mary Boettcher testified that there are 700,000 CNG vehicles in operation worldwide. She stated a reduction of 90 percent in carbon dioxide and smog could result from the use of natural gas vehicles. Ms. Boettcher said the United States is dependent on imported fuel from other countries. She feels there is an increased expense to convert vehicles to alternative fuels; however, the conversion is not difficult. She noted that funding is a major obstacle to increasing the number of refueling facilities.

Lee Eisenhauer said that propane and all the alternative motor fuels listed in the federal Clean Air Act should be included in the possible incentives as clean-air transportation fuels. The use of each of the alternative motor fuels listed will accomplish the goals of improving the quality of our environment, utilizing our natural resources, and enhancing the economy. She provided background information on the use of propane gas as a motor vehicle fuel. She noted some Kansas businesses that use propane fueled vehicles and the positive economic effect it has on Kansas (Attachment 25).

Robert Haley testified in regard to the negative impact a tax exemption on any fuel from motor fuel taxes would have on financing highways in Kansas. Mr. Haley said the state should not expect revenues to decline in the future but the Kansas Department of Transportation is concerned that revenues will decline as the use of alternative fuels increases if tax exemptions are created to enhance the conversion of vehicles to CNG (Attachment 26).

The next subject before the Committee was the federal Corporate Average Fuel Economy (CAFE) Standards and their effects in Kansas on manufacturing enterprises, consumers, the agricultural sector, and the environment. The subject was considered during the 1993 Legislative Session in S.C.R. 1615. The resolution urged the United States Congress, the United States Secretary of Transportation, the United States Secretary of Energy, and the United States Secretary of Agriculture to reject efforts to impose unrealistic government-mandated fuel economy standards on motor vehicles.

Staff summarized the bill for the Committee. Background information provided by staff pointed out that in 1975, Congress mandated that automakers' fleets achieve certain minimum mileage standards known as Corporate Average Fuel Economy or CAFE in order to cut oil consumption. In 1991, environmentalists and their allies set out to raise the standard above the existing 27.5 miles per gallon noting that transportation fuels accounted for a large portion of oil imports and the gasses believed to create global warming. Staff presented some of the chief arguments, for and against, new fuel efficiency mandates (Attachment 27).

Whitney Damron opposed increasing CAFE standards on motor vehicles. He said that fuel economy is an important concern but stressed other factors such as safety and freedom of choice for the consumer. He favors arriving at a balance between public policy goals such as fuel economy, safety, and environmental quality. Mr. Damron said that manufacturing enterprises such as down-sizing trucks that handle smaller payloads cannot efficiently replace larger vehicles, regardless of fuel economy. He also said that many consumers do not want to buy sub-compact automobiles. With regard to the agricultural sector, Mr. Damron said that according to the National Academy of Sciences, higher CAFE standards will increase the price of pickups. He said that even if CAFE standards are adopted, a study of the Office of Technology Assessment has determined that the reduction of global greenhouse gases would be virtually undetectable. He said that U.S. reliance

upon foreign oil will not be affected as projected. Mr. Damron said that the U.S. imports more oil when costs are lower because, under these circumstances, it is cheaper to import oil rather than to use domestic oil. He feels increased CAFE would have a negative impact upon all Kansans (Attachment 28).

Norman Sherbert stated that in recent past months, legislation in Congress had been introduced which would increase CAFE standards. He noted that the legislation was sent to the President, but had not been acted upon. He testified that there is a program that was initiated two years ago that would increase product quality and effectiveness of vehicles. He stated that consumers decide the design of automobiles and not the government. Manufacturers have to make automobiles that the public will buy. Mr. Sherbert said that General Motors created the GEO Metro, an automobile that gets 58 miles to the gallon. He also indicated that in Kansas, the General Motors plant is adding a second shift to manufacture the Cutlass Supreme, a new product.

William Craven testified in favor of raising the CAFE standards essentially to reduce the global warming effect of the greenhouse gasses emitted from vehicles powered by fossil fuels. Mr. Craven said that in less than 50 years, the amount of carbon dioxide in the atmosphere will double. He said that the subject of CAFE standards may be considered in Congress within the year. He noted that on October 19 President Clinton had announced a voluntary, seven-year energy efficiency program designed to address the problem of global warming. The plan, he said, is intended to stabilize gasoline emissions at 1990 levels by the year 2000 (Attachment 29).

Following Mr. Craven's testimony, Chairman Crowell adjourned the meeting.

Next Meeting

The next meeting is scheduled for November 29-30 in Room 526-S.

Prepared by Hank Avila

Approved by Committee on:

December 14, 1993
(date)

MEMORANDUM

Kansas Legislative Research Department

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October 14, 1993

To: House Transportation Committee

From: Hank Avila, Research Analyst

Re: Interim Study -- H.B. 2195

Background

H.B. 2195 relates to salvage vehicle dealers and salvage vehicle pools. The bill was requested by the Kansas Automotive Dismantlers and Recyclers Association (KADRA) to address various problems associated with stolen vehicles by regulating salvage vehicle pools and by imposing additional requirements on salvage vehicle dealers.* The principal difference between salvage dealers and salvage vehicle pools is that salvage dealers own the vehicles and car parts they sell, and are regulated by the Division of Vehicles of the Kansas Department of Revenue. By contrast, salvage vehicle pools sell salvage vehicles on consignment for insurance companies and other similar business entities and are not regulated by the Division. There are few salvage pools in Kansas (reportedly, about five or six in the state).

At present the sale of salvage vehicles and major component used car parts is regulated by the state by requiring proof of ownership. Provisions in the bill would extend regulation of the sale of used car parts and salvage vehicles to include salvage vehicle pools. As noted, many salvaged vehicles are sold through salvage vehicle pools and are not subject to the kind of requirements imposed on salvage vehicle dealers.

The bill provides a means of regulating the flow of salvage vehicles by defining salvage vehicles and limiting the sale of salvage vehicles to licensed salvage dealers. A definition of salvage vehicles would provide a legal basis for regulatory and law enforcement purposes. In addition, by limiting the sale of salvage vehicles to licensed dealers, used vehicle parts could be readily identified for regulatory and law enforcement purposes. The bill contains provisions which attempt to limit those who could handle salvage vehicles to salvage vehicle dealers and salvage vehicle pools. The principal way which this would be accomplished is by requiring pools to become licensed and brought under the current dealer's licensing law.

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* The Insurance Information Institute reports that in 1990, 8,309 vehicles were stolen in Kansas for a total dollar loss of over $32 million. The Federal Bureau of Investigation estimates that the value of motor vehicles stolen nationwide during 1990 was more than $8.2 billion.

Issues

Various issues have been identified in connection with the proposed regulation of salvage vehicle dealers and salvage vehicle pools. Below is a summary of concerns expressed in connection with this issue.

1. Kansas does not regulate the transactions that occur through motor vehicle salvage pools, nor does it regulate pools in any manner.

2. The State of Kansas issues two kinds of certificates of titles: a regular certificate of title required for all registered vehicles which operate on the highways of Kansas, and a nonhighway title for those vehicles which are not operated on Kansas roads. (A transfer certificate is issued for vehicles ten years or older sold for salvage). Kansas does not issue a salvage certificate of title and does not carry forward a salvage designation on future titles.

3. Certain provisions in H.B. 2195 would have an adverse impact on the cost of automobile claims if salvage pools are limited to selling a salvage vehicle only to salvage licensed dealers. The increased cost of claim payments will ultimately affect persons who purchase insurance.

4. A system of "branding" a certificate of title will be needed to protect consumers from unknowingly purchasing previously damaged vehicles.

5. Of all vehicles that are wrecked, stolen, or damaged, only about 5 percent to 10 percent are handled by salvage pools. Thus, the proposed legislation will address only a small number of salvage vehicles.

6. Salvage pools favor redefining "brokers" to exclude salvage pools. In addition, pools favor a simpler definition of "salvage vehicle," favor deleting the requirement in the bill that a pool operate at the same location where a salvage yard is operated, and believe that the true owner of a vehicle should be disclosed only upon request, rather than prior to every sale.

7. Salvage pools oppose the requirement that prohibits a salvage pool from selling a salvage vehicle to any person except persons licensed as a salvage dealer unless the sales tax is collected. Pools prefer language which would require sales tax to be collected by salvage pools at the time of sale unless specifically exempted by statute.

8. There appears to be a general consensus that all sales transactions of major component parts of a vehicle should be accompanied by a certificate of title.

9. Because the federal Anti-Car Theft Act of 1992 requires the establishment of a task force to study issues pertaining to titling, registration, and salvage control questions, it has been suggested that states should delay any legislative action on such matters until the task force proposes its recommendations. Delaying such action would avoid possible federal preemption and unnecessary and repeated changes to Kansas law.

HOUSE TRANSPORTATION
October 25, 1993, 9:00 am
Attachment 1-2

#2

KADRA
Kansas
Automotive Dismantlers and Recyclers Association
"Serving Kansas thru Dismantling and Recycling"

HOUSE TRANSPORTATION COMMITTEE

October 25, 1993

House Bill No. 2195

Chairman Crowell, Members of the Committee:

I am Pat Wiechman, executive director for the Kansas Automotive Dismantlers and Recyclers Association. The Automotive Recycler has been around since before *recycling* became the "thing to do." While other industries boast of their accomplishments in making this a more ecologically better world, our recyclers have been *at it* for more than half a century.

As background, the automotive recycling industry is the 16th largest industry in the United States with over $5 billion in sales annually. The industry recycles over 11 million automobiles, busses, trucks, and motorcycles each year, saving an estimated 85 million barrels of oil that would otherwise be used in the manufacture of new replacement parts. Additional energy and resource conservation is realized by recycling rebuildable "core" parts to automotive parts

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913-233-1666 - Fax - 233-8893

rebuilders and scrap metal processors. Nationally, the automotive recycling industry supplies 37% of all ferrous scrap (iron and steel) to our nation's scrap processing industry.

House Bill 2195 was introduced as a result of a recognized need for changes to the Kansas Dealer Licensing Law as it applies to the salvage vehicle industry. What is the problem that needs to be addressed? There is a direct connection between stolen vehicles and the control of used parts and salvage vehicles. The solution is better CONTROL of the industry. The need for better control of the salvage vehicle industry has been identified by Kansas law enforcement agencies. Nationally, there has been great concern for better control of used parts and salvage vehicles. HR 4542, the Anti Car Theft Act of 1992, mandated the establishment of a task force to study problems which relate to vehicle titling, vehicle registration, and controls over vehicle salvages. You will soon hear from Dale Lehning who is a KADRA Boardmember that has been working with the Anti Car Theft Task Force. He was recently appointed to the National Stolen Auto Parts Federal Advisory Committee which is chartered under HR 4542 to advise the U.S. Attorney General on salvage and title matters. Dale will give you information from the Federal level on salvage control and another aspect that is a separate yet integral part of the issue - that being the definition of salvage or "total loss" vehicle and junk or "dead vehicle." These definitions are very important to the overall picture; however, as Dale will tell you, but I want to emphasize, simply arriving at definitions is only one step in the process. We need to be aware that "defining and disclosing" is not a *cure-all.*

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Working toward better control, HB 2195 addresses two primary areas of this many-faceted and complex issue. The first is to define a salvage vehicle and to whom it can be sold. The second area is to establish definite parameters for those that handle the salvage vehicles; that is, the salvage vehicle dealers and their yards, and the salvage vehicle pools. In order to responsibly address control of this industry, we must keep in mind three criterion by which to gauge expected results. Whatever changes occur must be in the best interest of consumer protection, public safety, and law enforcement.

The Anti Car Theft Task Force has arrived at a uniform "salvage" definition to be recommended as federal law. A copy of that proposal is attached. Changes to the definition in HB 2195 were recommended in the companion bill, SB 162. A balloon of the changes made by the Senate Subcommittee are attached. Also attached is a copy of a letter received from Gary Dickinson, Director of Security with Anglo American Auto Auctions, Inc. Mr. Dickinson is a member of the Anti Car Theft Task Force.

Media coverage, such as the *48 Hours* and *60 Minutes* programs during this past year have caused national attention to focus on a problem with which the salvage vehicle industry has struggled for years. Where is the loophole in the scenes documented for television? It is in letting just *anyone* purchase salvage vehicles.

Many salvage vehicles are purchased through the salvage vehicle pools. Some of the salvage vehicle pools in Kansas profess to sell only to vehicle dealers. Controlling who is allowed to buy at a salvage vehicle pool is a major step in controlling what is sold. Right now in Kansas, without control, *anyone* -dealer or

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general public - can buy any of the hundreds of vehicles that are sold through the salvage vehicle pools each month. There is no regulatory authority in Kansas Statutes that controls activities that occur through the salvage vehicle pools. Consumer protection issues arise from transactions involving purchases by individuals. Since the salvage vehicle pool claims no ownership in the vehicle, to whom does the individual look if he has problems? Many of the vehicles sold at the salvage vehicle pools are able to be driven, even though they may have suffered damage. Here the issue of public safety is certainly a concern. The vehicle that was the subject of the *60 Minutes* program had been rebuilt and supposedly repaired; and was alleged to have caused the death of that young man. How much more dangerous might a vehicle be that has been wrecked and driven directly from the salvage pool without being repaired and rebuilt? Again, the consideration must be what is in the best interest of consumer protection, public safety and law enforcement.

Salvage vehicle pools have long been one of the major disposal points for insurance vehicle salvage. The pools have commonly been known as *insurance storage pools* or *insurance salvage pools* and often signs are posted on the premises stating "insurance storage" or "insurance salvage." To the casual observer, such as a member of the general public, this type of sign would indicate that the vehicles being sold are insurance loss vehicles. However, many times that is not the case. *Vehicle dealers* also sell through the pools. Sometimes the vehicles brought in by dealers have damage that would not be expected in a vehicle that had only been wrecked, such as the replacement of a good engine

with a bad engine. Additionally, there are occasions when the pools themselves have a financial interest in a vehicle.

Some of the pools in Kansas operate on a "sealed bid" basis which means that the vehicle is viewed by the buyer, a bid is submitted on a form provided by the pool, then the bids are tabulated by the pools and the sale awarded to the buyer on a specific day. Some pools operate as "live auctions," that is, the bidding process involves actual auctioneers that call out the bids to a crowd. Some of the pools operate as a combination of "sealed bid" and "live auction," where a portion of the vehicles are sold at live auction and a portion with sealed bids. In the instance where a live auction is held, the pool acts as the auctioneer. If the auctioneer has a financial interest in what is being sold, there is an opportunity to manipulate the price of the vehicle rather than reaching the market price through a true arms length sale. The pool has a financial interest if the pool guarantees a percentage of return on a vehicle; or if the pool itself owns the vehicle or has an interest in the business that actually owns the vehicle.

If a salvage vehicle pool or any other entity has a financial interest in a vehicle, they are an owner. Under Kansas law, that entity should then be entering into the title chain. When ownership interest in a vehicle is not shown on the title, it is known as a "jumped title." In other words, an owner is "jumped" or skipped in the title chain. This provides a loop-hole in tracing vehicle ownership through the titling process and could be a cover-up for vehicle theft, fraud or avoidance of warranty obligations.

Another consideration - when the general public buys, there is a potential loss of sales tax revenue. When vehicles are purchased from a salvage vehicle

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pool, (for legitimate reasons) the vehicle is either rebuilt or parted out. If the vehicle is rebuilt, either by a rebuilder or an individual, and subsequently put back on the streets, then taxes would be paid through the county treasurer at the time of registration. If the vehicle is purchased by a salvage vehicle dealer, parted out and the used parts sold, taxes would be collected at the time the parts are sold. However, if the vehicle is purchased by an individual and parted out, no taxes may ever be collected.

From information obtained in visiting with members of law enforcement, Kansas can be thankful for the reputable salvage vehicle pools in our state. The Kansas City Salvage Pool is recognized as exemplary in its record keeping and cooperation with law enforcement. Considering the high ethical standards of the pools in Kansas, it would seem that regulation could only ensure the same high standards for any future salvage vehicle pools that might be established in Kansas.

During the session, the operator of the Kansas City Salvage Pool and the owners of the pool located in Topeka voiced concern with not having had ample time to prepare or seek legal clarification to HB 2195. They were also concerned with anticipated compliance with the provisions of the bill. Of course, no one wants more control. However, the salvage vehicle pool is a part of the salvage vehicle industry. It is in the best interest of consumer protection, public safety, and law enforcement to gain better control of the salvage vehicle industry. This is a step in the battle to control stolen vehicles, used parts, and salvage vehicles. Often, through the pools, the non-dismantler buys luxury type salvage vehicles that are so extensively damaged that it is obvious that the vehicle could not be

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rebuilt. These salvage vehicles are purchased at high prices for one purpose; and that is to obtain the title document and the VIN plate.

With this testimony are copies of letters from two of the pools in the Wichita area. Each of these express that no problems are anticipated in complying with the requirements that are set out in HB 2195. To assure that no existing Kansas salvage vehicle pool is adversely effected, a "grandfather clause" has been included in the bill regarding certain size and space requirements.

In Kansas, only a licensed salvage vehicle dealer can legally sell used vehicle parts. Because of the condition existing in Kansas laws, law enforcement is not able to control the flow of titles, used parts and salvage vehicles in our state. In essentially every community in Kansas there are operations that are not licensed salvage vehicle dealers who are buying cars, with or without titles, parting out the cars and selling the parts. There are crushers that move into a community, set up the crusher and proceed to take vehicles from anyone bringing in a vehicle to crush. These kinds of operations can be disposal points for theft vehicles; as well as, a way to avoid payment for their fair share of taxes.

Law enforcement needs to have more definitive parameters that clearly state what a salvage vehicle dealer and salvage yard really is. The control, administration and enforcement can be greatly simplified by setting out size and fencing requirements; tying the salvage vehicle dealer definition to existing standards of the SIC code designation; and supplying a definition for major component parts and controlling the sale of those parts. In other words, if it looks like at duck and waddles like a duck, then it should be a duck. If a place where cars are being parted out, where used parts are being sold, looks and acts

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like a salvage yard, then it should be a salvage yard. Something as simple as this could greatly assist law enforcement in their attempt to control vehicle theft. As well as, assisting other state and federal agencies such as EPA and KDOT in their attempts to regulate the industry. There are no provisions in HR 2195 for penalties. KADRA believes these issues are better addressed by the Division of Vehicles and law enforcement. However, should it be the desire of the Committee KADRA would not oppose this kind of amendment.

Why would any industry advocate more regulation? Is this simply a *self-serving* bill, designed to put competition out of business? The answer is NO. As long as there are irresponsible and unrestricted operations in a regulated area, there is a blemish on the industry and the community in general. There is also a loss of revenue from taxes that would be generated by the legitimate business. A thief tries to hide his business, increased standards make that concealment more difficult. There is simply no way the honest business can compete with the illegal operator who has little or no overhead. *Survival* is the motivation for seeking control. According to the Federal Bureau of Investigation's statistics on motor vehicle thefts by state, vehicle theft in Kansas increased 11.2% in 1989 through 1990, while the national average increased 4.5% in the same period. No one wants to be under more control. However, the fact is, a legitimate business cannot compete with crooks and under the present conditions, Kansas law enforcement is not able to keep the crooks from competing. Law enforcement must have improved means for enforcement and control. We know that change in the law is coming, it will be federally mandated. KADRA believes that

addressing these issues up front is desireable over being forced into a position of having laws mandated to us by Federal regulation.

By working with our state agencies, law enforcement and Legislature, as a responsible state trade association, better enforcement and control can be achieved. Improved definitions and expanded parameters need to reflect the salvage vehicle industry as it exists today in cooperation with the international community. I have attached a summary of the major changes to Kansas law proposed by HB 2195 along with the balloon showing the amendments suggested by the Senate Subcommittee. KADRA requests your favorable consideration of HB 2195 along with the amendments as proposed by the Senate Subcommittee. Remember, in your consideration of HB 2195, simply "defining and disclosing" may be a band-aide, but it is not a *cure-all*.

KADRA appreciates the opportunity to present this information to you. I will be happy to attempt to answer any questions you may have.

Respectfully submitted,

Patricia M. Wiechman
Executive Director

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Statistical Information

The following statistics are supplied by rural yards with up to 2,500 vehicles stored for dismantling and recycling:

	Amount Invested
Land investment (average 120 acres)	$ 65,000
Buildings	83,000
Land improvements (fencing, dozer work graveling of roads)	15,000
Security System	4,000
Equipment (carhauler, trucks, forklift)	57,800
EPA Required Equipment	3,500
Inventory (2,500 vehicles)	375,000
	$603,300*

* (Does not include shop equipment, such as presses, compressors, torches, welders, etc.)

The following statistics have been supplied by urban yards with approximately 1,000 vehicles stored for dismantling and recycling:

	Amount Invested
Land investment (ave. 7 acres)	$140,000
Buildings	200,000
Land improvements (fencing, screening, etc.)	24,000
Security system	5,000
Equipment (carhauler, trucks, forklift)	80,000
EPA Required Equipment	3,500
Inventory	300,000
	$752,500

AUTOMOTIVE RECYCLERS ASSOCIATION
ESTABLISHED 1943

UNIFORM "SALVAGE" DEFINITION TO BE RECOMMENDED AS FEDERAL LAW

Members of the Motor Vehicle Titling, Registration and Salvage Advisory Committee recently agreed on a uniform definition of "salvage" to be recommended for enactment as Federal law. The definition describes the uniform factors for determining a permanent salvage brand when a vehicle is damaged, effectively ending "title washing." If adopted by Congress, all 50 states would be required to utilize the same salvage definition. The Advisory Committee also agreed to create a "dead vehicle" definition to replace the term "junk." A "dead vehicle" would indicate an automobile which is suitable only for parts or scrap. Common and nationally recognized titling definitions will further the Automotive Recycling Association's goal of "the uniform treatment of title documents by all jurisdictions."

Salvage Definition

A Salvage Vehicle is any vehicle which has been wrecked, destroyed, or damaged, to the extent that the total estimated or actual cost of parts and labor to rebuild or reconstruct the vehicle to its pre-accident condition and for legal operation on the roads or highways, exceeds 75 percent of the retail value of the vehicle, as set forth in a current edition of a nationally recognized compilation of retail values, as approved by the U.S. Department of Transportation. The value of repair parts for purposes of this section shall be determined by using the current published retail cost of the original equipment manufacturer parts or the actual retail cost of the repair parts used in the repair. The labor cost of repairs for purposes of this section shall be computed by using the hourly labor rate and time allocations which are reasonable and customary in the automobile repair industry in the community where the repairs are performed.

Salvage Vehicle shall also include any vehicle which an insurance company acquires ownership to pursuant to a damage settlement, or any vehicle that the vehicle's owner may wish to designate as a salvage vehicle by obtaining a salvage title, without regard to extent of the vehicle's damage and repairs.

Dead Vehicle Definition

A Dead Vehicle is any vehicle which is incapable of safe operation for use on the roads or highways and which has no resale value except as a source of parts or scrap only, or that the owner of the vehicle irreversibly designates as a source of parts or scrap. Such vehicle shall be issued a Dead Vehicle Certificate and shall never be titled or registered.

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Anglo American
Auto Auctions Inc.
435 Metroplex Drive • Nashville, Tennessee 37211 • Phone: (615) 333-1400 • Fax: (615) 832-9152

17 August 1993

Ms. Pat Wiechman
KADRA
1101 W. 10th
Topeka, Kansas 66604

RE: Kansas S.B. 162

Pat:

I appreciate you sending me a copy of the above-captioned bill.

In looking at the proposed legislation, my immediate reaction is that two items are lacking:

1) There is no provision for a salvage title to be issued.

2) There is no carry-over provision requiring the Kansas Department of Revenue to carry forward all brands from out-of-state titles.

As we discussed, I believe that the terms "uneconomical to repair" and "total loss" are too vague, but anything would be an improvement over the existing conditions in Kansas.

Kansas titles, as related to salvage or prior salvage, cause more problems than any other state. Arkansas and Minnesota titles were the problem, but their legislatures fixed that situation earlier in 1993.

Arkansas and Minnesota legislatures set a salvage standard of 70% damage, established a special secure salvage title and mandated the carry-over of all other state's brands.

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Without such provisions, S.B. 162 will regulate an industry but not solve a problem.

Again, I wish I could join you in Topeka next month, but my schedule simply will not allow it.

I wish you the best on your effort.

Sincerely,

Gary A. Dickinson
Director of Security

GAD/cg

ACME STORAGE & SALES, INC.
4740 S. MADISON
P O BOX 16190
WICHITA, KS 67216
(316) 554-0123

March 5, 1993

Patricia M. Wiechman
Executive Director
KADRA
Executive Office
110 W. 10
Topeka, KS 66604

Re: Senate Bill 162

Dear Ms. Wiechman:

Thank you for inviting me on behalf of Acme Storage & Sales, Inc. to the meeting Tuesday, March 2, 1993 to discuss Senate Bill 162.

In light of the fact that it is and has always been our policy to tend marketable title at the time of sale, we have no problem with Page 14, Section (C), Lines 2 through 6 of the bill as written with agreed changes.

In response to Page 13, Section (B), Line 43 and Page 14, Line 1, again it is and has always been our policy to offer vehicles for sale to licensed salvage dealers only. Therefore, we have no problem with the bill as written.

In response to Page 14, Section (E), Lines 9 & 10, we have no problem incorporating into our policies disclosing a vehicle's ownership as a matter of public record.

Please keep us apprised of any changes in the future and feel free to call on us if we can help in any way. Again, thank you for your consideration in allowing us to participate and voice our views.

Sincerely,

Stewart D. Heersche

Stewart D. Heersche

ACME STORAGE & SALES, INC.

Mid-Continent
INSURANCE HOLDING POOL

417 E. MacArthur
Wichita, KS. 67216
(316) 522-7699

to KADRA + whoever else it may

concern:

After Reviewing S.B. 162, I have no major objections. We are already operating in a manner similar to the provisions in this bill. The problem appears to be that many people registered as salvage dealers are not actually in the salvage business.

I do not anticipate any problems being in Compliance with S.B. 162.

Sincerely,

Gene Richardson
mid-Continent

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Changes To Kansas Law Incorporated In HB 2195

Page 1, Lines 14 through 16: a) (1) The minimum area of 40,000 square feet was used because this is approximately a "city acre." That is, an acre less the road and alley right-of-ways. This minimum amount of space is required in order to operate a legitimate dismantling and recycling operation. Such small space would allow only a bare minimum number of vehicles to be stored at any given time. With only this amount of space the dismantler would be required to utilize a separate facility for vehicle storage. According to the Division of Vehicles, there are 529 entities licensed as either "Used Vehicle and Salvage Dealer" or "Vehicle Salvage Dealer Only" in Kansas. Of these, it is estimated that approximately 175 facilities are actually in the business of automotive dismantling and recycling. Of the remaining, some are body shops; there are a couple of camper and trailer sales; some are yards where scrap metal is processed; some are used cars dealers; many are "junk yards," that is, a field where scrap metal and vehicle bodies are stored. Since 1985, there has been a 25% increase in the overall number of salvage vehicle dealer licenses in Kansas. The "Vehicle Salvage Dealer Only" licenses have increased 60%, since 1985. In an industry that is badgered by increasing demands from the EPA, Federal laws, and state regulation, it seems that there is something that is quite attractive. Under the present system, the Division relates that if the minimal requirements are met they must issue the license. With the lack of standards, they have no choice but to issue the license, if the minimum requirements in present law are met. Discretion is not available.

Such indiscriminate licensing produces an unmanageable situation that cannot be supervised or regulated.

In evaluating those yards now in existence, no salvage vehicle dealer who is legitimately in the business of dismantling and recycling would suffer from having to comply with the minimum 40,000 square feet requirement. To further insure that no existing Kansas business will be adversely effected by this size requirement, a "grandfather clause" has been included.

Line 17 thru 36 Fencing requirements are set out that are sufficient to comply with the existing state and federal Highway Beautification Acts and, as stated in the bill, these "provision(s) shall not be construed to permit violation of the United States highway beautification act of 1965."

Line 37 (b) Provides that non-owned vehicles and the records for those vehicles in storage for the general public must be separated from the inventory of the salvage vehicle dealer. This insures that vehicles that do not belong to the salvage vehicle dealer will not be inadvertently dismantled or sold.

Line 42 (c) The requirement that a vehicle dealer have an established place of business is found in K.S.A. 8-2404; the bill provides that, for salvage vehicle dealers, this office area must be a minimum of 200 square feet; contain an area devoted to sales transactions and must be the place where records are maintained; and that regular business hours must be posted in plain view. This is to insure that those persons licensed as salvage vehicle dealers are, in fact, in the business of being a salvage vehicle dealer. Posting the regular business hours provides information to customers and regulatory agencies as to when the business is open. The 200 square feet was arrived at by taking

into consideration that some persons may be utilizing a mobile home as an office. The 200 sq. ft. requirement would not be any hinderance to that operation. To further insure that no existing Kansas business is adversely effected, a "grandfather clause" has been included for the office space requirement.

Page 2, Section (b) at Line 34: This provision was included in the bill, since this is the procedure that is currently being used by the Division of Vehicles. Additional language has been proposed and is shown here:

(b) When any major component part, as defined in K.S.A. 8-2401 and amendments thereto, is sold *by a licensed salvage vehicle dealer to a licensed salvage vehicle dealer, a sales receipt and* ~~a notarized bill of sale and~~ a photocopy of the vehicle title must ~~be given to the buyer and~~ accompany such major component part as proof of legal possession ~~of such major component part~~. *Any major component part, as defined in K.S.A. 8-2401, and amendments thereto, sold to any other person shall be accompanied by a notarized bill of sale and a photocopy of the vehicle title as proof of legal possession of such major component part.*

The reasoning behind this change was pointed out by the Kansas Highway Patrol in that the Patrol and the Division of Vehicles require a notarized bill of sale for inspection and registration of an assembled vehicle; however, when a sale is made between dealers it is necessary to only have proof of sale in order to show legal ownership of the major component part.

Page 5, section (x) at Line 30: This is current law and involves only

a paragraph number change.

Page 6, Lines 4 through 7: Standard Industrial Classification Code 5015 is a classification set up by the federal Census Bureau and has become an established reference for the Kansas Department of Revenue, trade associations, industry, and United States governmental agencies, including EPA, where permitting requirements are specifically directed at the salvage vehicle industry under SIC Code 5015. By using the Standard Industrial Classification code in the definition of salvage vehicle dealer, Kansas conforms to the existing structure of American business. Quoting from the *Standard Industrial Classification Manual*, "The Standard Industrial Classification (SIC) was developed for use in the classification of establishments by type of activity in which they are engaged; for the purposes of facilitating the collection, tabulation, presentation, and analysis of data relating to establishments; and for promoting uniformity and comparability in the presentation of statistical data collected by various agencies of the United States Government, State agencies, trade associations, and private research organizations."

Page 7, section (hh), Lines 11 through 15: This definition for salvage vehicle was taken from sample definitions as set out by the AAMVA, Ohio Law, and the Automotive Recyclers Association. The task force that resulted from the passage of HR 4542 has formed a uniform "salvage" definition to be recommended as federal law.

Page 7, section (ll), Lines 34 through 37: Kansas Highway Patrol suggested language change to the definition of major component part. The need for this information was dramatically brought to national attention

through investigation of the bombing of the International Trade Center in New York. The identification of the vehicle carrying the bomb was made possible by the use of the derivative vehicle identification number that was found on a piece of metal at the scene of the blast. Changes are as follows:

> "Major component part" means any ~~sheet metal~~ vehicle part *to include front clip, rear clip, doors, frame, chassis, engine, transmission, transaxle, cab, bed, and box bearing the public vehicle identification number or, if manufactured prior to 1981, engine number; or any vehicle part bearing a derivative of such number* ~~bearing the public the public vehicle identification number, or engine number if manufactured prior to 1981, to include front clips, rear clips and doors.~~

Page 13: (v) Requirements of this section are to insure that any person applying for licensure as a salvage vehicle dealer is a reputable business person. At the present, there is no means by which the director can determine whether an applicant has been a dealer in any other state; or whether the applicant may have had a license revoked or a criminal conviction in another state. If the applicant is not truthful on the application, then the director would have the ability to revoke the license based on that fraudulent representation. This places the burden on the applicant to be truthful.

(w) Under current law there are no provisions for the control, licensing, collection of sales tax, or regulation of the salvage vehicle pools or "insurance pools" where vehicles that have been wrecked, stolen, abandoned, flood damaged, etc. are sold. The salvage vehicle pools operate similar to an auction house. At some of the pools, bidding is done by sealed bid; some of the pools conduct a live auction where bidders walk around the vehicles and bid by voice, wave or the like; some pools use both means of bidding.

(A) Since vehicles that are sold through the salvage pools can be

brought into the pool by an individual or business, as well as an insurance company, it is important that the pool determine that the vehicle being sold is, in fact, being offered by the legal owner of the vehicle.

(B) Since vehicles can be purchased through the salvage pool by individuals or businesses that are not vehicle dealers, it is important that the sales tax be collected on such vehicles. This is different than vehicles purchased through a used vehicle auction. The vehicles sold through a salvage vehicle pool may be parted out and may never be registered; therefore, the sales tax might not ever be collected.

(C) Often with salvage vehicles the odometer cannot be read due to the damage on the vehicle. In compliance with federal law, the only other means of verifying mileage on a vehicle is through the title where the mileage of the vehicle, at the time of the last vehicle transaction, is required to be shown unless specifically exempted.

(D) Separation of entitles is required because mixing of the inventory of a salvage yard and the vehicles which are held by the salvage pool for sale through the pool could result in deceptive or fraudulent transactions and could result in greater exposure for the public safety and welfare.

(E) Salvage vehicle pools have long been one of the major disposal points for insurance vehicle salvage. Commonly been known as *insurance storage pools* or *insurance salvage pools*, signs are often posted on the premises stating "insurance storage" or "insurance salvage." This type of sign would indicate that the vehicles being sold are insurance loss vehicles. There are occasions when the pools themselves have a financial interest in a vehicle.

Line 11 thru P. 15 Line 11: Basically, the same requirements on space and fencing as for a salvage yard, with the exception of no specific size on the office space. The same "grandfather clauses" are included.

Line 12: (6) should be changed to (7): Salvage vehicle pools should have no need for dealer licence plates since they act as an auction through which the vehicles are sold and do not act as a dealership.

Line 28 thru 38: This is the procedure that the Division of Vehicles is currently using.

The following editorial changes should be made: **Page 14, Line 29**: ~~(E)~~ *(C)* **Page 14, Lines 31 through 33**: ~~(F)~~ *(D)* if the business of the salvage vehicle pool is conducted within the confines of a building, the provisions of (B) *and* (C) ~~(D) and (E)~~ shall not apply.

Page 14, Line 34: ~~(3)~~ *(4)*

Page 15, Line 2: ~~(4)~~ *(5)*

Page 15 Line 4: ~~(5)~~ *(6)*

Page 15, Line 12: ~~(6)~~ *(7)*

shall consist of the following:

(1) A minimum area of 200 square feet;

(2) area devoted to sales transactions;

(3) an office to maintain records required to operate business by the salvage vehicle dealer;

(4) regular business hours posted in plain view; and

(5) records of the business available for inspection during regular business hours by any employee of the division or any member of the highway patrol as set forth in K.S.A. 8-2408, and amendments thereto.

(d) A sign meeting the requirements of subsection (m) of K.S.A. 8-2404, and amendments thereto.

(e) Any salvage vehicle dealer which was lawfully in existence on July 1, 1993, and duly licensed under the provisions of K.S.A. 8-2404, and amendments thereto, shall not be required to meet the requirements of paragraph (1) of subsection (a) or paragraph (1) of subsection (b) so long as such salvage vehicle dealer remains in continuous operation at the same business location. A salvage vehicle dealer will not be considered in continuous operation if such salvage vehicle dealer is closed for business for a period exceeding two consecutive months, unless such closure is approved by the director.

(f) The provisions of this section shall be part of and supplemental to the vehicle dealers and manufacturers licensing act.

Sec. 2. K.S.A. 8-1,137 is hereby amended to read as follows: 8-1,137. *(a)* If any vehicle for which a certificate of title has been issued shall be dismantled, disassembled or recycled by selling such vehicle to a scrap processor for recycling after the salvageable parts have been removed by a licensed salvage vehicle dealer as defined in K.S.A. 8-2401, and amendments thereto, such dealer shall surrender the original or duplicate title to the division with the word salvage or junk written or stamped across its face and no certificate of title of any type shall be issued nor any registration allowed again for such vehicle.

(b) When any major component part, as defined in K.S.A. 8-2401, and amendments thereto, is sold, a notarized bill of sale and a copy of the vehicle title must be given to the buyer and accompany such major component part as proof of legal possession of such major component part.

Sec. 3. K.S.A. 8-2401 is hereby amended to read as follows: 8-2401. As used in this act, the following words and phrases shall have the meanings:

(a) "Vehicle dealer" means any person who: (1) For commission, money or other thing of value is engaged in the business of buying,

(b) When any major component part, as defined in K.S.A. 8-2401 and amendments thereto, is sold *by a licensed salvage vehicle dealer to a licensed salvage vehicle dealer, a sales receipt and* ~~a notarized bill of sale and~~ a copy of the vehicle title must ~~be given to the buyer and~~ accompany such major component part as proof of legal possession ~~of such major component part~~. *Any major component part, as defined in K.S.A. 8-2401, and amendments thereto, sold to any other person shall be accompanied by a notarized bill of sale and a copy of the vehicle title as proof of legal possession of such major component part.*

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(ff) "Supplemental place of business" means a business location other than that of the established place of business.

(gg) "Standard industrial classification code 5015" means the classification for establishments primarily engaged in the distribution at wholesale or retail of used motor vehicle parts published in the standard industrial classification manual, 1987, as prepared by the statistical policy division of the office of management and budget of the office of the president of the United States of America. This industry includes establishments primarily engaged in dismantling motor vehicles for the purpose of selling parts.

(hh) "Salvage vehicle" means any vehicle which is abandoned, dismantled or damaged by collision, fire, flood, accident, trespass or other occurrence to the extent that the owner, an insurer or other person acting on behalf of the owner, determines that the cost of parts and labor makes it uneconomical to repair.

(ii) "Salvage yard" means the place owned or leased and regularly occupied by a person, firm or corporation, doing business under standard industrial classification code 5015 and licensed under the provisions of this act for the principal purpose of engaging in the business of a salvage vehicle dealer. Salvage yard shall include the location where the:

(1) Products for sale are displayed and offered for sale;

(2) books and records required for the conduct of the business are maintained;

(3) records are kept in the normal daily business activity; and

(4) records are made available for inspection.

(jj) "Salvage vehicle pool" means any person who as an agent for a third party is primarily engaged in the business of storing, displaying and offering for sale salvage vehicles.

(kk) "Ultimate purchaser" means, with respect to any salvage vehicle or salvage vehicle part, a purchaser who in good faith purchases such salvage vehicle or part for purposes other than resale and is not licensed as a salvage vehicle dealer under this act.

(ll) "Major component part" means any sheet metal vehicle part bearing the public vehicle identification number, or engine number if manufactured prior to 1981, to include front clips, rear clips and doors.

Sec. 4. K.S.A. 1992 Supp. 8-2404 is hereby amended to read as follows: 8-2404. (a) No vehicle dealer shall engage in business in this state without obtaining a license as required by this act. Any vehicle dealer holding a valid license and acting as a vehicle ~~salesman~~ *salesperson* shall not be required to secure a ~~salesman's~~ *salesperson's* license.

(hh) "Salvage vehicle" means any vehicle which is abandoned, dismantled or damaged by collision, fire, flood, accident, trespass or other occurrence to the extent that the owner, an insurer or other person acting on behalf of the owner, determines that the cost of parts and labor makes it uneconomical to repair, *or is required by law to have a non-highway title for such vehicle.*

"Major component part" means any ~~sheet metal~~ vehicle part *to include front clip, rear clip, doors, frame, chassis, engine, transmission, transaxle, cab, bed, and box bearing the public vehicle identification number or engine number, if manufactured prior to 1981; or any vehicle part bearing a derivative of such number* ~~bearing the public the public vehicle identification number, or engine number if manufactured prior to 1981, to include front clips, rear clips and doors.~~

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as a salvage vehicle dealer under this act unless sales tax is collected;

(C) fail to have available on the premises a certificate of title of a salvage vehicle sold by the salvage vehicle pool to provide verification of mileage at the time of sale, unless such vehicle is included in the exceptions as set forth in K.S.A. 8-135, and amendments thereto;

(D) operate as a salvage vehicle pool at the same location where any salvage yard is operated;

(E) sell any vehicle without disclosing the true owner of such vehicle prior to sale.

(3) A salvage vehicle pool shall consist of the following:

(A) A minimum area of 40,000 square feet, unless all of the business of the salvage vehicle pool is conducted within the confines of a building;

(B) shielded by a fence meeting the following requirements:

(i) Having a minimum height of six feet with a maximum of 10 feet in height; and

(ii) such fencing shall shield the inventory stored, displayed and offered for sale from ordinary view.

(C) a living hedge of equal height and sufficient density may be substituted for the fence. A living hedge may exceed the 10-foot height limitation;

(D) reasonable consideration shall be given to the topography of the land by enforcement personnel when inspecting premises for such fence or enclosure, except that this provision shall not be construed to permit violation of the United States highway beautification act of 1965, as amended, where applicable or K.S.A. 68-2201 through 68-2215, and amendments thereto;

(E) a building, used in the business, may be used in whole or in part to shield the inventory of the business from ordinary view;

(F) if the business of the salvage vehicle pool is conducted within the confines of a building, the provisions of (B), (C), (D) and (E) shall not apply.

(3) The office in which such business will be transacted will be in a structure of sufficient size to conduct such business, this area shall consist of the following:

(A) Area devoted to sales transactions;

(B) an office to maintain records required to operate business by the salvage vehicle pool;

(C) regular business hours posted in plain view; and

(D) records of the business available for inspection during regular business hours by any employee of the division or any member of the highway patrol as set forth in subsection (c) of K.S.A. 8-

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as a salvage vehicle dealer under this act unless sales tax is collected, *unless otherwise exempted from sales tax by law.*

(C) fail to have available on the premises a certificate of title *or a photocopy of the complete title* of a salvage vehicle sold by the salvage vehicle pool to provide verification of mileage at the time of sale, unless such vehicle is included in the exceptions as set forth in K.S.A. 8-135, and amendments thereto;

(B) ~~shielded~~ *enclosed* by a fence meeting the following requirements:

(ii) such fencing shall ~~shield the inventory stored, displayed and offered for sale from ordinary view.~~

~~(C) a living hedge of equal height and sufficient density may be substituted for the fence. A living hedge may exceed the 10-foot height limitation;~~

~~(D) reasonable consideration shall be given to the topography of the land by enforcement personnel when inspecting premises for such fence or enclosure, except that this provision shall not be construed to permit violation~~ *meet the requirements* of the United States highway beautification act of 1965, as amended, where applicable or K.S.A. 68-2201 through 68-2215, and amendments thereto;

~~(E)~~ *(C)*

~~(F)~~ *(D)* if the business of the salvage vehicle pool is conducted within the confines of a building, the provisions of (B) *and* (C) ~~(D) and (E)~~ shall not apply.

~~(3)~~ *(4)*

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2408, and amendments thereto.

(4) A sign meeting the provisions of subsection (m) of K.S.A. 8-2404, and amendments thereto. ~~(4)~~ *(5)*

(5) Any salvage vehicle pool which was lawfully in existence on July 1, 1993, shall not be required to meet the requirements of subparagraph (A) of paragraph (3) so long as such salvage vehicle pool remains in continuous operation at the same business location. A salvage vehicle pool will not be considered in continuous operation if such salvage vehicle pool is closed for business for a period exceeding two consecutive months, unless such closure is approved by the director. ~~(5)~~ *(6)*

(6) Salvage vehicle pools shall not be issued dealer license plates under K.S.A. 8-2406, and amendments thereto, or full-privilege license plates under K.S.A. 8-2425, and amendments thereto. ~~(6)~~ *(7)*

~~(v)~~ *(x)* Nothing herein shall be construed to prohibit a person not otherwise required to be licensed under this act from selling such person's own vehicle as an isolated and occasional sale.

Sec. 5. K.S.A. 8-2408 is hereby amended to read as follows: 8-2408. Except as hereinafter provided, every person licensed as a dealer under provisions of this act shall:

(a) On or before the 20th day of each month, file a monthly report, on a form prescribed and furnished by the division of vehicles, listing all sales or transfers, except sales or transfers by a first or second stage manufacturer to a vehicle dealer of new or used vehicles, including the name and address of the purchaser or transferee, date of sale, the serial or identification number of the vehicle, and such other information as the division may require.

(b) Salvage vehicle dealers shall, in addition to their monthly sales report *for used vehicles, if applicable*, file a quarterly report on a form prescribed and furnished by the division, listing all vehicles *for* which ~~have been or will be dismantled, disassembled or converted to scrap and sold to a scrap processor. Any titles to the vehicles in the possession of the vehicle dealer must accompany the quarterly report~~ *the major component part containing the vehicle identification number or engine number if manufactured prior to 1981, has been disposed of or sold. The certificate of title or transfer certificate for all vehicles listed must accompany the quarterly report.*

(c) Make available during regular business hours to any employee of the division or any member of the highway patrol for the purpose of investigation or inspection, all records concerning vehicles purchased, sold or exchanged during the preceding 12 months, including certificates of title on all vehicles owned by the dealership, except

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Senate Bill #162
Transcript of testimony before the Kansas State Senate Committee
On Transportation And Utilities

March 12,1993

I am Gerald Cox,Senior Special Agent for the National Insurace Crime Bureau.

I have been involved in vehicle theft investigation in this area since 1961,first with the Kansas City,Missouri Police Department for 17 years,and the past 11 years for the National Auto Theft Bureau,which is now known as the National Insurance Crime Bureau.

I have observed over those years many illegal activities involving the sale of motor vehicle parts and the rebuilding of salvage vehicles with stolen parts.

Much of the activity we are currently seeing in the investigation of vehicle thefts involves the re-building of salvage vehicles with stolen parts. The tracing of these parts can be extremely difficult. The automobile manufacturers have added identifying numbers to most of the major component parts,as required by federal legislation,thus enabling investigators to be able to trace stolen parts more easily.

One of the most valuable tools we can have at our disposal,as investigators,is an adequate control of the flow of vehicle parts, by requiring salvage dealers to maintain adequate records of the purchase,and sale of these parts. This, coupled with a good vehicle inspection program,enables better quality control of vehicles that are being re-built for sale on the retail market,and better control of stolen parts.

I have dealt with many people in the vehicle salvage business over the years,and have found that most of them understand that there is a need for this type of legislation. They do not want any more controls on their lives and businesses than the average citizen. They do realize that this is one of the ways of competing with people who traffic in stolen vehicle parts,and who,as a general rule do not meet local and state requirements for licensing, zoning,etc.

I believe that this legislation will go a long way in assisting law enforcement in combating vehicle theft,and will be a boon to the legitimate Automotive Dismantlers and Recyclers,who commit a good deal of their resources to meeting the everyday expenses of operating their businesses.

Thank you for allowing me this time before your committee.

Gerald Cox
Senior Special Agent
National Insurance Crime Bureau
P.O.Box 18162
Raytown,Mo, 64133

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October 25, 1993, 9:00 am
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3

HOUSE BILL 2195

OCTOBER 25, 1993

DALE LEHNING

HOUSE TRANSPORTATION
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My name is Dale Lehning. I own and operate A-One Auto Salvage in Wichita, Kansas. The purpose for my testimony is to supply background information regarding possible changes in Federal and State legislation as a result of the 60 Minutes show. My testimony is based on 20 plus years in the salvage industry, six years as an insurance adjuster, six years working in a new car dealership in conjunction with running an auto body repair business. The past 20 years I have been associated with International, National and State organizations specializing in efforts to resolve problems in the automotive recycling industry.

You will find enclosed, both pictures and written descriptions of three basic types of total losses: Constructive Total Loss; Economic Total Loss and Discretionary Total Loss. Total loss is an industry term and is not intended to mean "without value".

Photographs 1, 2 and 3 are of a 1993 S-10 Blazer which is a constructive total loss. This vehicle is one that should not be repaired or rebuilt. However, this unit sold for $7,000, leaving little doubt that the purchaser will attempt to rebuild and resell the vehicle. The damage was so extensive that it literally moved the frame, the cowl, the top and the body from right to left. NOTE: One way to repair this unit is with a clip body, including the cowl. This is where things get out of hand. Some builders (and some thieves) will cut out an 8-inch area around the vehicle Identification Number (VIN) plate and weld it back on to a cowl section from another (possibly stolen) vehicle. This way a used or stolen cowl has the legitimate VIN on it. This is a direct violation of the Federal law regarding VIN tampering. For more information, please read the attached article from the "Los Angeles Times."

Photograph #4 is of a 1985 Pontiac Fiero. This exemplifies a constructive total loss leaving no doubt as to the possibility of it being restored to its' previous condition. This is an obvious physical impossibility.

Examples of economic total loss are photographs 5, 6 and 7. These photographs are of a 1991 Escort. This vehicle is repairable with a rear clip and right door. But, since it is a 1991, when the repair costs are figured with new parts, the estimate for repair far exceeds the actual cash value or fair market value of the unit. Photographs 8 and 9 are of a 1991 Maxima. Every panel on this unit has sustained some damage. Some of the panels need to be replaced and others can be straightened. If the labor is based at or exceeds $30.00 per hour, this unit is a total loss. However, with no consideration given to the cost of labor, repair might be feasible.

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An example of discretionary total loss is photograph 10. This photograph is of a 1992 Olds Delta, hit on the right side. The actual value (ACV) of this unit is $17,500. The estimate for repair with new parts was approximately $8,000.00. The salvage value was $6,000.00. A deficit of $3,500.00. The new parts were on back order for three to four weeks before delivery. The owner (claimant) was an over the road salesman. Loss of use and the cost of a rental car would have used up the $3,500.00. The best judgement was to total the unit and settle the loss. This is an example of a vehicle that can be repaired without compromising safety considerations.

This crash course on total loss was to establish a basis for legislation occurring on a Federal level and in some surrounding states. I am sure that you are aware that a number of Federal task forces have been established.

One task force addresses the State Motor Vehicle Title Programs to combat motor vehicle thefts and fraud. Its purpose is to achieve uniformity of titles across jurisdictional boundaries. Ultimately, this would mean every title, whether from Kansas or Florida, would contain the same information. Another task force is the Parts Verification Advisory Committee. This task force has the responsibility for determining a method of tracking the sale of auto parts, by using the public VIN. Thus each major auto part sold as "used" would be marked with or accompanied by a document bearing the VIN.

One method that will aid in the resolution of these problems is to establish damage threshold criteria. This criteria has been discussed by the Federal task force and has already be implemented by some neighboring states. A vehicle with damage exceeding 60% of the actual cash value (ACV) or fair market value becomes a total loss to be sold on a branded title. This unit can be repaired and resold with the salvage marking remaining on the title, regardless of which state it goes to. Should the damage to the vehicle reach 75% of the ACV, the unit becomes a total loss, never to be resurrected or registered for road use. Vehicles receiving 75% of ACV damage should be sold only to licensed salvage dealers for dismantling. A licensed salvage dealer who is actively engaged in recycling will meet the Federal, State and EPA requirements regarding proper and safe handling of salvage vehicles while maintaining appropriate documentation available for inspection at the dealer's place of business.

Evidence of the need for proper licensing can be found on the final page of my testimony.

From the standpoint of consumer protection, the general public's position is protected and expanded using the damage threshold. Titles are branded and carried through so the future purchasers are alerted to prior damage. In cases of vehicles with extensive damage, there needs to be a "kill" title, not allowing the vehicle to be resurrected or re-registered for road use in any state. Vehicles with extensive damage will not again be placed on the highways. The elimination of the sale of non-repairable vehicles does not, in fact, eliminate some potential for auto theft. Effects of illicit auto parts sales, whether they come from the theft of vehicles via chop shops or car jackings, has increased dramatically, resulting in intimidation, bodily harm and deaths. Proper licensing of persons engaged in the recycling and sale of used auto parts enhances the ability to enforce laws regarding the theft and resale of cars and auto parts.

Comments regarding the Motor Vehicle Titling, Registration and Salvage Advisory Committee and the National Stolen Auto Parts Information System Federal Advisory Committee per the enclosures.



#1



#2



#3

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#4

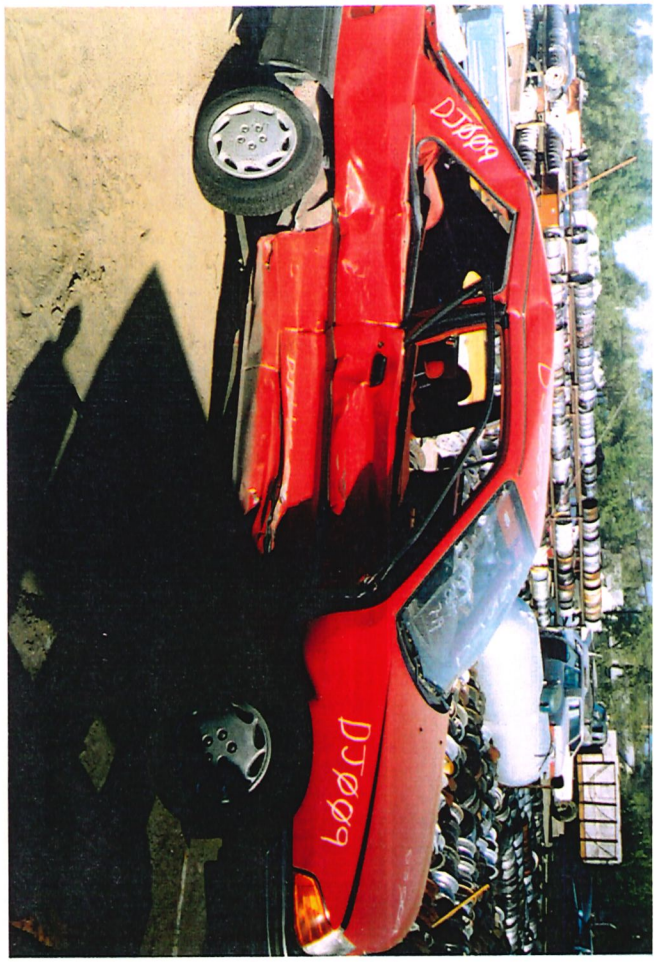
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#4



#6



#5

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#8



#9



#10

CHARTER

NATIONAL STOLEN AUTO PART INFORMATION SYSTEM

FEDERAL ADVISORY COMMITTEE

A. Offical Designation

The Federal advisory committee formed hereunder is officially designated the "National Stolen Auto Part Information System Federal Advisory Committee" (hereinafter "the Committee").

B. Authority

This Charter is adopted under the authority of Section 306 of Public Law 102-519, known as the "Anti Car Theft Act of 1992" (Codified at 15 U.S.C. § 2026c), and the Federal Advisory Committee Act (5 U.S.C., App. 2) and associated regulations (41 C.F.R. Section 101-6.1001 et. seq.).

C. Objectives and Scope of Activities

The Committee is formed to advise the Attorney General on;

1) The development and implementation of the National Stolen Auto Part Information System (NSAPIS) as required by the Anti Car Theft Act of 1992; and

2) The development and implementation of a national system to identify whether junk or salvage motor vehicles being transferred to or from insurance carriers are stolen.

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D. Duration

The duration of the Committee shall be unlimited subject to renewal of this Charter as provided by Federal law and this Charter.

E. Support Services

The Federal Bureau of Investigation of the Department of Justice shall provide necessary support services for the Committee.

F. Duties

The Committee shall report its recommendations to the Attorney General on the objectives described, including the following specific duties required by the Anti Car Theft Act of 1992:

1) The Committee shall consider and make a recommendation whether the National Crime Information Center (NCIC) shall be used for the National Stolen Auto Part Information System; and

2) The Committee shall, as required by Section 306, prepare and submit a report of its recommendations to Congress, the Attorney General, and the Secretary of Transportation.

To assist in the formulation of its recommendations, the Committee shall consult, as necessary, with appropriate experts or expert groups, including the NCIC Advisory Policy Board. The chairperson may appoint ad hoc subcommittees as needed to assist the Committee in carrying out its duties.

G. Estimated Costs

The estimated annual cost of operation of the Committee is $250,000.00, representing expenses to secure the attendance of members and necessary staff at meetings, and staff and preparation costs necessary to fulfill the dutues specified herein. The estimated staff time necessary to support the Committee is two man-years.

H. Meetings

The Committee shall meet twice yearly. If determined to be necessary by the Designated Federal officer, the Committee may meet more frequently.

I. Termination

This Charter terminates two (2) years from the date the Committee is established or, if the objectives of the Committee are achieved prior to that date, on such date determined by the Designated Federal officer.

J. Filing Date

This charter is filed on _____, 1993.

Janet Reno
Attorney General

HOUSE TRANSPORTATION
October 25, 1993, 9:00 am
Attachment 3-12

Capitol CONNECTION

Federal Titling Advisory Committee Agrees on Uniform Salvage Definition

The 28 members of the Motor Vehicle Titling, Registration and Salvage Advisory Committee—created by the Anti Car Theft Act of 1992—agreed at a recent meeting on a uniform definition of "salvage" for use by all 50 states. The agreement on a single definition of salvage marks an important step toward the uniform treatment of title documents by all jurisdictions and promotes fairness in the handling of salvage.



By Sheree Brown

The Advisory Committee's salvage definition enumerates the determining factors for branding a vehicle as salvage. It also created a "dead vehicle" definition to replace the term "junk." A "dead vehicle" would be suitable only for parts or scrap. In addition, the Advisory Committee reached agreement on formal support for a requirement to carry forward title brands from one state to another. The Advisory Committee's final report to Congress and the President will include these important recommendations.

The Titling Advisory Committee is composed of diverse interests and includes representatives of other auto related industries, such as the auto manufacturers, auto dealers, auto repair shops, used car auctions, salvage auctions, and auto shredders. State DMV officials, law enforcement, and representatives of four different Federal agencies also serve on the Advisory Committee. Virginia Whelan, President of West Park Auto, Ocean, NJ, is representing the interests of the automotive recycling industry.

While the Advisory Committee continues to grapple with the titling difficulties Congress has directed it to address, legislation in the U.S. Senate requiring titles to disclose vehicle information to consumers presses ahead. (See related article.) With the growing public attention and government concern over motor vehicle titling and salvage fraud, the activities of the Advisory Committee—and the contributions of the automotive recycling industry to it—has gained increased significance.

Title Branding Legislation Advances in U.S. Senate

The U.S. Senate Committee on Commerce, Science and Transportation held a hearing in early August on proposed Federal legislation to provide consumers with more information about the used cars they purchase. Like the Odometer Fraud law, passed by Congress in 1986, these bills use the motor vehicle title to inform consumers of the prior salvage, damage, or "lemon" history of used automobiles.

The hearing demonstrates a heightened effort by Congress to ensure protection for American car consumers. The sponsors of the three bills are now attempting to develop agreement on a single bill. If they are successful, legislation requiring some degree of uniform disclosure on motor vehicle titles may come to a vote before the Senate. Whether or not such compromise legislation could help achieve uniformity in titling or remedy "title washing" remains to be seen.■

Uniform Salvage Definition

"A Salvage Vehicle is any vehicle which has been 'wrecked,' destroyed, or damaged to the extent that the total estimated or actual cost of parts and labor to rebuild or reconstruct the vehicle to its pre-accident condition and for legal operation on the roads or highways, exceeds 75 % of the retail value of the vehicle, as set forth in a current edition of a nationally recognized compilation of retail values, as approved by the U.S. Department of Transportation. The value of repair parts for purposes of this section shall be determined by using the current published retail cost of the original equipment manufacturer parts or the actual retail cost of the repair parts used in the repair. The labor cost of repairs for purposes of this section shall be computed by using the hourly labor rate and time allocations which are reasonable and customary in the automobile repair industry in the community where the repairs are performed.

"Salvage Vehicle shall also include any vehicle which an insurance company acquires ownership to pursuant to a damage settlement or any vehicle that the vehicle's owner may wish to designate as a salvage vehicle by obtaining a salvage title without regard to extent of the vehicle's damage and repairs."

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AUTOMOTIVE RECYCLERS ASSOCIATION
ESTABLISHED 1943

UNIFORM "SALVAGE" DEFINITION TO BE RECOMMENDED AS FEDERAL LAW

Members of the Motor Vehicle Titling, Registration and Salvage Advisory Committee recently agreed on a uniform definition of "salvage" to be recommended for enactment as Federal law. The definition describes the uniform factors for determining a permanent salvage brand when a vehicle is damaged, effectively ending "title washing." If adopted by Congress, all 50 states would be required to utilize the same salvage definition. The Advisory Committee also agreed to create a "dead vehicle" definition to replace the term "junk." A "dead vehicle" would indicate an automobile which is suitable only for parts or scrap. Common and nationally recognized titling definitions will further the Automotive Recycling Association's goal of "the uniform treatment of title documents by all jurisdictions."

Salvage Definition

A Salvage Vehicle is any vehicle which has been wrecked, destroyed, or damaged, to the extent that the total estimated or actual cost of parts and labor to rebuild or reconstruct the vehicle to its pre-accident condition and for legal operation on the roads or highways, exceeds 75 percent of the retail value of the vehicle, as set forth in a current edition of a nationally recognized compilation of retail values, as approved by the U.S. Department of Transportation. The value of repair parts for purposes of this section shall be determined by using the current published retail cost of the original equipment manufacturer parts or the actual retail cost of the repair parts used in the repair. The labor cost of repairs for purposes of this section shall be computed by using the hourly labor rate and time allocations which are reasonable and customary in the automobile repair industry in the community where the repairs are performed.

Salvage Vehicle shall also include any vehicle which an insurance company acquires ownership to pursuant to a damage settlement, or any vehicle that the vehicle's owner may wish to designate as a salvage vehicle by obtaining a salvage title, without regard to extent of the vehicle's damage and repairs.

Dead Vehicle Definition

A Dead Vehicle is any vehicle which is incapable of safe operation for use on the roads or highways and which has no resale value except as a source of parts or scrap only, or that the owner of the vehicle irreversibly designates as a source of parts or scrap. Such vehicle shall be issued a Dead Vehicle Certificate and shall never be titled or registered.

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REPRINTED FROM THE LOS ANGELES TIMES

The detectives who saw the front half of a Honda in a Sun Valley wrecking yard wrote down its identification number, a precaution in case it rose from the dead.

Which it did.

Two years after detectives found the half-demolished wreck in the auto graveyard, the same Honda at least, according to Department of Motor Vehicles records was rolling again. But only two things remained from the original car: the title document and the three-inch tin strip riveted to the dash board with the 17-character vehicle identification number, or VIN, that establishes an official identity.

The rest of the car was made up of a similar Honda that had been stolen. Fitted with the salvaged VIN strip from the original car to match to the title document, it had assumed the identity of the long-vanished wreck and was sold on consignment through a used car dealer to an unsuspecting Altadena resident for more than $8,000. And when police impounded the car to return it to its true owner, he was out his money.

The growing practice of using "ghost" identities of scrapped vehicles as a cover to sell stolen cars on the legitimate market a "salvage switch," police call it has insurance companies and police at odds. It is almost always an insurance company, taking title to a customer's "totaled" vehicle, that decides to write off the wreckage and sell it for salvage.

What police are demanding is that the companies work harder to make sure that wrecks remain as scrap so that their official identities cannot be used in stolen car scams.

The insurance companies would rather continue as they have been doing auctioning off the wrecks of cars that they classify as being too expensive to repair. That helps keep their customers' premium costs down.

Auto theft detectives, on the other hand, argue that it should be a tip off that something odd is a foot if what is supposed to be a pile of scrap brings in an unusually high price at auction. The wreckage of the Honda in the Sun Valley junkyard, for example, sold for $4,000.

"We're talking about burned-up car and crushed vehicles with no salvageable part's," said Detective Bob Graybill of the Los Angeles Police Department, who heads the San Fernando Valley's auto, theft task force. "They're paying any-where from a couple of hundred dollars up to $4,000 for something that's worth $125 for scrap metal."

The solution is not so simple for insurance companies."The sale of damaged vehicles through salvage pools is a means to provide significantly lower premiums for automobile insurance to customers," said Rick Dinon, a spokesman for 20th Century Insurance Co. of Woodland Hills, the sixth-largest writer of private car insurance in California.Although no statistics are kepton the number of salvaged cars purchased for illegal purposes, police cite rising case loads as proof that they are proliferating. "There are so many cars being stolen for use in such schemes that there are not enough police in the state of California to deal with them," LAPD Detective Gory Sims said.

Last year in Los Angeles about 73,000 cars were stolen, 15% of which were never recovered because they were broken down for parts at so called "chop shops,"they were exported abroad or they had their vehicle ID numbers switched, Sims said. In the Valley, the percentage of stolen cars that vanish is more than twice the city wide average. Police statistics show that 34% of the 22,376 cars stolen last year in the Valley never were recovered. To make a car vanish, thieves use the salvage pools and junkyards that are the legitimate end of the line for badly damaged or simply worn out vehicles. Salvage pools are operated by private firms, some of which buy wrecked cars directly from insurance companies and place them on view in huge lots, where prospective buyers can inspect them and make bids at regular auctions. Others auction vehicles for a flat fee and the insurance company keeps the remainder.

About 2.5 million vehicles a year nationwide damaged in accidents or stolen and recovered are sold at auctions for an average of $1,200, creating a $3-billion market, said Bradley Scott, president and chief executive officer of Insurance Auto Auctions, a Woodland Hills based company that: operates salvage pools in four states. Some of the cars are purchased by legitimate buyers, such as collectors refurbishing autos or mechanics in search of spare parts. But others are bought by thieves to get a new identity for the vehicles they steal. Sometimes the scam works in reverse, detectives said. A badly damaged car will be bought at auction and a similar car will be stolen to provide parts to rehabilitate it, putting it back on the road under its original identity and sometimes insurance companies will wind up paying claims on the same car repeatedly. Some cars are wrecked, paid off by insurers, auctioned, refurbished with stolen part's and then resold, said Lt. Rich Henderson of the California Highway Patrol."We want to break the cycle,"Sims said. He estimated that if insurance companies would stop selling "total loss" and "total strip cars,

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thefts would drop 10% to 15%'in Los Angeles County, where 137,000 cars were stolen in 1992.

Authorities argue that in the long run, insurance companies would have the best of both worlds if they surrendered the title to the DMV and broke the vehicle down to its usable parts for resale by licensed dismantlers. Insurance companies disagree. "The suggestion that insurance companies could save premiums by not selling the damaged remains of vehicles is to ignore the economics of the issue," Dinon said. Last year, he said, his company made $10 million by selling salvaged cars,wlich helped off set the $200 million in claims it paid. He also said that if insurance companies were unable to sell salvaged cars they would instead repair them subjecting policy-holders to long delays. Just a week ago, the LAPD received a tip that a salvaged Honda had been re-registered to a Thousand Oaks couple. Detectives determined that the car had been, stolen and its VIN switched, Detective Bill Fulton said.

Working with police, the buyers contacted the man who had sold them the car and arranged to get their $10,000 back. When he arrived in Thousand Oaks, Akop Terstepanyan, 33, of Hollywood was greeted by police and arrested. DMV documents discovered on Terstepanyan led investigators to a Burbank house where they found three stolen cars, all with switched VIN's, police said. Parts of at least five other stolen cars and several detached VIN's were found in the back yard, Fulton said. Police later arrested Oganes Terstepanyan, 38, the owner of the house. The Terstepanyans, who are cousins were arrested on suspicion of grand theft auto and receiving stolen property.

Exporting stolen,cars, whose identities have been altered also is a conunon problem Graybill said.

Last month when police searched Oleg Kotiyarevsky's auto body shop in Van Nays, they found wrecked cars purchased at salvage pools that had been stripped of their vehicle ID numbers. During a warehouse search at Los Angeles Harbor in San Pedro, police found the missing numbers attached to four stolen Jeeps awaiting shipment to Russia, officials said. Police, suspect that Kotlyarevsky switched the VINs from the wrecks to the stolen cars and used forged DMV documents and planned to export them from the United States. Kotlyarevsky is awaiting trial on possession of a counterfeit title of ownership, five counts of grand theft auto and one count of cocaine possession. Police said they found the drug during the search of his shop. Sims said he hopes insurance companies will eventually agree to demolish any examples they acquire of the 20 models that are the most popular with car thieves. On a recent morning, the detective made his way through acres of wrecked cars at a North Hollywood salvage pool.

"This one should be crushed and that, one should be crushed," Sims said pointing at a completely striped 1990 BMW and a totaled 1993 Mazda 323 both still fitted with their original VINs that were destined for the auctioneer's block the following day."I go nuts when I come out here," Sims said. "It's just a vicious cycle."

JUNE 1993 A.D.A.S.C.. NEWSLETTER

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Topeka Salvage Pool, Inc.
726 N.E. Kincaid Road
Topeka, Kansas 66616-9510

MELVIN L. ESHBAUGH
President

(913) 235-3046
Fax (913) 235-0639

October 25th, 1993

House Transportation Committee
State Capitol
Topeka, Ks 66612

Subject: House Bill 2195, Senate Bill 162

Dear Committee Members,

I would like to take this opportunity to state for the record that I and the Topeka Salvage Pool have always been 100% supportive of law enforcement and there efforts to catch thieves. We have revised our computer data so all sale activity can be reported to the National Insurance Crime Bureau And will continue to support local law enforcement in any way possible in the future regardless of the out come of this legislation.

I would also like to point out that out of all vehicles that are wrecked, stolen or damaged by other acts only 5% to 10% are handled by the Salvage Vehicle Pool's. This leaves 90% to 95% that do no have their titles branded as salvage. If this legislation is to protect the consumer from unknowingly purchasing a previously damaged vehicle a completely different system of branding titles will need to be initiated. I strongly suggest Kansas look at South Dakota's system of title branding as it encompasses 100% of severely damaged vehicles and truly protects the consumer. House Bill 2195 is an effort of KADRA to make restraint of trade practices legitimate through our legislative system.

My opinion of this legislation is that it was initiated and written by KADRA with the intent of improving it's members business advantage by reducing competition.

As a Salvage Vehicle Pool owner I will Note some areas that would need changed before I could support it. Keep in mind that a Salvage Vehicle Pool is a provider of services and providing the greatest number of prospective buyers is one of our most important services.

Page 5, Line 36: but such terms shall not include Salvage Vehicle Pool's or any person engaged in a business

Page 7, Line 11: "Salvage Vehicle" means any vehicle that is physically damaged or is required by law to have a branded title.

Page 13, Line 43: sell a salvage vehicle without collecting sales tax if required by Kansas law.

Page 14, "D" Line 7: Delete in its entirety

Page 14, "E" Line 9 through 10: sell any vehicle without making available true owner's identity at request prior to the sale.

Page 15 Line 12 through 14: Delete in it's entirety. If I decide to operated as a automobile dealer and am licensed as such I should have full privileges.

These changes would keep the Anti theft measures and improve consumer protection.

I appreciate the opportunity to submit this testimony for consideration. I would also be glad to answer questions at any time.

Sincerely,

Melvin L. Eshbaugh

Melvin L. Eshbaugh
President Topeka Salvage Pool

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October 25, 1993, 9:00 am
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5

STATE OF KANSAS

Betty McBride, Director
Robert B. Docking State Office Building
915 S.W. Harrison St.
Topeka, Kansas 66626-0001

(913) 296-3601
FAX (913) 296-3852

Department of Revenue
Division of Vehicles

To: House Transportation Committee
Honorable Rex Crowell, Chairman

From: Betty McBride, Director of Vehicles

RE: House Bill 2195

Mr. Chairman, Members of the Committee

My name is Betty McBride. I am the director of the Kansas Division of Vehicles, and I appear before you on behalf of the Kansas Department of Revenue, regarding House Bill 2195.

This bill would regulate the operation of salvage pools. We have carefully studied this bill , and while the department is non-committal regarding its passage, if it is passaged as introduced, this bill could be implemented without additional administrative personnel or funding.

Thank you for the opportunity to appear before this committee. I stand for your questions.

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Non-Highway and Formerly Non-Highway Codes

CODES		
Non-Highway	Formerly NH	
A	Z	Vehicle Not Manufactured for Street Use
B	Y	No Liability Insurance
C	X	Non-Compliance with Required Safety Equipment
D	**W**	Vehicle Wrecked or Damaged (NOT Salvaged or Total Loss)
E	V	Vehicle Exempt From Registration Requirements
G	U	Theft Recovery, No Damage
H	**T**	Flood or Hail Damage
I	**S**	Fire Damage
J	***R***	Vehicle Being Salvage or Total Loss
	F	This vehicle is no longer titled as a Non-Highway

Once a vehicle has been titled Non-Highway with reasons "D", "H", or "I" it can not be change to any other Non-Highway reason, except to reason "J". Reason "J" will never be removed from the branding of a Non-Highway title.

There is no longer reason "N" - Continuing NH Status.

The following is a list of NH codes and the NH codes they may be changed to:

Code:	Changed to:
A	D, H, I, J
B	D, H, I, J
C	D, H, I, J
E	D, H, I, J
G	D, H, I, J
D, H, I	J
J	***May NOT Be Changed***

Example: A vehicle had been titled Non-Highway with reason "D" and retitled as Formerly NH reason "W". If the applicant wishes to have the vehicle branded Non-Highway again and selects reason "B" or "G", the Non-Highway title will be branded with reason "D" again. But if the applicant is selecting reason "J", the branding would be changed to Salvage or Total Loss. The affidavit (TR-13) will NOT be rejected if reason B or G were selected after branding the title with D, H, I or J, but the TITLE will be PRINTED with the previous reason (D,H,I,J). This will allow the applicant to prove that the vehicle is currently NH for reason B or G by showing the owner's copy of the TR-13 or by requesting and paying the fee for a vehicle history.

7/14/93

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CERTIFICATE OF TITLE

SALVAGE

D1419826
TITLE NO.

STATE OF KANSAS

TITLE NO.	VEHICLE IDENTIFICATION NO.	YEAR	MAKE	MODEL
D1386010	TESTW51C1J1323115	L 88	OLDS	

STYLE	DIMENSIONS / EMPTY WEIGHT	APPLICATION DATE	CLASS	ISSUE DATE	MILEAGE
4D	3253	02/08/93	18	02/23/93	72222 ACTUAL

VEHICLE TITLE NON-HIGHWAY AND SHALL NOT BE OPERATED ON THE STREETS OR HIGHWAYS DUE TO SALVAGE OR TOTAL LOSS. TO RETURN VEHICLE TO HIGHWAY STATUS, OWNER MUST COMPLY WITH REQUIREMENTS OF TITLING STATE.

MAILING INFORMATION ONLY

JANE SAMPLE
R 20
IOLA, KS 66749

NAME(S) AND ADDRESS OF OWNER(S)

JANE SAMPLE OR
SPECHT JOHN B
R 20
IOLA, KS 66749

VOID

THIS VEHICLE IS SUBJECT TO THE FOLLOWING LIEN(S):

FIRST LIEN RELEASE

By _____
Name Title

Subscribed and Sworn before me this

_____ day of _____ 19 _____ County _____ State _____

SEAL

Notary Public _____

My Commission expires the _____ day of _____, 19 _____

SECOND LIEN RELEASE

By _____
Name Title

Subscribed and Sworn before me this _____ day of _____, 19 _____

County _____ State _____

SEAL

Notary Public _____

My Commission expires the _____ day of _____, 19 _____

I, the undersigned hereby certify that I have approved an application for certificate of title for the vehicle described hereon, pursuant to the provisions of the Motor Vehicle Laws of this State, and the applicant named on the face hereof has been duly recorded as the lawful owner of said vehicle.

I further certify that the vehicle is subject to the security interests shown hereon, if any. But, however the vehicle may be subject to other security interests.

Betty McBride
Director of Vehicles

Mark Beshears
Secretary of Revenue

TR-19T Rev.1-92

VOID IF ALTERED

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October 25, 1993, 9:00 am
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4

MEMORANDUM

Kansas Legislative Research Department

300 S.W. 10th Avenue
Room 545-N – Statehouse
Topeka, Kansas 66612-1504
Telephone (913) 296-3181 FAX (913) 296-3824

October 15, 1993

To: House Transportation Committee

From: Hank Avila, Research Analyst

Re: Interim Topic -- Restrictions on the Driving Privileges Generally, Including School-Age Children/Attendance, Elderly Persons, Persons with Health Impairments, and Other Drivers to Whom Restrictions Apply

Background

Under the police powers of the state, the Division of Vehicles of the Kansas Department of Revenue has the authority to restrict the driver's license of individual drivers for the safety of the public. K.S.A. 8-245, which grants this authority to the Division, provides:

> The division, upon issuing a driver's license shall have authority, whenever good cause appears, to impose reasonable restrictions suitable to the licensee's driving ability with respect to the type of, or special mechanical control devices required on, a motor vehicle which the licensee may operate, or such other restrictions applicable to the licensee as the division may determine to be appropriate to assure the safe operation of a motor vehicle by the licensee.

The restrictions imposed by the Division are set forth on a blue card the Division issues to an applicant along with the driver's license. A licensee may have more than one restriction printed on the card and driver's license. These restrictions include:

1. the mandatory use of corrective lenses;
2. the mandatory use of any mechanical or prosthetic aid;
3. that a driver operate only vehicles equipped with automatic transmission;
4. that a driver may operate a vehicle only during daylight hours;
5. that a driver may operate a vehicle only to and from employment;

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6. driving only outside business areas;

7. a restricted driver's license applicable to 15-year-olds;

8. that a person not drive upon the state's freeways;

9. a limit to driving 25 miles from home;

10. a limit to driving only within the city limits;

11. a driver with a restricted license must be accompanied by a licensed driver seated in the front seat; and

12. that a licensee operate a motorized bicycle only.

Violations of such restrictions may result in the suspension or revocation of the licensee's driver's license by the Division or a court.

I. Linking Driving Privileges With Education

A. Background. One important measure of the nation's success in education is the proportion of its youth completing high school. The United States Department of Education notes that:

> Possession of a high school diploma or its equivalent signifies that an individual should have sufficient knowledge and skills to function productively in society. Dropping out of school indicates that an individual is likely to lack these prerequisites and is at a relative disadvantage.

Nationwide the national average graduation rate is 71.2 percent. Kansas ranks 10th with a graduation rate of 81 percent. Minnesota ranks first with an 89 percent graduation rate, while Louisiana ranks last with a graduation rate of 54 percent.

Various states have attempted to address the problem of high school dropouts by linking driving privileges to education. According to the National Conference of State Legislatures the following states have enacted legislation linking driving privileges to education: Alabama, Arkansas, Florida, Illinois, Indiana, Kentucky, Louisiana, Michigan, Ohio, Pennsylvania, Texas, and West Virginia. In Wisconsin, that state's Compensatory Attendance Law requires that students under the age of 18 are not allowed to drop out of school. If the law is disobeyed, the Truancy Law, under which a youth's license can be revoked, goes into effect.

B. Legislation Introduced in Kansas. Legislation pertaining to this issue has been considered in 1989, 1990, and 1993. In 1993, H.B. 2282 was introduced in another attempt to address the problem of high school dropouts. The bill prohibits the Division of Vehicles of the Department of Revenue from issuing a license or instruction permit to an individual under age 18 who does not have a high school diploma or GED certificate. A license or instruction permit may be issued only if there is documentation that the individual: (1) is enrolled in school; or (2) is excused from this

requirement due to circumstances beyond the person's control. The bill also requires notification of the Division upon a student's withdrawal from school. The Division would be required to notify the licensee within ten days of suspension of driving privileges in 30 days unless proper documentation is received.

C. Issues. Some of the concerns which have been expressed in connection with this issue are summarized below.

1. In states where such legislation has been enacted such legislation has resulted in slowing the number of high school dropouts and has increased enrollment in vocational school and other programs.

2. There is a compelling state interest for having children complete secondary education. If the student drops out, it affects society as a whole and increases the likelihood that they will become dependent on the state.

3. Administratively, a driver's license suspension involves notification of the suspension, providing an opportunity for an administrative hearing, and preparing files to substantiate the suspension. This process could be repeated if a young person repeatedly drops out of school and is subsequently reinstated. Thus, additional personnel would most likely be required to set up records on these youngsters and process suspension and reinstatements.

4. Additional administrative burdens would be placed on school districts by requiring them to report to the Division of Vehicles upon application by a student for a license and also to report the withdrawal of a student.

5. There are potential inconsistencies among school districts as to what constitutes an unexcused absence, and some potential for liability being placed on school districts if a school district inadvertently misses reporting a student who has withdrawn and that student becomes involved in a traffic accident.

II. Elderly Drivers

A. Summary of the Review of the Literature. There have been numerous studies on how a person over 65 drives. The following findings are taken from a work entitled *Assessing the Driving Ability of the Elderly*, by Ellen D. Taira, Marianne Maynard, and M. Madigan; and from Special Report 218, "Transportation in an Aging Society," published by the Transportation Research Board (TRB), National Research Council.

1. Mobility is essential to the quality of life of older persons, and the automobile is the primary means of meeting that mobility needed. More than 80 percent of trips by those 65 and over are made in automobiles today, and this percentage is growing.

2. Elderly drivers drive 30-50 percent fewer miles than the average driver.

3. In general, visual and cognitive performance on driving-related tasks diminish with age. At the same time, older people are very different from each other.

4. Elderly drivers are generally more cautious drivers, compensating for deteriorating sensorimotor skills.

5. Elderly drivers tend to drive short distances, stop more, drive less at night, and avoid rush hour, major highways, and bad weather.

6. Older drivers have been identified as commonly being males who drive less than when younger, at slower speeds, make fewer lane changes, brake more, and accelerate less, as compared to younger persons.

7. Elderly drivers' most frequent traffic violations include failure to signal, following too closely, traveling too slowly, and turning improperly.

8. Motor vehicle accidents are the second major cause of emergency room visits among 65 years and older group.

9. Older drivers face a higher risk than younger drivers of dying from an accident.

10. When "miles driven" is factored in, drivers over age 65 have a higher accident rate than all drivers, excluding those 25 years old and younger.

B. Kansas Policy Regarding Elderly Drivers. In Kansas, the Driver License Examining Bureau of the Division of Vehicles is responsible for identifying potentially impaired drivers when those individuals apply for new or renewed driver's licenses. State law prohibits the Division of Vehicles from licensing applicants who fail any examination. Applicants who are denied or whose licenses are revoked for medical reasons may request an administrative hearing.

C. Recommendations. Recommendations of the Highway Users Federation to make driving safer for both the elderly driver and the general public include the following:

1. upgrading the visibility of highway signs, markings, and signals;

2. improving the timing and phasing of traffic and pedestrian signals and special pedestrian protection;

3. modifying the highway design and operational practices dealing with safe sight distances;

4. modernizing driver-testing practices to account for critical vision characteristics;

5. updating driver education techniques to emphasize self-appraisal of driving ability under different travel conditions and to reflect new knowledge about educating older people;

6. increasing the use of safety belts and the proper use of other safety equipment;

7. improving vehicle occupant protection; and

8. modifying vehicle lighting, instrument displays, and controls.

In addition to the above recommendations, the Transportation Research Board (TRB), National Research Council, has suggested facilitating alternative means of transportation. TRB cites walking as the mode of travel most used after the automobile by those aged 80 in rural areas. TRB recommends that pedestrian environment be enhanced to permit safer walking. TRB recommends that communities should begin incorporating pedestrian features into site plans and zoning regulations, and that land use planners, transportation planners, and traffic engineers should work cooperatively at the local level to evaluate and improve the pedestrian environment, especially in neighborhoods with high or growing concentrations of older persons.

Another mode of travel advocated by TRB is public transit. However, TRB notes that this mode of travel is used in less than 9 percent of trips by persons over 60, and that taxis account for an even smaller share of total trips (less than 2 percent for those over 60). TRB suggests that communities considering expansion of alternative modes of transportation for older persons should consider subsidizing private taxi operators as an alternative to expanding conventional transit service.

III. Drivers with Health Impairments

A. Past Study Findings. Accidents associated with diseases have been debated in the literature dealing with this topic. One study which appeared in the *Journal of American Medical Association* in 1970 concluded that there was little significance in the diseases associated with aging and motor vehicle accidents. The study concluded that:

> There was no correlation between driver responsibility for the crash and autopsy evidence of disease or physical disability. Arteriosclerotic heart disease was found with similar frequency in drivers at fault and drivers not at fault.

Two other studies, however, arrived at a different conclusion. One study, which appeared in 1968 in the *Journal of American Medical Association*, concluded that:

> Statistically higher accident rates were reported for persons whose licenses are restricted as a result of diabetes, epilepsy, fainting, and other conditions. Persons with a license restriction for heart disease had slightly, though not statistically, higher accident rates, and persons with vision deterioration had slightly, though not statistically, lower rates.

A study in the *New England Journal of Medicine*, published in 1965, arrived at similar conclusions. This study concluded that drivers with diabetes, epilepsy, cardiovascular disease, alcoholism, and mental illness averaged twice as many accidents.

B. Post Audit Study. In October, 1986, the Legislative Division of Post Audit released a study entitled "Licensing Kansas Drivers with Medical Disabilities." In the report Post Audit addressed two fundamental questions. The first question addressed explored the Department of Revenue's procedures for handling driver's license applications from people with disabilities or disorders. The second question asked how well those procedures were working. The report concluded:

The Division of Vehicles has established policies and procedures for licensing drivers with physical or mental impairments. In most cases, the Division appears to follow those established procedures, which are more stringent than those of other states contacted by the auditors. No applicants in the auditors's sample were denied driver's licenses for arbitrary reasons, and applicants who did not meet the established minimum standards were consistently denied licensure. Further, most licensing decisions were made on a timely basis. Some applicants did not agree with the Division's standards, but could not demonstrate why those standards should not apply in their cases. Other complainants did not appear to know why the Division took the actions it did. In these cases, the Division could minimize any misunderstandings by improving communication with licensees and explaining its policies and procedures more clearly.

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KANSAS NATIONAL EDUCATION ASSOCIATION / 715 W. 10TH STREET / TOPEKA, KANSAS 66612-1686

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Craig Grant Testimony Before
House Transportation Committee
Monday, October 25, 1993

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas NEA. I appreciate this chance to speak to the House Transportation Committee on the concept of revoking a student's drivers license if he or she drops out of school.

First of all, let me commend the motive behind the sponsors' bill. We need to find ways to keep children in school until graduation. The statistics show clearly that a high school graduate has a much better chance to contribute to society rather than to be a drain on society. We in Kansas do a good job graduating students in comparison to the other states, but we still have over 15% of our kids drop out before graduation. I am sure the sponsors are trying to improve this rate.

Kansas NEA believes that we would send a mixed message if this concept were adopted. Our compulsory attendance age laws stops at age 16 (the age, as an aside, that I believe driving privileges should begin). If we are to pull a license of a drop out, but not require school attendance by our education laws, we are attacking the problem from the wrong side. The first steps, it seems to us, is to change attendance laws to reflect what we really want.

Our schools need ways to identify and deal with those students who are at risk of dropping out of our schools. Early intervention and program development geared to that individual student are important so we can improve our graduation rate.

We want to work with the sponsors, this committee, and the entire legislature on ways to improve our graduation rates. Unfortunately, we do not believe this concept would lead us in that direction. Thank you for listening to our concerns.

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Attachment 7

Telephone: (913) 232-8271 FAX: (913) 232-6012

8

USA
UNITED SCHOOL ADMINISTRATORS OF KANSAS

Testimony presented before the House Committee on Transportation
by Gerald W. Henderson, Executive Director
United School Administrators of Kansas
October 25, 1993

Mister Chairman and Members of the Committee:

United School Administrators of Kansas appreciates this opportunity to visit with the committee on the issue of tying the Kansas driver's license to school attendance. Especially interested are that segment of my membership who serve as principals and assistant principals for Kansas high schools.

In our judgement, this proposal is an attempt at a simple solution to a very complicated problem. Keeping young people in school is a goal of every educator in the state. School administrators are well aware that the reason given by most dropouts for leaving school is the lack of academic success. However, the reasons for academic failure cover a wide spectrum of social, economic, emotional and intellectual problems in a young person's life.

All of the high school principals I visited with during this past week had essentially two reactions to the proposal before the committee. The first was that if the threat of driver's license forfeiture allowed schools one more shot at a student who would otherwise be a dropout, then let's do it. On the other hand, principals are concerned that yet another bureaucratic paper mill will be created, or that school people will again be asked to do something not directly related to teaching and learning. Specifically, who will enforce such a law? Will schools be asked to pick up the license? What will constitute school absence severe enough to warrant loosing a license? Most school principals have played the game with students who attend high school only because some authority orders it. Students who do not want to be in school become quite adept at keeping barely within the range of behavior acceptable to the authority while all the while being a disruption and a nuisance at school.

All schools I know about have as a part of Quality Performance Accreditation established as one of their goals the reduction of the dropout rate. All are attacking that problem by creating more opportunities for academic success for all students, while at the same time raising standards of performance. Not an easy, and certainly not an immediately achievable task. Perhaps the threat of losing a driver's license will provide the motivation needed to keep some students in school long enough for the new teaching strategies to work, without causing the bureaucratic nightmare some of my members fear.

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820 Quincy, Suite 200 Topeka, Kansas 66612-1165 (913) 232-6566 FAX (913) 232-9776

KANSAS ASSOCIATION OF SCHOOL BOARDS

1420 S.W. Arrowhead Rd, Topeka, Kansas 66604
913-273-3600

9

Testimony before the
House Committee on Transportation

by

Mark Tallman, Director of Governmental Relations
Kansas Association of School Boards

October 25, 1993

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to appear before you today and present testimony regarding restrictions on driver's license. The Kansas Association of School Boards has adopted a policy which states:

> KASB opposes legislation that would require persons under 18 to attend school in order to hold a driver's license, unless the legislation alleviates the administrative burden that would be imposed on school personnel and exempts districts and personnel from liability.

This position was adopted several years ago amid concerns over the administrative burden this policy might impose on schools, at a time when many other new responsibilities were also being imposed. However, we would not oppose the concept of legislation that required a simple, one step notification of some agency when a student leaves school.

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Testimony to the Interim Committee Hearing
of the House Committee on Transportation
Concerning Licensing of Older Drivers

from the Kansas Department on Aging
October 25, 1993

My name is Bill Cutler. I am glad to have the opportunity to speak with you here today and thank you for taking time to consider the special problems that face Kansas as we see the large growth in our population of older people who want to remain on the road and behind the wheel.

You share the concern of others who wonder about the safety of our highways and the licensing of this generation of drivers. We don't claim that we have the expertise at the Department on Aging to try and tell you how to "fix this problem," but as a department that plays a role in providing transportation alternatives on the one hand, and tries to assist older Kansans remain independent and in their own homes on the other, we have concerns about how the state addresses the issue.

Certainly, it will need to be addressed. The population of people 60 and over is growing at a rapid rate. Shifts of population are meaning that people of an advanced age are making up a greater percentage of the population in many counties.

In addition, the older driver is becoming more commonplace. According to Gene Cohen, deputy director of the National Institute on Aging,

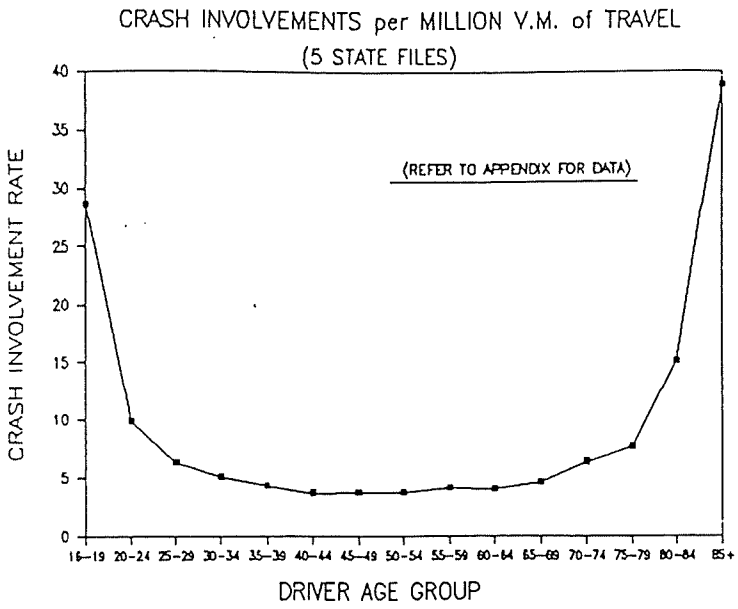
> in 1951, 37 per cent of men and 19 percent of women over 70 still drove. By 1984, 86 percent of men and 63% of women older than 70 drove. By the year 2030, drivers over 65 will account for more than one-third of all those on the road.

We all know how important the automobile or pickup truck is in our daily lives. It takes us to work, to our friends, to market, to church, to entertainment; it enables us to participate in the life of our communities. It is hard to imagine existence without it. People who do make that transition tell us how hard it is:

> "Neighbors will take you once out of goodness of soul, and twice out of guilt, but the third time, they have something else to do."

First, how badly do older people drive? We all have our own tale to tell of some horrible grey haired driver. Those who give statistics most often use tables like the one at the top of the next page.

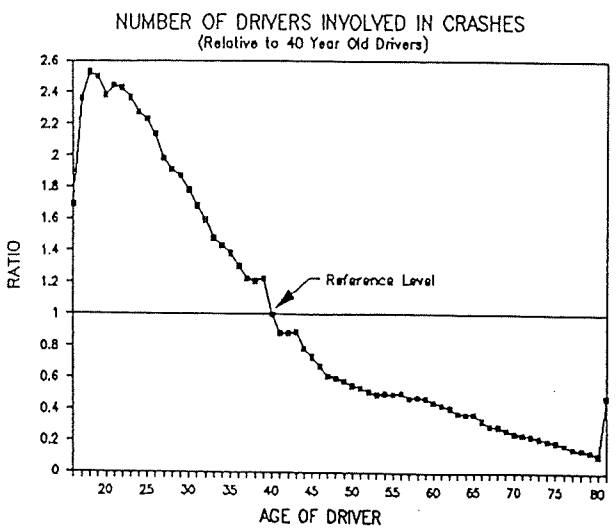
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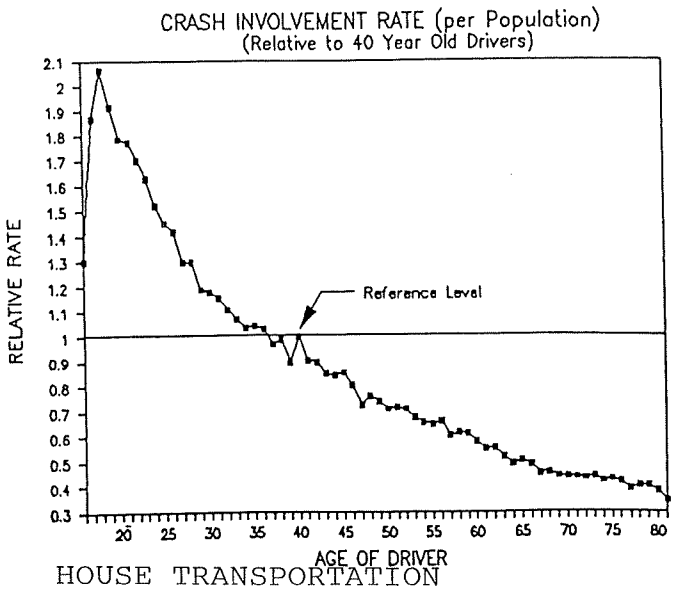


This chart shows the number of accidents per million miles traveled. By this way of reckoning, the increase in rate of accidents is dramatic. Certainly, the aging process, with its effect on vision, reaction time, flexibility and strength, causes it to be more difficult to drive than it was when one was younger. In addition, in the same kind of auto accident, people over 65 are three times more likely to die than someone under 65.

However, older drivers make efforts to compensate for the impairments that cause them troubles. They avoid driving at night, tend to drive when traffic is not as heavy, drive more slowly, and are more likely to wear their seat belts. They also tend to stick closer to home.

For this reason, the accidents per million miles traveled chart tends to show a different picture than the graphs below, which showthe crash involvement rate per population, relative to 40 year old drivers, who are the reference level shown on the graph. All three of these charts are from a National Highway Traffic Safety Administration Technical Report, Older Drivers, The Age Factor in Traffic Safety published in 1989.





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The chart to the right was prepared with data from data supplied by the Kansas Department of Transportation in the same year, 1989, and published in the Osawatamie Graphic.

I have given you this information not to say that there is no problem, but to put it into perspective.



<u>The licensing process:</u>

The concern that has brought this issue to the committee is several legislative proposals that have suggested mandating increased testing for licensure of older drivers, including behind-the-wheel as well as written and visual examination.

Other than the objection of feeling singled out and discriminated by the process, what is the complaint of older drivers about this idea? The American Automobile Association Foundation for Traffic Safety conducted a study of older drivers entitled, <u>A Graded License for Special Older Drivers: Premise and Guidelines</u> in which the feeling of older drivers towards the licensing agency:

> It is equivalent to receiving notice of an Internal Revenue Service Audit; "You might get off fairly easily, but there is no good side." Older drivers also think in terms of extremes -- pass or fail. Ability as a driver is under question, and, if the exam is failed, self-esteem is diminished, lifestyle is changed, and he or she may "give up."
>
> They do not think in terms of licensing options and the possibility of positive outcomes -- such as remediable medical conditions, retraining classes, a limited license to solve individual shortcomings, or someone to talk to who would help

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work things out.

This attitude towards the licensing agency is not enhanced by the process of merely increasing the frequency and difficulty of testing.

One of the states that has made an attempt to explore licensing options and to change the relationship of the driver to the licensing agency has been Oregon. I have included some brief material about the Oregon program in my attachments, and the information below comes from one of these articles.

Oregon started their program in 1985. Drivers with functional limitations enter the Oregon system mostly through referral. In 1988, the most recent year for which I found data, found that state public health officials referred 44 percent, police referred 33 percent, relatives, friends and other individuals referred 8 percent, clerks in motor vehicle offices referred 8 percent, and 3 percent were referred by insurance companies. Only two percent were referred by private physicians, despite a state law that physicians must report anyone who has lost consciousness or control for any reason.

Drivers referred to the program have a choice. They can go through conventional testing, quit driving, or use the counseling program. In 1988, of 2,513 referrals, 308 chose the program. Participants were scheduled to meet in their home town with one of the state's four "driver improvement counselors."

According to the manager of the Driver Safety Section of the Oregon Motor Vehicles Section, "The first thing they do is to try to let the drivers know that they are not there to suspend driving privileges. They are there to try to help them keep driving privileges." The counselors have training in the aging process, and know what to be looking for; first they discuss any medications the driver is taking, and ask the driver a few questions to see how quickly he responds.

The counselor also gives a vision test and a physical reaction test, which simply involves dropping a ruler between the driver's fingers and having them catch it. Most people catch it at the six inch mark. Some people have trouble catching the ruler at all, which may be an indication to the counselor that out on the road, if an emergency situation came up, this person might not react fast enough.

There are some additional questions focussing on mistakes older drivers commonly make, such as turning into the wrong lanes, and then the driver takes the counselor for a short drive, while the counselor observes the driver's competence.

If the counselor decides at that point that the driver needs to

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take the state knowledge test or driving test, he will help prepare the driver so that the experience isn't so disconcerting.

Incidentally, according to James Malfetti, director of Columbia University's Safety Research and Education and Research Project, Oregon and Washington which both use this approach claim the program is not a financial burden, but actually reduces overall costs.

One option is a graded license, that may limit driving to certain hours or routes, or within a certain distance of home. Special equipment such as mirrors that broaden the field of view may be required.

Kansas can currently issue a restricted license that would seem to be the same as the graded license. The difference is one of perception.

First, many people are unaware of this option. Secondly, the notion of a "restricted" license was objectionable to many of the participants in the AAA Foundation study mentioned above. A "graded license", negotiated in a more supportive atmosphere, was much more willingly accepted.

Other means to increase safety:

I would be remiss if I did not mention a few of the other avenues that the research I have read keeps bringing to the fore regarding increasing the safety of older drivers on the road. The first is the "driving landscape." Two years ago, the Silver Haired Legislature passed a resolution, requesting better markings on Kansas roadways, and clearer signs. Many of the standards for these signs were set in the 1930's, based on the 85th percentile of a much younger population.

While many argue that this sort of changes would be costly, I would like to draw your attention to an opportunity. I was recently told that in the next 18 months, Federal legislation will require that all road signs on federally funded highways giving distances in miles will need to be modified to show kilometers as well. It would seem that it might be opportune to have KDOT investigate if this could be made into an occasion to increase the legibility of the signs as well.

Planning for a future that is definitely coming:

The main reason that I appear before your committee is to express my hope that we as Kansans will begin to meet the challenge of planning for this growth of older drivers, and to face the reality of the large number currently with us. I had hoped to see representation here today from the Kansas Department of

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Transportation, telling us what they are doing to accommodate our current elderly and plan for the future.

I had hoped that I would hear from the Department of Revenue as to how they were adjusting the testing procedure to make it more of a partnership and less of what is seen as an adversarial relationship.

Texas recently conducted a study of older drivers in their state, looking at three issues:

- engineering of roadways and traffic control devices,
- driver performance and retesting, and
- Public education and information.

I have included a copy of the executive summary as an attachment. What struck me the most was the make-up of the membership of the committees. They were a cooperative effort of public and private, scholars, advocacy groups, insurance companies, medical professionals and many others. I think that it is time we considered beginning this kind of effort here in our state.

I appreciate the opportunity to visit with the committee here this afternoon, and hope that you will take the time to review some of the articles I brought along.

In closing, I hope you won't neglect the opportunity to read the two short articles attached at the end about some special older drivers.

One is a 93 year old here in Topeka who for the past 12 years had gotten up at 3:45 AM to go down to the Arab Shrine Temple on Kansas Avenue by 5:30 to make coffee for the 200 Shriners who attend a weekly social event there.

The other is a rural New York man, 109 years old, who was issued a license in 1916, and drives a blue 1962 Cadillac Sedan deVille. He's even looking for a third wife; his first died in 1971 and the second in 1980. He's never been ticketed for speeding or any other violation.

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KEEPING OVER-THE-HILL DRIVERS IN THE GAME

Better umpiring plus fair play

BY THOMAS FRISBIE

PROFESSIONAL athletes whose reflexes are slowing down know when it's time to retire. Coaches or managers—or even the fans—tell them.

For motorists whose vision and reaction time may be affected by age or medical problems, the decision isn't so clear-cut, and the stakes are higher. Instead of simply striking out at the plate or being beaten on a passing pattern, a driver with functional limitations could wind up in a serious traffic accident.

That's a problem an increasing number of people will face as the nation's population ages. As a result, authorities are focusing renewed attention on ways to prevent accidents involving drivers who are impaired by old age or medical problems.

"It's a problem that's not going to go away," said Michael Calvin, director of driver and vehicle services for the American Association of Motor Vehicle Administrators.

"The population is growing older, and it is creating more and more problems for the states (which must decide) how they will identify drivers who shouldn't be on the road and how they deal with individuals who might have problems, either older drivers or other people who have some sort of physical or mental limitation that would prevent them from operating a motor vehicle in a safe manner."

Death on the Diamond

The need to address those issues was illustrated on May 5, 1990, when an out-of-control black Cadillac with a 60-year-old man at the wheel killed three children and injured nine other people as it careened across a suburban Chicago park where children were playing Little League T-ball.

Bodies of children, adults and coaches were strewn across the park after the car hit a bench where the children were awaiting their turn at bat. The car then plowed across the diamond and continued on its way, eventually smashing through a wall into the reception area of a medical facility. The driver, whose car had veered off the street, was admitted to a nearby hospital with symptoms indicating he had fainted. Doctors said the driver told them he had blacked out and didn't remember the crash.

"A problem that's not going to go away."

Whether that accident could have been prevented is unknown; authorities brought no criminal charges. The case did, however, bring new attention to the issue of medically or age-impaired drivers.

"Clearly, this problem has moved higher on the agenda in the professional programs level," said Carlton C. Robinson, executive vice president of the Highway Users Federation. "I think without any question the licensing authorities of the states see this as an area of major concern."

In coming years, there will be more older drivers on the road. Now, about 12 percent of the U.S. population is over 65 years old, and that number is expected to increase to 17 percent by the year 2020. It is estimated that then there will be 50 million people in the United States who are 65 or older; 22 million who are 75 or older; and seven million who are 85 or older.

Until about age 75, older drivers tend to drive as well as middle-aged drivers do. Drivers older than 75, however, are involved in more fatal crashes per mile driven than any other age group except teen-age drivers. And people 65 or older inside a car are more than three times as likely as 20-year-olds to die from a serious crash.

Like a professional sports team that has to revamp its play book when the roster is loaded with aging veterans, transportation authorities are researching ways to make roads, vehicles and driving safer for an older population.

New Programs

New programs are under way or being considered in many states, including Arizona, California, Maine, Rhode Island and Wisconsin.

"I think the safety community—working through driver knowledge—

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Under a new program in Oregon, specially trained counselors help older drivers (or those possibly impaired for other reasons) prepare for driving tests they may never have taken before. The object is to treat citizens with respect in a caring atmosphere. Those who no longer should be driving are frequently persuaded to give up voluntarily.

sees it as an area where they can be particularly effective in helping elderly drivers change their responses," Robinson said. "And the engineering community, with some exceptions, I think, sees it all as part of a family of needs to improve the communications system and reduce the complexity of the driving task. The engineering community is not unsympathetic to elderly, but simply is saying that if they can improve the system for everyone, the elderly will benefit out of proportion."

Highway design plays a key role for older drivers because their cognitive speed as well as their eyesight tends to decline, making it harder to make snap judgments, Robinson said.

"Most states do not retest eyesight in licensing renewals, but they do start at least eyesight testing at a certain age," he said. "Eyesight is one of the key areas. All of our eyesight starts to decline from mid-20s on. . . . The other problem area is probably every bit as important, but is much more difficult to test, and this is cognitive speed—decision-making with speed and accuracy. It declines with us all as we age."

Cognitive speed comes into play, for example, when a driver must judge whether there is a sufficient gap in traffic to permit a left turn.

"Elderly drivers are clearly overrepresented in left-turn accidents at signalized intersections," Robinson said. "That is usually not an eyesight problem. You have to see a gap before you can judge it, so eyesight is part of it, but mostly it is a cognitive problem, judging a gap in traffic coming toward you. A higher proportion of those accidents involves elderly drivers than the general population."

Easing Stress

Driving on interstate highways is less stressful than driving on busy urban arterial streets because many of the conflicts that require quick decision-making, such as those involved with cross-traffic, are eliminated. Engineers now are seeking ways—including easier-to-read signs and road markings—to ease the decision-making conflicts on surface streets as well. And, although current national standards have been criticized for not meeting the needs of drivers with functional limitations, many state agencies have upgraded their own standards significantly.

"Signs and markings are the methods by which most critical control information comes to the driver," Robinson said. "That is the area that I think we need to pay the most attention to."

To help coordinate research into issues affecting drivers with functional limitations, a 25-person task force was formed last year that includes researchers, physicians, occupational

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ists, psychologists, engineers, state safety experts, state motor vehicle administrators, epidemiologists and optometrists.

"The problem crosses so many areas that you really need an interdisciplinary group" said John Eberhard, senior research psychologist at the National Highway Traffic Safety Administration. Eberhard is chairman of the task force.

"One of the tough things is trying to get a handle on the extent to which there is a real problem and then trying to get the right people who can define the problem and solve the problem in research and in the practical work of building better cars and highways, and set up better licensing systems."

Eberhard said he expects the task force, which grew partly out of a Transportation Research Board study called "Special Report 218: Transportation in an Aging Society," to work for three to six years. The task force was set up to help coordinate public and private research nationwide.



Oregon's counselors are trained in the aging process. The obviously qualified drivers are spared unnecessary tests. Drivers who may be slipping mentally or physically are quickly spotted.

More Older Women at Wheel

The impact of older drivers on the road will be cushioned for the next few years because the generation of people born in the Depression years of the 1930s is not a large one, Eberhard said. But it won't be many years before the average age of drivers increases significantly.

"In the years to come, you are going to have significantly more older drivers, particularly older women. In 20 years 90 percent of those women will be driving, in contrast to today, when fewer than a half of those over 65 or a third over 80 drive."

Because women live eight to 10 years longer than men, that could mean there will be many more older drivers on the road, Eberhard said. Now, women of all ages tend to have significantly lower accident rates than men, but that may also change.

Another factor that comes into play is that drivers often begin curtailing their driving as their abilities wane. Many people, especially retired people who can more easily juggle schedules, do not drive at night, in the rain or during hours when traffic is congested. Older drivers also tend to compensate for slower reaction times by driving more slowly. Some motorists learn to adapt their driving skills by participating in such programs as the National Safety Council's Mature Driver Program, which is designed to help people keep driving safely as long as possible.

The task force Eberhard chairs is not the only group studying the issue of drivers with functional limitations. The American Association of Automotive Medicine and the American Association of Motor Vehicle Administrators—under contract with the Federal Highway Administration—have formed a joint working group to explore that issue.

Elderly drivers are more likely to crash turning left.

Model Program

"We hope to come up with a model program that we can make available to states," Calvin said. The working group's goal is to design a program that steers unsafe drivers off the road, but that protects the rights of motorists who can operate a vehicle safely if proper measures are used.

"Many places don't have public transportation, so when you take individuals' driver's licenses away you are taking their freedom, their independence, and that is a very emotional thing. There is a tradeoff there between one's independence, freedom and safety of other road users, and I think there is some middle ground."

Finding that middle ground isn't easy, especially when it comes to the issue of required retesting at a certain age or requiring individuals or doctors to report people who seem to be losing their ability to drive safely.

During his 1989 campaign for governor of Illinois, Republican Jim Edgar came under fire for proposing stricter testing rules. Edgar had suggested that the secretary of state be authorized to require a driver to retake at least part of the driving test if a close relative reported in writing that a driver had a physical problem that made him a hazard on the roads. Although Edgar's plan was similar to laws on the books in many states, Democrats ridiculed the proposal, calling it a "form of humiliation" that "borders on Nazism" and saying it would turn family members against each other.

"Mandatory retesting at a certain age is resisted strenuously by the organized groups of elderly people," Robinson said. "They see it as an intrusion into their rights."

Counter Pressure

But pressure on officials also can come from another direction. For example, Roy Stewart of Lockport, Ill., thinks one way to reduce accident totals is to do a better job of screening drivers.

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Stewart created the Heather Stewart Memorial Foundation to promote safety programs after his six-year-old daughter was killed and his wife and son were injured in a 1989 automobile crash. Stewart says the women who was driving the other car, which crossed a 12-foot-wide raised median strip, was a diabetic who had failed to take her medication on the day of the accident. The woman also had been diagnosed as having a brain tumor and had reported feeling dizzy while shopping prior to the accident.

Stewart thinks it should be a criminal offense to lie to authorities about medical problems. He also says doctors ought to file medical reports about ailing patients with the state, and he has been seeking to build public support for changes in state laws.

Those are the kinds of issues Calvin said his working group will analyze. One of the programs he said the group will take a close look at is Oregon's, which started a new system in 1985.

Drivers with functional limitations enter Oregon's system mostly through referral. In 1988, the most recent year for which totals are available, 2,513 drivers were referred. State public health officials referred 44 percent; police referred 33 percent, often because they had observed erratic driving; relatives, friends or other individuals referred eight percent; clerks in motor vehicle offices referred eight percent; and three percent were referred by insurance companies. Only two percent were referred by private physicians, despite a state law that physicians must report anyone who has lost consciousness or control for any reason. (Similar laws in other states requiring private physicians to report their patients also have proved to be largely unenforceable.)

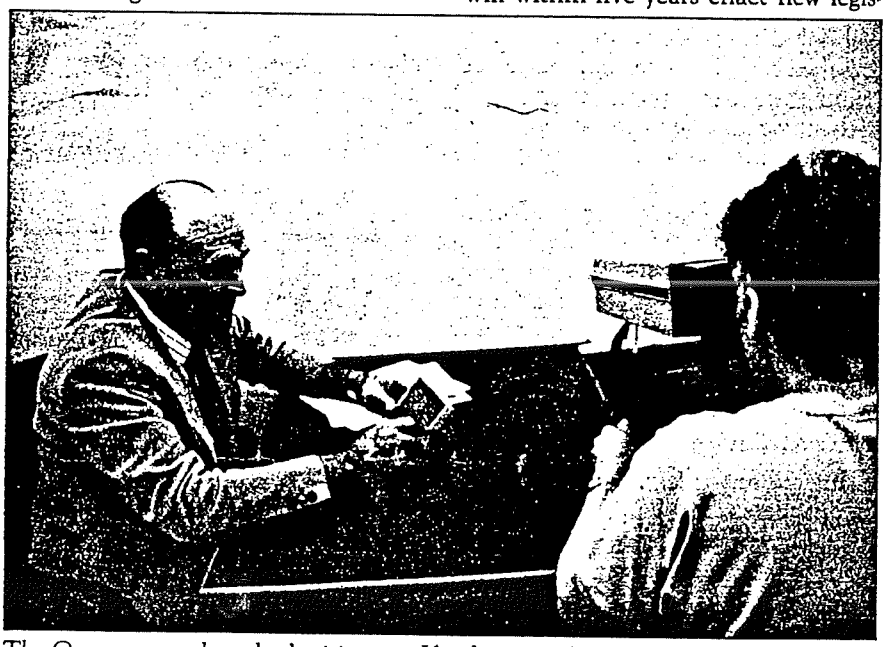
Oregon Options

Drivers referred to Oregon's new program have a choice. They can go through the conventional retesting procedure, quit driving or use the new program. Of the 2,513 referred in 1988, 308 chose the new program, in which they were scheduled to meet in their home town with one of the state's four "driver improvement counselors."

"They (counselors) have some training in the aging process, and they know what to be looking for," said Peter Nunnenkamp, manager of the Driver Safety Section of the Oregon Motor Vehicles Division. "The first thing they do is to try to let the drivers know they are not there to suspend driving privileges. They are there to try to help them to keep their driving privileges."

"When you take away a license you take away freedom."

The counselor then discusses any medications the driver is taking and asks the driver a few simple questions to see how quickly he responds. The counselor also gives a vision test and a physical reaction test, which simply involves dropping a ruler between the driver's fingers.



The Oregon counselors check vision too. If a driver can't meet the usual driving standards, the state may issue a restricted license tailored to that driver's remaining abilities.

"Most people will catch it about the six-inch mark," Nunnenkamp said. "Some of these people have trouble catching the ruler at all, which might be an indicator to the counselor that out on the road, if an emergency situation came up, this person might not react fast enough."

The counselor then gives the driver a short oral quiz of six or seven questions focusing on mistakes older drivers often make, such as turning into the wrong lanes. After that, the driver takes the counselor for a short drive, while the counselor observes the driver's competence.

Sympathetic Examiners

If the counselor decides at that point that the driver needs to take the state knowledge test or driving test, he will help prepare the driver so that the experience isn't disconcerting, Nunnenkamp said.

The state of Washington has a similar program that issues special licenses for people who can't pass the usual driving test after two tries, said Ronald Selby, assistant administrator for driver's license examining for the Washington Department of Licensing. The special licenses may restrict driving to a certain area or to particular times.

"What we try to do is tailor the license to meet the needs," Selby said. He believes the issue is of enough significance nationwide that Congress will within five years enact new legislation governing drivers with functional limitations.

"What has been found is that when you deal with people up front—deal with them on a positive basis rather than as an adversary, the people respect the (state licensing agencies) for that or they give up their license voluntarily," Calvin said. "They know they are getting a fair shake." STOP

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Are Older Drivers A Hazard on the Road?

The nation's population is getting older. In 1965, 18.5 million Americans were 65 or older. By 1985, the 65 + population was estimated at 28.5 million, and as we enter the 1990s the 30 million barrier is being broken. Moreover, this demographic change is a mere prologue to greater changes on the horizon.

By 2005, according to the U.S. Bureau of the Census, the 65+ population will total more than 36.2 million. Then the greatest growth occurs. In 2025, Americans 65 and older will number almost 58.8 million. Not only that, but the proportion of these seniors over 75 and even over 85 will be dramatically larger.

Furthermore, the revolution in this older population is taking place in more than just the numbers. Lifestyles are transforming. As the baby-boom generation (those born between 1946 and 1964) age, they will carry their lifestyle, their increasing mobility, their greater income, their more suburban-centered living and their longer life spans with them.

So, unlike their predecessors, seniors in coming years will stay more active in many ways. One activity will be driving. They won't follow the pattern of today's drivers, or those of yesteryear, curtailing their driving as they reach their 60s. Indeed, many people today, when they refer to "older drivers," are no longer referring to those 65 and older; they start at 75.

"The front edge of the baby boomers will turn 50 in 1996, notes Michael Seaton, director of the American Association of Retired Persons (AARP) senior driving program, *55 Alive/Mature Driving*.

"In the year 2020, 22 million people over 75 will be eligible to drive, and 7.5 million of them will be over 85. In percentage terms, it's the fastest-growing portion of the American public." In Florida alone, at the start of 1989, 19,446 people age 90 or over had current drivers licenses. Many are likely to be physically unable to drive or have decided to stop driving. Nonetheless all of them have valid, legal documents permitting them to sit behind the wheel of an automobile.

> ***. . .many people carry a serious misconception: They imagine that age is an equalizer, that every old person can or can't do certain things at certain ages.***

Such facts and figures have given many people pause.

They mean that many more older people are on the roads today than ever before, and the numbers are going to rise dramatically in the coming decades.

Is This a Problem?

Are older drivers a hazard on America's roads?

Do old drivers get into more accidents?

If so, what measures can be taken to remedy the problem? Is there, for instance, a determinable age when people simply should no longer drive? These are some of the basic problems that have been addressed for many years, but are now gaining more attention and becoming more urgent.

"Many people have recommended removing privileges at a certain age, although no official agency has recommended it," says James Malfetti, professor emeritus at Columbia University, director of its Safety Research and Education Project since 1957, and the chairman of the 1988 Transportation Research Board report, *Transportation in an Aging Society*.

"We went to older drivers themselves; we went to licensing examiners; we went to enforcement people. And more than once we heard: 'those old guys should be taken off the road.' They found them so annoying to deal with that they felt they should be eliminated." If this a fair perception, or a misconception?

On the other side of the coin, AARP Executive Director Horace B. Deets wrote in an editorial in the July/August 1989 *AARP Bulletin*, "Overall, older drivers are less dangerous than younger drivers in terms of both number and severity of accidents. Drivers 55 years of age and older represent nearly one-fourth of the driving population, yet are involved in only 18 percent of all auto accidents. They are arrested far less frequently than their younger counterparts for drunk driving, a factor in at least one-half of all driving fatalities." Is this a fair presentation of the facts? This would suggest that older drivers are a blessing, not a hazard, on the roads.

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What the Statistics Indicate

Studies and statistics portray a picture somewhere between the two extremes. Accident and traffic-violation rates do increase with age. Deets' statements are entirely true, but he clouds the issues by using a definition of "older drivers" as 55 and up.

According to statistics on driver involvements in fatal crashes and fatal involvement rates by age, those age 55-65 are the safest drivers on the road by almost every measure. However, after age 65, although the absolute number of collisions continues to decline, the rate begins a steady climb that turns dramatically upward after age 75. No one, except 15 to 19-year-olds, get into fatal crashes more often per mile than those 75 and over.

Over-65 drivers drive less—as a group because there are fewer people age 65-70 or 75-80 than those in the 20-24 or 50-54 brackets, and as individuals because their lifestyles have changed. But for every mile they drive they are more likely to be involved in collisions. So, as a group, over-65 drivers are not a serious menace on the road; there are too few of them behind the wheel accounting for too little driving time.

As individuals, however, they are an increasing danger to themselves as they age.

A broad-based California study of traffic violations, done in the mid-1970s, indicates the following. Speeding is a youth-correlated violation; it continually declines from the youngest drivers to the oldest. Vision-linked violations — sign, right of way, and turning — reach a low point in the 50s or 60s (depending on the type of violation), then rise fairly dramatically.

A more recent study of multi-car accidents, sponsored by the Michigan AAA, produced similar findings. Older drivers had a higher proportion than younger drivers of stop and yield sign incidents and driveway incidents. They had a lower proportion of collisions involving rear-end collisions or loss of control.

Darlene Winter of Columbia Universtiy states: "The older driver may develop compensatory attitudes and behaviors, some of which are positive and contribute to safety and some of which are negative and promote unsafe practices. On the positive side they become more responsible and law-abiding. They develop a deferential style of driving—non-competing, courteous and cautious. On the negative side they may respond by practicing too much avoidance behavior to maintain their skills (and thus their mobility)."

Drivers 55 years of age and older represent nearly one-fourth of the driving population, yet are involved in only 18 percent of all auto accidents.

The Physical Changes

Many physical changes do result from the aging process. Vision capabilities diminish in several ways. Physical reflexes slow, and flexibility and strength reduce because of lower muscular strength and arthritic joints. Mental judgement and reaction time may slow as well.

Vision changes are perhaps the most dramatic and varied of age-related changes and merit closer examination:

1) Peripheral vision decreases from 175 degrees for the typical 25-year-old to 110 degrees for the typical 65-year-old.

2) Several eye diseases associated with older people — most prominently, glaucoma and cataracts — cloud vision.

3) Lens hardening occurs, a process that makes focusing up close more difficult; it begins at birth but has its most obvious effects starting in middle age.

4) Pupil size decreases, so that older people may get as little as one-third as much light reaching the retina as does a younger person; this especially affects night vision.

5) The ability to discern low-contrast objects, especially in low-luminous conditions, diminishes, the problem accelerating greatly in the 50s or 60s.

6) The ability to adjust from light to dark and vice versa slows.

These changes have effects on drivers in all conditions, but are most pronounced at night. Paul Olson of the University of Michigan Transportation Research Institute states: "A 20-year old individual can get some idea of what it will be like when he is 50-60 years old by driving at night while wearing dark sun glasses."

Olson has conducted numerous vision experiments studying older drivers. One in particular highlights the dangers this lowered visual ability can create. The experiment measured the distance at which people could discern a pedestrian clothed entirely in blue denim while driving at night. At 35 mph, only one percent of subjects age 20-35 would be unable to stop ahead of such a pedestrian to the right of the vehicle; 22 percent of those subjects age 65-80 would have struck the pedestrian.

Olson points out, however, that vision deterioration is not just an old-age phenomenon. It is a downward slope that begins early in life and accelerates around 55 to 65 years of age.

In addition to the physical changes noted above, older people are more susceptible to injuries if

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they get into an accident. More fatalities and bad injuries occur because of increasing fragility of bodies and bones. Hospitalizations are longer since the body doesn't rebound as well, and a result can be further medical complications.

Although these numerous physical changes do occur because of aging, many people carry a serious misconception: They imagine that age is an equalizer, that every old person can or can't do certain things at certain ages.

In fact, Malfetti points out, research has proven this view false. The variance in skills, especially driving-related skills, is greater among old people than among younger people. "Some people could reach a point of driving inability at 50," he says. "Others may still be capable at 95. I've heard that people as old as 103 can drive safely."

The Licensing Argument

The statistics and physical changes outlined here support the fairly well established argument that the problem of the older driver must be addressed more seriously. But is singling out older drivers solely on the basis of age the answer? Should states have special licensing provisions that treat older people different from others? According to the U.S. Department of Transportation, a dozen states and the District of Columbia do so now. Two primary approaches exist.

Some states, at license renewal time, require testing (vision, knowledge, and/or road test) of older drivers that is not required of other drivers. A variation on this is to drop a waiver program for good drivers that exists for younger people. The other approach is to shorten the renewal period for older drivers, from four or five years down to three or two years, or even one year in the case of New Mexico.

The age these states choose as an "older driver" vary. Maine requires vision tests at age 40, 52, and 65 and older. Oregon requires vision testing for all applicants for renewal who are age 50 and older; before that age they demand no vision test. Hawaii lowers its renewal period from four to two years starting at age 65. Illinois presently has a good-driver waiver rule, which is dropped at age 69; but it is being changed to 75. All other states with age-related provisions use either 70 or 75 as the starting age.

"Because certain age-related changes begin to accelerate when you reach 55, 60, 65," Paul Olson suggests, "there is merit in shortening the re-examination intervals as a function of age. Where it's normally four years, if we started at 60 to make it every three years, and at 70 every two years, that's justifiable based on what we know. However, I don't think that older people should be subjected to a different battery of tests."

Interest groups, such as the AARP, strongly dispute special licensing procedures. They don't argue that age affects driving skills. Witness AARP's Horace Deets in the same editorial quoted earlier: "Aging can and does affect driving skills." However, they fight to the death "that it is literally impossible to determine a chronological age at which driving skills diminish." So any law that stipulates a particular age for special licensing provisions (and all must) unfairly punishes some drivers.

Malfetti argues for a slightly different approach. "There should be tight licensing requirements," he says. "for everone." If we had periodic, in-person license renewals for persons of all ages and we trained our examiners to watch for those conditions that are likely to influence driving safety, we could expect that a greater proportion of the older populaton would become viewed as impaired. Then we could take certain steps, such as issuing a restricted license. That approach would not address political realities and not penalize people on the basis of age alone. Such a program is tailored individually.

The restricted, or graded, license preserves the mobility and independence of a driver by not removing all driving privileges, but it might forbid night driving or restrict driving to other particular times of day, or to a geographic radius, or to a vehicle type. It will catch that person who is a dangerous driver at 50 and validate the safety of renewing the privileges of that 95-year-old who still drives well. According to Malfetti, the states of Washington and Oregon both use this approach and claim it's not a financial burden but actually reduces overall costs.

Don't Remove Drivers'—Train Them!

One important way of reducing the risk older drivers might pose is through education and training. It has been recognized as vital that older drivers be fully aware of their present capabilities and limitations so they will drive realistically. Drivers in their 60s and 70s are especially susceptible to misconceptions. As the statistics indicate, in general, these people have been following a lifelong tendency, from their teenage years through middle age, of becoming safer drivers.

Darlene Winter, basing her view on direct involvement in four national studies of older drivers, points out that, although many older drivers are capable and moderate, "the balance is being tilted precariously toward [the extremes, toward] those drivers who are 'running scared,' frightened away from traffic situations they can probably handle as well as from those they cannot, and toward those drivers who deny their skills are decreasing the continue to drive under conditions highly unsafe to them."

The National Safety Council, the

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American Automobile Association, and AARP, along with countless smaller organizations, all have excellent programs oriented to the experienced drivers in need of enhancing present skills. The AARP's *55 Alive/Mature Driver* program, which recently graduated its millionth participant since starting the program in 1979, has special advantages for the drivers in question because it is designed to focus on the needs of older drivers and recognize their special concerns.

Don't Remove Drivers—Improve Conditions!

Many analysts are taking another tack: The problem is not so much in the drivers as in the environment in which they drive. The analysts return to the basic statistics, such as those noted in the beginning of this article, and ask: "Are our roadways and sign systems designed to fit today's drivers?"

The answer is increasingly and resoundly apparent: No!

"Our highways' signing systems were built for conditions that no longer exist," James Malfetti points out. "Today's signing standards are based on the eyesight of male students at Michigan State University back in the '30s. They were involved in experiments to see how far ahead they could see and how well they could discern contrasts.

"As we get into updating the signs on our roads, it would be marvelous to have the eyes of the current and future populations of drivers represented, which includes a much larger fraction of people over the age of 55 than was true back in the '40s when the standards were developed."

Several steps could be taken to improve signing in particular to reduce the disadvantages older drivers have:

—Better, admittedly more costly, materials to enhance the retro-reflectivity of signs and road markings so they return more light directly toward drivers.

—Better maintenance of signs and markings to make sure they remain sufficiently bright, and timely replacement when they drop below thresholds older drivers can easily see.

—Greater contrasts, enhancing legibility.

—Use of not only painted lines on highways and streets but raised pavement reflector markers or, in colder climates where snowplows need a flat surface, recessed pavement markers.

And it's more than just roads and signs that need reappraising. Vehicle design needs rethinking to fit the needs of a changed population. "Many older people can barely hear the horn," Malfetti says, "and they certainly can't see the dashboard."

In fact, according to Anthony Yanik of General Motors Automotive Safety Engineering, in almost every aspect, today's cars seem to be designed to the wrong specifications for comfort and safe operation by older drivers. The doors open at too small an angle; the seat dimensions and height are wrong; the foot well is too big. Yanik also makes these suggestions:

1) Display colors — yellows, oranges, whites on contrasing backgrounds; avoiding blues and reds.
2) Analog displays, not digital, because they are recognized quicker.
3) Larger letter heights of labels—at least 5.5 to 6.4 mm, preferably larger.
4) Dashboards designed to be more easily read, with better visual and tactile cues.
5) A midbeam headlight system, between the low and high beams now available in cars, which would reduce glare for others and increase seeing distance without requiring the use of high beams. Also, larger rearview mirrors have been suggested, which would increase the viewing area, compensating for reduced peripheral vision and declining ability to turn.

Finally, measures can be taken in response to the greater susceptibiltiy of the elderly to injury in crashes. Air bags would be a great help. States could pass mandatory seat belt laws as well.

Of course, many experts note, such improvements in the design of America's signs, roads, and vehicles would not only aid our older population; all drivers would benefit.

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OPINION

Making roads safer for older motorists

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Washington, D.C.

Contrary to popular opinion, not every older driver behaves behind-the-wheel like the fictional characters in the film *Driving Miss Daisy* or the cartoon *Mr. Magoo*. Most older drivers do not drive cars over embankments or wander aimlessly through city streets. In fact, drivers 60 and older have lower or similar accident rates than do middle-age drivers, and their accident rate is far lower than that of their younger counterparts. That is not to say, however, that older drivers do not report having driving problems. They do. Nevertheless it must be made clear that not all older people are bad drivers and that age alone is not a predictor of performance. As a process, aging is highly complex and varies tremendously among individuals.

One might ask why it is necessary to begin a discussion of how public works officials can improve the roadway environment for older drivers if they are not having a disproportionate number of accidents. The most obvious reason is that the absolute number and proportion of older drivers is growing rapidly. It is expected that the number of drivers over 65 will continue to increase. In 1900, only 4% of the population was 65 or older; in 1988, 12% of the population was in that age group; by 2020, the percentage is expected to grow to 17%— to over 51 million compared with 32 million today. On average, 85% of Americans eligible to drive do so. That means as many as 43 million persons over 65 could be driving 30 years from now.

The absolute number and proportion of older drivers is growing rapidly. In 1900, only 4% of the population was 65 or older; by 2020, the percentage is expected to grow to 17%— to over 51 million compared with 32 million today.

Another, and perhaps more important reason for beginning a discussion is that many older drivers do report having to work harder at the driving task than their younger counterparts. One researcher has reported that drivers 55 and older report more problems reading traffic signs, seeing clearly at night, turning their heads while backing up, reaching for safety belts, reading instrument panels, and merging into high speed traffic than do drivers 35-44. At least some of these problems can be attributed to the effects of aging. Since 95% of older persons experience a decrease in visual acuity and contrast sensitivity, it is not surprising that most, but not all, of these problems are perceptual in nature. Problems reported include diminished color contrast sensitivity and decreased ability to differentiate sounds.

Regardless of their source, visual, cognitive, and physical changes can cause particular problems with turning maneuvers at intersections and with reading directional, regulatory, and warning signs. In actuality, older drivers are more likely to be involved in intersection accidents, particularly at non-signaled intersections where traffic control is dependent on signage. This implies that older drivers may experience difficulty reading and understanding signs and markings.

A New Mexico study found that older drivers have a serious problem with situations requiring the assimilation of a substantial amount of information from the driving environment. This may have more to do with fear of being on unfamiliar streets within the driving environment than with an inability to think. Because driving is a complex task in that it requires sight, attention, decision, and response, it is crucial that the roadway environment be compatible with driver capabilities and that it help simplify the task of driving.

The problem with roadway/driver compatibility is that many assumptions about road users made some years ago are no longer valid. Says one Federal Highway Administration (FHWA) official, "Current standards do not adequately accommodate today's 85th percentile, much less the elderly driver." Many researchers and practitioners have concluded that design standards such as the stopping sight distance at 2.5 seconds may be too fast, and that traffic control standards for lettering and visibility such as "50 feet per inch" may be too small.

This conclusion is supported by the fact that much of the data that serves as a basis for traffic control device (TCD) specifications was collected in the 1930s. Furthermore, road design standards are based on

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Sept. 1991

tests conducted before 1960 which used college-age males as their primary subjects. Today, the driving population is not only older on average, it also includes more women. Additionally, vehicle performance has also improved dramatically in the past 30 years. None of these factors is considered in the current design standards.

Many argue that the current standards are adequate and that the costs of redesigning outweigh any benefits obtained. In truth, at the present time inadequate research has been conducted to determine how all age groups actually perform in today's roadway environment and vehicles. Currently, FHWA is evaluating driver perception-reaction time in a variety of intersection, stopping, and decision sight distance situations and will make recommendations regarding any changes to design standards in 1993. In the meantime, there are strategies and countermeasures which can be applied to simplify the driving task.

Effective strategies do not simply mean changes in the roadway environment. Other critical elements of an effective strategy include education, training, driver license testing and screening, and access to transportation alternatives to driving. A comprehensive strategy is best developed, implemented, and managed by a multidisciplinary, multi-agency team. The point is that communication among all parties can lay the groundwork for a very successful strategy.

With regard to the roadway environment, the most common approach in improving safety and mobility appears to be more conspicuous use of signs, markings, and signals. Generally, improvement to these TCDs occurs through increased size, enhanced clarity, greater redundancy, and increased reflectivity. In Arizona, for example, upgraded intersection cross street signing, uniform street signing and copy size, and quarter mile advance warning signs are now common. In Illinois, intersection and critical signs have high performance sheeting for greater reflectivity and contrast. In Virginia, sign legibility has been enhanced by increasing letter size, to approach 12 in. (305 mm), and driver reaction time has been increased by more street names, guides, and lane use signs upstream of intersections. For the most part, the rule of "bigger and brighter" seems to dominate the current line of thinking and practice in signage.

The same rule also applies to pavement markings. For example, New York, Illinois, Arizona, Florida, and Maine have all widened pavement markings delineating crosswalks, centerlines, lanes, and edges to 6-8 in. (152-203 mm). Several communities have also been successful in improving the safety and mobility of all drivers by increasing signal lens size to 12 in. These types of remedial measures are common because of their relative low cost and ease of implementation. Like design and operation standards, however, these measures have had limited field testing with older subjects in real traffic environments.

As suggested earlier, the most effective response to the safety and mobility needs of the driving public— particularly those of older drivers— requires a great deal of commitment and coordination from both the public and private sector. Public works officials need to take leadership in organizing traffic safety and mobility teams and representatives from all sectors of the transportation and aging community need to implement comprehensive programs. These programs should include improvements to the roadway environment, such as TCD enhancement. Driver education, training, performance-based driver licensing procedures, and increased enforcement should also be components of new programs. Today, there is an opportunity to get started. When we talk about an aging society, we are really talking about every one of us.

The most effective response to the safety and mobility needs of the driving public— particularly those of older drivers— requires a great deal of commitment and coordination from both the public and private sector. Public works officials need to take leadership in organizing traffic safety and mobility teams.

Based on a paper presented at the 1991 International Public Works Congress and Equipment Show.

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PART II

GUIDELINES FOR A GRADED LICENSE FOR SPECIAL OLDER DRIVERS

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The American Association of Motor Vehicle Administrators

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Many persons and organizations contributed to the creation of these Guidelines. The AAA Foundation for Traffic Safety provided financial support and logistical help. AAA affiliates and their personnel, and the American Association of Motor Vehicle Administrators and its personnel, committee members, and individual members, cooperated in all phases of the study from which the Guidelines were derived. More specific acknowledgement of those who contributed is found in Foreword and Acknowledgements (page iv).

J.L.M.
D.J.W.

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GUIDELINES FOR A GRADED LICENSE FOR SPECIAL OLDER DRIVERS

Background

Older people are the fastest growing part of the population, and, given the opportunity, most of them will continue to drive their own cars. By the year 2000, one in three drivers will be 55 years of age or older, with the most rapid increase among those over 75.

Motor vehicle injuries are the leading cause of accidental death for people ages 65 to 74, and of half of those for the over-75 group. While most older drivers are well aware of the risks they face on the highway, they are adamant about keeping their license as long as possible. When faced with the question of when they would be willing to give up their license, an answer around which considerable of them rallied was, "I'd rather die first."

Study upon study has confirmed their strong feelings about the importance of being able to get where they want to go when they want to get there--and their method of choice to do this is the automobile. Driving is essential for their independence, good mental health, and reasonable fulfillment of their lifestyle needs.

A two-year, comprehensive, in-depth study of the mobility and safety of older persons, by the Transportation Research Board (TRB) of The National Research Council of the National Academy of Sciences, recommended modification to highways and vehicles to bring them more in line with the capacities of older drivers, and thus increase safety for all road users. Licensing also received considerable attention in that study, one aspect of which was a graded license for older drivers--a license somewhere between unrestricted privilege and revocation, which attempts a balance between risk to themselves and others, and their everyday needs.

The skills necessary for safe driving begin to deteriorate at age 55 or thereabouts, perhaps dramatically so after 75. Yet the TRB study concluded that age should never be mistaken as the sole indicator of driving ability. In fact, drivers of 55 and over represent a wide range of ability, and no individual should have a license jeopardized because of age. There is little or no data on which to base any age-related restrictions to driving, without also raising the spectre of age bias and ageism. The graded license suggests itself as a partial solution to this dilemma.

Driver-licensing agencies are charged with deciding who is allowed to use the nation's roads. Currently, the most common licensing practice for older drivers has two extremes--they either keep their licenses with all privileges, or they lose them for one reason or another and have no driving privileges. To keep older drivers safely on the road as long as possible, an in-between position is needed.

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Some drivers at age 75 or older are just about as capable as they ever were, making up with judgment and attitude whatever they may have lost in sensory abilities and reaction time. It is well documented that others at the same age may be identified as very likely potential contributors to a marked increase in fatalities beginning at age 75. But there is an in-between group, and that is where the graded license comes in.

For example, a driver of advanced age with diminishing functional capabilities may no longer be able to operate safely in dense or fast traffic, but be quite capable of getting to and from selected essential locations--grocery store, family, church, hospital--using less-traveled roads. Or an older person, whose side vision has deteriorated, may be required to use a special wide-angle rear-view mirror. Such older drivers might well be eligible for a graded license. Once identified, they would be subjected to an examination that would scrutinize their abilities and try to find a balance between their risk to themselves and other road users, and their vital social needs.

The authors initially tested the concept of a graded license with selected driver-licensing administrators and with older drivers. The positive response encouraged us to go ahead. Over a period of three years, we have worked with the American Association of Motor Vehicle Administrators (AAMVA) and various of its committees and members to determine how drivers eligible for a graded license might be identified, how the restrictions (or conditions, as older drivers prefer they be called) to the license would be developed, and how the graded-license program might best be implemented and evaluated. Our goal was to develop guidelines in these areas for consideration and possible use by AAMVA. In addition, we held focus-group discussions with drivers aged 55 to 85 across the United States and Canada.

Thus we have brought the target population in on what might be applied to them, and discussed with licensing administrators what they might be asked to do. In addition, we periodically asked licensing administrators to evaluate items that might go into the guidelines for Value and Workability, in order to avoid guidelines that were much easier to write than to carry out.

The guidelines which follow were developed from suggestions and evaluations by licensing administrators, the results of focus-group discussions with older drivers, the relevant literature, and the authors' previous older-driver studies. Premise transcends the other guidelines. Without it, many of them would be neither possible, nor effective. The five items under Premise are those that the authors judged most important for establishing the Premise, after consideration of all the inputs. The other four guidelines--Identification, Conditions, Implementation, Evaluation--are also briefly described in narrative, and are also respectively followed by five items deemed most important to their success. Thus, Guidelines for a Graded License for Special Older Drivers comprises five narrative descriptions and 25 items.

The authors are well aware that in places the guidelines are general, and that their local application will vary in extent and specificity. The authors have been repeatedly cautioned by that long-time, highly respected licensing administrator, Glenn Crawford, that "What can be done is dependent upon public opinion, legislative support, budget, and manpower requirements. These are difficult for motor vehicle departments to acquire." Our hope is that following the guidelines as much as possible will bring improvement in these areas.

The authors are also aware that not all licensing jurisdictions can or should try to follow all guidelines at once in all geographic areas for which they are responsible. Small, local starts, with close scrutiny of feedback to determine how well things are working, before going bigger, are recommended. Yet we are surprised that even as we write these guidelines, considerable of them are already in use in selected jurisdictions throughout the country.

Guideline One--Premise

Focus group discussions with older drivers made it apparent that receptivity to any sort of special license, including a graded license, would depend on how they perceived the motor vehicle department (or whatever the driver-licensing agency was called in their area). Some felt the licensing agency was supportive of them and their needs; others described an adversarial relationship with police and licensing examiners out to "get them," to take away their license and get them off the road.

They expressed the wish for a licensing agency aware of the importance of driving in their lives, one that would not do anything capricious or arbitrary about their license solely because of age. In such a climate they universally supported a graded license and the procedures required to make it effective. In essence, they wanted a licensing agency concerned not only with getting unsafe drivers off the road, but with keeping safe drivers on the road. They did not expect special consideration, only fair treatment.

In summary, the Premise is that improving the perception of the motor vehicle department as supportive and fair will increase receptivity to the graded-license concept. Toward this end, the most highly rated items were:

- Maintain a program to improve the public's image of the licensing agency.

- Train licensing examiners to recognize the characteristics of aging, and the importance of driving in the older person's life.

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- Train licensing personnel to recognize gross functional impairments displayed by driver license applicants.

- When it can be safely done, conduct behind-the-wheel evaluations of all drivers who are identified as having a functional disability.

- Maintain a licensing agency that can "withdraw with dignity" deficient older drivers from the system as opposed to having the "rug pulled."

Guideline Two--Identification

The essential question here is "How would a candidate for a graded license be identified?". Accident and violation records recoverable by age were universally recommended. Such records could be tied in with driver improvement courses especially developed for older drivers, and organized to identify graded-license candidates.

Not many older drivers and surprisingly few safety authorities were acquainted with the widespread formalized procedure for reporting unsafe drivers of any age to the state or provincial licensing authority for investigation. Most would use this procedure for reporting unsafe older family members and friends, if they could remain confidential and felt that some good would come of it for those reported. Mainly this meant a licensing agency like the one described in the Premise.

There is much support by authorities and older drivers for periodic in-person license renewal, with examiners trained to look for functional impairments likely to influence driving ability. Drivers judged impaired would be referred for further testing and procedures, including the graded license opportunity.

Much professional and lay opinion favors letting older drivers regulate their own driving because so many seem to do it quite well by "coping," that is, avoiding driving at times and places they consider dangerous. However, formalized self-assessment opportunities were recommended to inject objectivity. In addition to pencil-and-paper assessments, a voluntary road test with education and improvement as the goals was suggested.

Authorities and older drivers universally support closer ties between licensing authorities and physicians and other health professionals as a means for identifying graded-license applicants.

Highly rated items for Identification were:

- Establish and/or use closer ties between a medical advisory board and licensing administrators.

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- Systematically review answers to medical questions on license application forms.

- Train licensing examiners to recognize impairments important to driving ability.

- Require in-person renewal for all drivers, at least once every four years.

- Maintain accident and violation records recoverable by age and offense.

Guideline Three--Conditions

Restrictions to a license are commonplace. Corrective lenses are the foremost example. This restriction exists in every state and province. Daytime driving only, or driving only to and from work, or driving only with a prescribed prosthetic device, or special rear-view mirror, are in some jurisdictions directly recorded on the license.

Older drivers did not respond well to the word restriction. It was a red flag, out of keeping with the Premise for a graded license. They suggested requirements or conditions, and we are going with the latter. In this category there are two essential questions: (1) "How can conditions be created to achieve a balance between the daily needs of older drivers, and safety to themselves and other road users?" (2) "What can be done to ensure that conditions once created would be honored?"

Older drivers believe that the driver subject to conditions should be road-tested under those conditions, with up or down modification as a result of the test. In addition, they suggested periodic reexaminations, to check the conditions, and, if necessary, modify them.

Efforts to develop conditions would find some drivers incapable of driving under any conditions. License revocation in this instance should be preceded by counseling directed toward making the loss more acceptable, backed up by a thorough discussion of alternative transportation and the details for its use. All sources suggest that whenever a license is surrendered or terminated, a similar-looking ID card should be issued in its place.

Older drivers were quick to recognize the advantages of a graded license in addition to obvious benefits as an alternative to revocation. Knowing they were legally driving under conditions that they were found capable of performing would make them better at it than not knowing whether they should be doing it. Furthermore, they thought that specific conditions would support their refusal to do what they did not want to do anyhow, like picking up their children at the airport.

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Older drivers universally felt that for conditions to be effective, drivers subject to them should have a part in their creation. The reasons for conditions should be explained and understood through dialogue between the affected driver and a representative of the licensing agency sensitive to the importance of driving for older persons. That licensing administrators shared this feeling is demonstrated by the following highly rated items:

- Use the word conditions in a graded-license program to describe what are essentially restrictions to an older driver's license.

- To explain the nature of conditions and the reasons for them, provide the opportunity for face-to-face discussion between a driver and licensing personnel.

- Ensure that, compatible with safety, the conditions take into consideration an applicant's lifestyle and needs.

- Ensure that conditions are modifiable up or down as appropriate to changes in the applicant's health or living circumstances.

- Conduct a road test of conditions to be sure they accurately reflect a driver's ability.

Guideline Four--Implementation

The AAMVA, and its committees and members, have expressed interest in a graded-license program, and in guidelines for getting one started or expanding one already in place. Older drivers who participated in the focus groups associated with this effort said that the best way to implement a graded-license program was to tell the truth about it in a highly publicized program of what the Motor Vehicle Department (MVD) or other licensing agency was doing in the interest of fairness to older drivers. Otherwise they would be suspicious of the reasons for a graded license, and wonder what the "catch" was.

It has been suggested that MVDs keep a record of a driver's age so that periodic mailings about the influence of age on driving ability could be sent, perhaps beginning at age 50. These mailings could include an invitation to attend a course especially directed to older drivers, and describe the incentives for attending. The mailings and course could also be used to describe the graded-license program as a possible alternative to license suspension and revocation.

It was also recommended that MVDs should attempt to have notices of this nature distributed by governmental and private agencies that deal with older persons, and have such materials posted at senior centers. Assigning more mature MVD personnel to explain the graded-license program to seniors where they gather was also suggested.

A recurring suggestion from all sources was that a graded-license program would be received much better if it was accompanied by a clear statement of available alternative transportation to get older drivers to some of the necessary places to which they might no longer be able to drive.

Older drivers recommended that a video be created showing the relationship of driving skill and age, and how the graded license was a positive way to deal with the safety aspects of the relationship. The video could be shown to groups by MVD personnel who could respond to questions.

Licensing administrators were encouraged to acquaint "gray power" groups with the positive nature of a graded-license program so that they, in turn, could convince legislators. In addition, these groups and the administrators could seek media support through public service messages and positive reporting.

Toward these ends, the following items were highly rated:

- Organize a highly publicized program presenting the reasons for and the merits of a graded license.
- Add to the state driver's manual a section explaining the graded-license program.
- Inform physicians, health agencies, law enforcement personnel, and judiciary of the availability and other details of the graded-license program.
- Convince "gray power" groups of the desirability of a graded-license program, and enlist their help in disseminating information about it.
- Establish a cooperative program with governmental and private agencies for disseminating information about the graded-license program.

Guideline Five--Evaluation

All persons concerned with a graded-license program wanted to know how the value of the program would be determined. Three ways to evaluate were suggested: (1) driving records kept by the MVD and/or insurance companies; (2) the nature of media attention; and (3) asking questions of the recipients, significant others, and older driver constituents.

It was suggested that records of violations and accidents of graded licensees be compared with their prior records or with those of a control group, with a special effort to determine if the nature of any offense

or accident related to the conditions of their license. It was also recommended that those who receive a graded license, as opposed to those whose license was revoked or who voluntarily surrendered it, were more satisfied with their lifestyle.

Media coverage of a graded-license program could be tracked to see if it was receiving positive attention, as well as to see if the MVD was receiving positive coverage for their efforts on behalf of older drivers.

By far the greatest number of evaluation suggestions were concerned with asking questions of graded license recipients and of those in contact with them. Great faith was expressed in the value of asking those who were part of a program how well the program is working, and what could be done to improve it. Whether the conditions were being obeyed, how satisfactory they were, how the graded license affected how they felt about the MVD, were illustrations of possible questions.

It was also suggested that MVDs be asked how well the graded-license program was working from their perspective.

The following items were highly rated:

- Keep driving records recoverable by age, offense or nature of accident, and use them to evaluate the graded-license program.

- Survey licensing agency personnel to determine strengths, weaknesses, and overall assessment of the graded-license program from their perspective.

- Study media coverage to see if the graded-license program is being favorably presented.

- Conduct follow-up surveys to determine recipient satisfaction and get their suggestions for improvements.

- Develop some way to evaluate the program that will justify the costs and personnel involved.

General Comments

Some general comments worth sharing emerged from discussions the authors held with older drivers and licensing administrators in a variety of settings.

Above all, older drivers expressed their wish to be a meaningful part of the development of programs that affect them--including the graded-license program.

There was much support for periodic in-person license renewal for drivers of any age. However, the older-driver focus group members wanted the renewal experience, including the examinations, to "mean

something." Deficiencies revealed during the examination could be used for referral to additional examination, and for a requirement of more frequent reexaminations, to determine the progress of the deficiency in terms of driving safety. They recognized that older drivers would be disproportionately represented among those requiring further examination or processing, but accepted this as a fact of life, and far superior to special requirements based on age alone. Properly conducted, in the spirit of the Premise described earlier, they felt that the in-person exam could be "the best thing that ever happened to them"; it would help them to drive "safer, longer."

Older drivers believe that some among them who do strange things and are sometimes described in police reports as "zombies," might in reality be quite normal drivers who are under the influence of too many prescribed drugs taken at the same time. They recommend improved labeling, education, and notification by physicians of the possible effects of medications.

Every older driver group described the need for independence and for mobility as a factor in this. They stated that some older people who know they are unsafe continue to drive because they have no practicable alternative. Participants at every focus group site felt that the community, with the help of the MVD, should organize alternative transportation, and publicize details of its availability. They believed that such a step would improve receptivity to a graded-license program Those affected by the program would be helped to understand that they could get to some of the same places they used to go without having to drive there.

Practically all older driver focus-group participants at all sites said they would support a graded-license program, and that they appreciated the opportunity to be able to contribute to its development. There is good reason to feel that licensing administrators are also receptive to the idea of a graded license for special older drivers, so long as the details are within the limits of what they can do. They feel "there should be something between having a license, or having no license at all," and appreciate the great importance of a license for the independence and mental health of older persons. We hope the guidelines presented will help to bring these groups together in an effective graded-license program for selected older drivers.

Envoi

Advocates of reform of our penal system are heard to quote the observation that one of the best tests of a society is how well it treats its prisoners. One of the best tests of the quality of life in America is how fairly (and firmly) we treat our senior citizens whose driving skills have begun to worsen, but who could become prisoners in their own homes and communities if their driver's license was revoked capriciously, or solely on the basis of advanced age.

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We can either ignore them until they do damage to themselves or others, or we can arbitrarily revoke their licenses and thereby make them in effect prisoners of their own longevity. Or we can keep them under the watchful eye of benevolent monitors and allow them as much liberty of the moment as their skills will permit.

A sense of decency seems to have told the many good people who took part in this study that we have no choice but to plan for and welcome the day of the graded license.

J.L.M.
D.J.W.

TEXAS-BASED TASK FORCE ON OLDER DRIVERS

REPORT AND RECOMMENDATIONS OF DRIVER PERFORMANCE/RETESTING COMMITTEE

SUBMITTED BY
CO-CHAIRS LILA LAUX, PH.D.
AND
ANN STREETMAN

AUGUST 1992

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TEXAS-BASED TASK FORCE ON OLDER DRIVERS
REPORT AND RECOMMENDATIONS
DRIVER PERFORMANCE/RETESTING COMMITTEE

The Committee Process

The committee on driver performance/retesting has followed a careful process. It has taken the following steps:

(1) studied existing literature on older drivers (Committee Report Appendix A)
(2) convened a group of persons expert in issues on driving,aging, impairment, and licensing (Committee Report Appendix B)
(3) heard speakers from the Department of Public Safety and the Texas Medical Advisory Board in an effort to understand the current system of evaluating possible at-risk drivers
(4) heard from insurance providers about insurance discounts and special programs for older drivers in Texas and other states
(5) heard about driver improvement programs such as "55 Alive" sponsored by the American Association of Retired Persons
(6) heard a moving firsthand account by a man whose father recently gave up his license because of Alzheimer's- related impairment
(7) worked together as a group to come to consensus on key recommendations
(8) worked through successive drafts of the recommendations, with an opportunity for feedback from each committee member to maintain a set of recommendations reached through consensus

Goals, Objectives, and Recommendations

Goal 1. Keep competent older drivers driving safely on Texas roadways

Objective 1. Develop a comprehensive Texas database on older driver characteristics to be made available to policy makers and others involved in the licensure process

Recommendations

* Implement a pilot project at 1 or 2 driver's licensing stations through which the following data can be collected:

  + Identification of characteristics of at-risk drivers
  + Identification of skills needed for safe driving for specific driving patterns
  + Identification of effects of normal aging and medical conditions that affect driving

Objective 2. Develop methods/means for assessing driver capabilities

Recommendations

* Assess the usefulness of driver simulation programs for testing and retraining
* Determine the range of acceptable performance on these tasks
* Identify and implement upgraded testing techniques
* Incorporate more comprehensive hearing and vision testing into a multi-level screening program

Goal 2. Increase awareness and use of current system of licensure for identifying and evaluating at-risk drivers

Objective 1. Evaluate current system of licensure

Recommendations

* Assess the value of changing to an administrative license revocation procedure
* Implement a system of mandatory education or alternative processes to update driver knowledge
* Provide self-education instrument with retesting and renewal process
* Re-evaluate the criteria for mail-in renewal for all drivers
* Provide incentives for good driving records (e.g., insurance discounts, etc.)

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Objective 2. Improve access to current procedure for identifying and evaluating at-risk drivers and for accommodating their special needs for licensing under the current system. The procedure must preserve their mobility and dignity to the greatest extent possible

Recommendations

* Increase awareness among health-care providers and the general public about the Medical Advisory Board system and the availability of licensing to accommodate special needs
* Require periodic retesting/re-evaluation for at-risk drivers
* Evaluate and identify ways to make multi-level screening more effective
* Consider random retesting of all drivers
* Build into current system a method of identifying cases which may need immediate evaluation with respect to personal and public safety
* Provide performance-based driver remediation to address skills below a standard needed for safe driving

Objective 3. Train administrators and driver's license personnel to effectively interact with older drivers and address their special needs

Recommendations

* Identify ways of assisting DPS and others to be sensitive to the special needs and conditions of older drivers in the licensing process (e.g., accessibility of facilities, understanding of medical conditions, recognition of test anxiety and its effect on performance)

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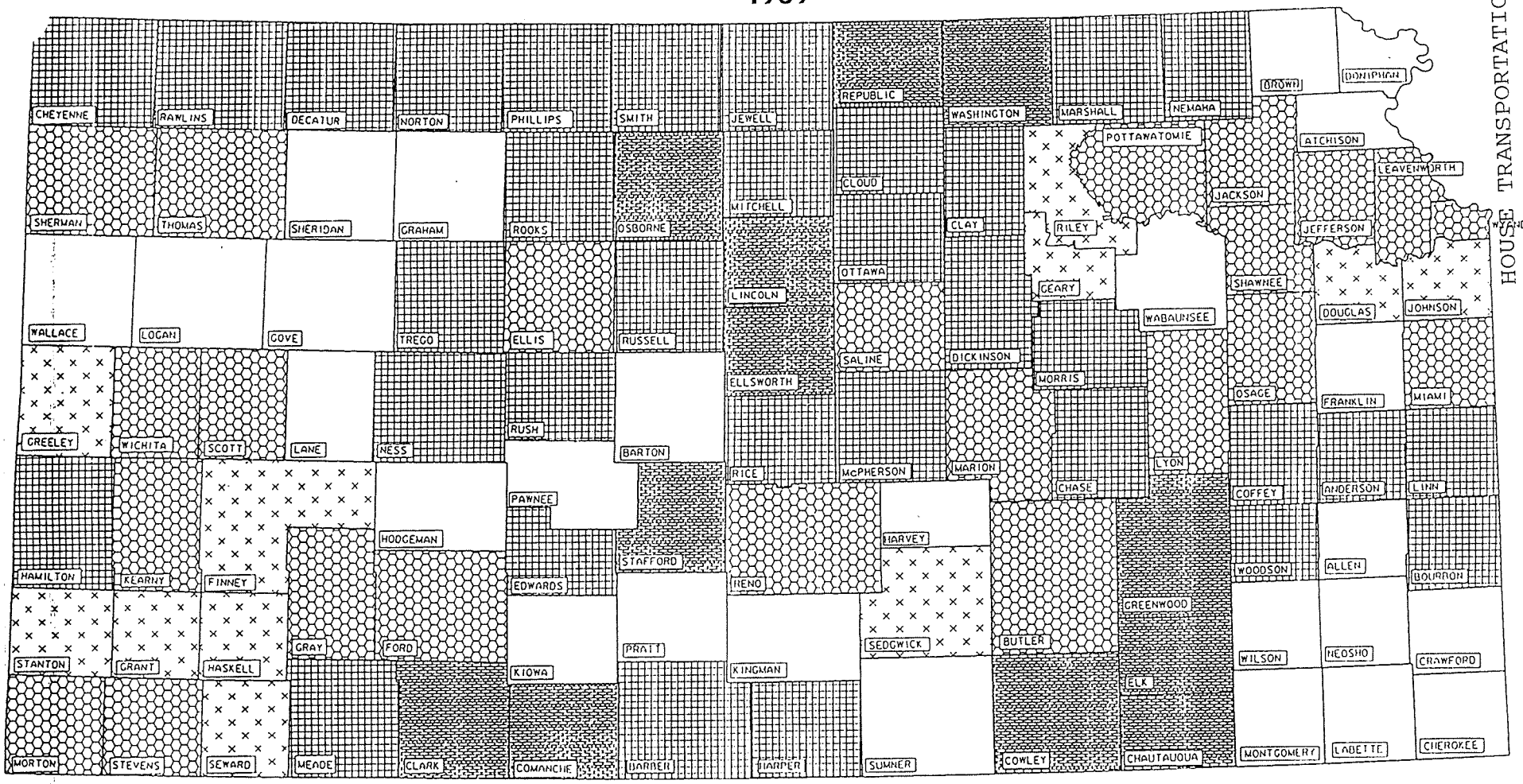
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KANSAS

1989



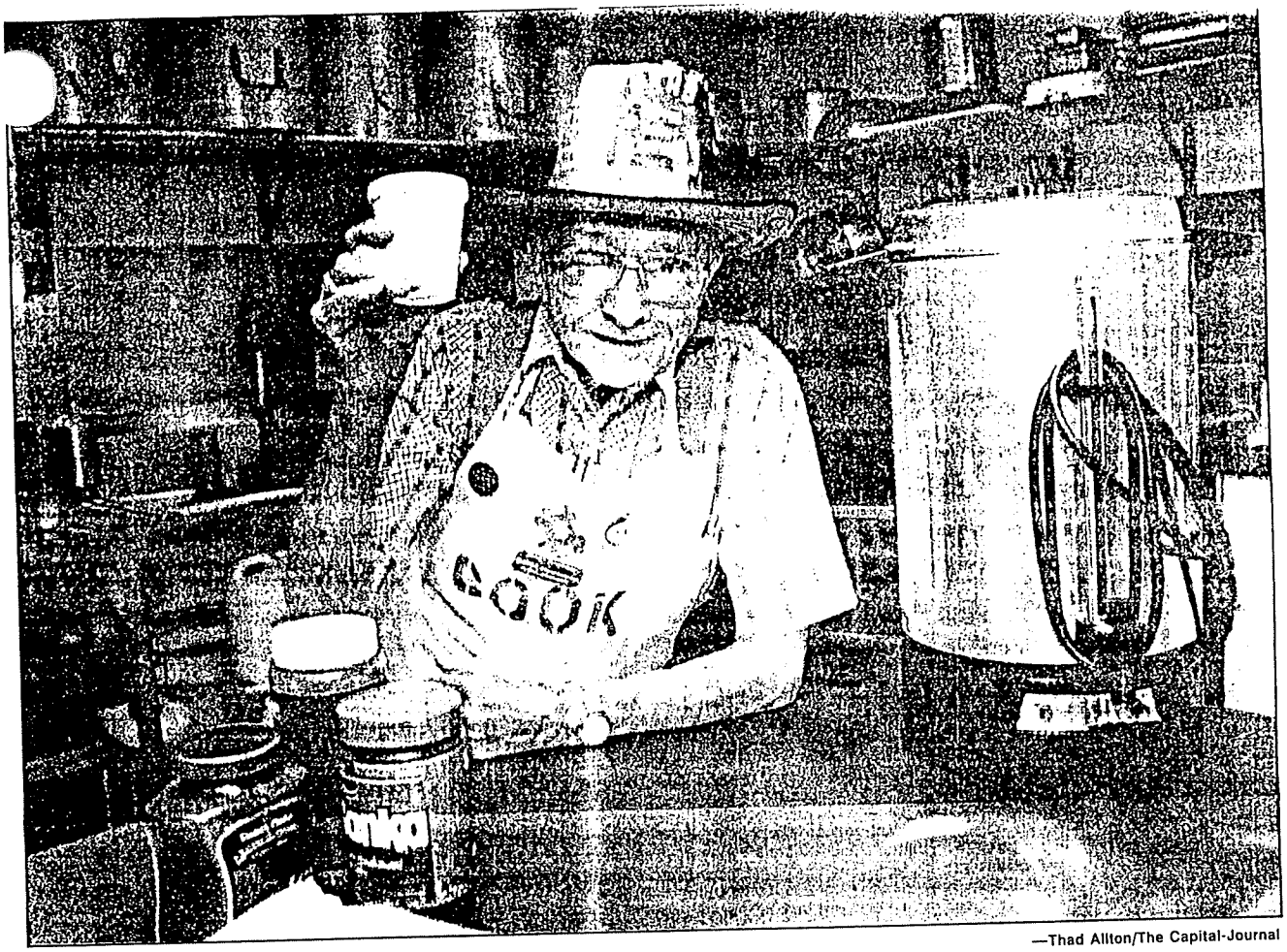
PERCENT OF POPULATION OVER 65 YEARS OLD

0–10%	11–15%	16–20%	21–25%	26–30%

The percent of Kansas' population over the age of 65 has increased from 11.8% to 13.8% in 1989.
In 1989 12 Kansas counties had over 25% of their population over the age 65.

Source: Office of Information Systems and Computing
Kansas Department of Health and Environment

HOUSE TRANSPORTATION
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—Thad Allton/The Capital-Journal

Earl Johnson relaxed behind the counter at the Arab Shrine Temple after making 400 cups of coffee for a Wednesday morning gathering.

Shriners' Wednesday coffee maker —

Up and perkin' before the sun

By PHIL ANDERSON
The Capital-Journal

To members of the Arab Shrine in Topeka, Earl Johnson is "Mr. Coffee."

At one time or another, nearly every Shriner in Topeka has tasted coffee brewed by the 93-year-old Johnson.

On Wednesdays for the past 12 years, Johnson has rolled out of bed at 3:45 a.m. so he could arrive at the Arab Shrine Temple, 1305 S. Kansas Ave., by 5:30 a.m.

Once there, Johnson starts his volunteer coffee effort for about 200 Shriners who attend weekly social periods which start about 7:30 a.m.

Said Johnson: "They tell me it's the best coffee they can find."

Even on frigid winter mornings when the temperature drops to 20 below zero, Johnson faithfully goes to the Arab Temple to make coffee. "Nothing stops me," he said.

Johnson drives himself from the First Christian Church Apartments, where he has lived the past five years, to the downtown Shrine building.

"Sure I drive myself," the feisty Johnson said. "How in the hell else would I go? I can't get there by walking."

Johnson started making coffee for Shriners after his wife, Ella, became ill and had to go the hospital every other day for dialysis treatments. Ella Johnson died in 1984.

"She had to be at the hospital by a quarter 'til 7," Johnson said. "And she'd have to stay until noon. Well, I didn't know what to do. So I let her off and drove down to the Shrine.

"I went down there and there was another man making coffee. We were there ahead of everybody else. About a year later, he quit working."

Johnson said he continued making coffee but decided to arrive even earlier after those attending badgered him with questions, asking him where the cream and sugar were or where they could find napkins.

Another Shriner, Floyd "Red" Trahoon, now helps Johnson avoid the interruptions by setting up a table and arranging the cream and sugar and napkins, freeing Johnson to make 400 cups of coffee.

Johnson uses a large stainless steel coffee maker, then transfers the piping hot drink to smaller dispensers.

Rolls from the Oakland Bakery arrive just in time for the hungry Shriners, who donate $1 for the fare.

His longevity surprises even Johnson himself.

"I told 'em last week, 'If you'd told me when I started that I'd have to get up at 4 o'clock in the morning to get down here on time I'd have told you to go to hell.' But then I said, 'Don't tell me I can't, because you'd hurt my feelings.' "

Johnson added: "It's a wonderful thing. It gets the gang together to kid each other, and that's what life's all about, anyway."

Proud of his work, Johnson laughingly said the last time he was out of town, visiting his son over the Christmas break last winter, the Shriners went without coffee.

Shriner Lou Stewart, who started the Wednesday morning coffee meetings about a dozen years ago, said: "Earl's an inspiration to all of us. He shows us that life doesn't stop at 60, 70 or 80."

Added Stewart: "Earl told me one time, 'Lou, coming down here in the morning keeps me young'."

Johnson also keeps a 10-cup pot of coffee going in his cozy apartment around the clock: "I only use water to wash my feet," he said. "That's my middle name — coffee."

In spite of heart problems and emphysema, Johnson does far more than make coffee for Shriners. He plays bridge twice a week — Monday night and Tuesday afternoon — and makes coffee at noon Tuesdays at Central Park Community Center, for those attending card games there.

He also concocts a special angel food cake, split in the middle and topped with cherry pie filling and whipped cream, making up to 30 a month for special occasions.

Johnson also volunteers to do odd jobs around his apartment building and regularly checks on a neighbor who is in a wheelchair.

Before he leaves for the Shrine Temple each Wednesday morning, Johnson straightens up his house and takes care of the essentials, such as eating breakfast, bathing and shaving.

He also makes his bed before leaving.

"I think I keep up a pretty good house for being an old bachelor," Johnson said. "I've even had women come in here and brag about how nice I keep it."

Johnson was born Oct. 29, 1897, near Silver Lake. He said when his mother went into labor, his father jumped on his horse to find the doctor. By the time his father and the doctor had returned, Johnson said he had made his arrival.

"I didn't need them," he said. "I came on out alone."

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Attachment 10-36



Seated behind the wheel of his 1962 Cadillac, 109-year-old Hall still drives around town.

LIFESTYLES

N.Y. Man Still Handles Road, Romance At 109

By Ardis Carthane

Most elderly people who were self-sufficient in their youth now have trouble tackling household chores and getting around town. But Layne Hall of Silvercreek, N.Y., is an exception.

At 109, the Mississippi native can be found at home cooking, cleaning and caring for himself, or cruising the streets behind the wheel of his gleaming 1962 blue Cadillac Sedan deVille.

Few visitors pass through the door of his modest, 74-year-old house in Silvercreek, about 30 miles west of Buffalo, N.Y., but that doesn't stop him from visiting.

In fact, the spry father of four living children–Thomas, 78; David, 65; George, 62; and Dorothy Kinney, 58–is considering doing some serious courting!

Hall has outlived two wives. The first died in 1971 and the second around 1980. Now the widower, who'll celebrate his 110th birthday March 15, told Jet he's ready for a third.

"I'd like a woman who will sit down with me and talk," Hall said. "It doesn't matter what color, nationality...as long as she is a good woman."

Still, like most seasoned widowers, Hall does have a preference.

"I don't want a sickly woman. And I don't want a young woman either," he stated adamantly.

The prospective Mrs. Hall would be between "60 and 70 years old." Someone that age, Hall predicted, would be easier to keep track of. "You'd have to go out and look for a young woman," he reasoned.

Hall, who asked his grandson Marshall to assist him with his bride hunt, said he doesn't have any prospects yet, but assured, "When I get one, I'll treat her better than any other man could." With an ear-to-ear grin, the self-confident centenarian also pledged his ability to keep a new bride sexually satisfied, "depending on how good-looking she is."

Even without female companionship the retiree, who's worked for the railroad, a shovel factory and a radiator company, said he is very content with his life so far and his ability to get around on his own.

March 5 '90 Jet



Parked outside his modest home in Silvercreek, N.Y., are Hall's blue Cadillac Sedan deVille, and a tractor he uses for planting.

Armed with his Class 5 driver's license, which he said was first issued to him in 1916, Hall makes routine trips to the grocery store, pharmacy and doctor's office.

"I don't get any further than downtown," he explained. But for a man believed to be the oldest driver in the state, and possibly in the United States, that's quite an accomplishment.

Even more commendable is his untarnished driving record.

According to Hall, who told Jet his now-deceased nephew taught him to drive in 1916 when he moved to New York, he's never been ticketed for speeding or any other traffic violation.

However, the model motorist, reportedly cited for 75 years of safe driving by the state, admitted: "I've been bumped into a time or two." Fortunately, "I got paid for it."

When he's not behind the wheel, Hall, who lives alone, enjoys gardening, cooking and watching television, especially "old Western movies."

Perhaps they remind him of himself–a lone cowboy who rides off into the sunset–in a Caddie!



Hall shows off his driver's license issued to him in 1916, when his nephew first taught him to drive.

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October 25, 1993

House Transportation Committee

Room 526-S--Statehouse

I am Rosemary Harris, Director of Older Citizens' Information and Chairperson for KCOA (Kansas Coalition on Aging). I have come to express my concerns about placing restrictions on the driving privileges of the elderly. I believe there should be some kind of restriction, but I think this should be looked at very carefully.

We are trying to keep the elderly in their homes longer. This means they will need transportation to the grocery store, medical appointments, and other necessary travel. Many of the elderly do not venture out on the major streets. They do not leave the area that is familiar to them. They shop in their local area and visit friends that live nearby.

Other transportation available to the elderly are being utilized to capacity. So if you take away their means of transportation you must replace it with something. I do not have the answer to the problem but I do hope you will look at this very carefully before making a decision.

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One older woman I know lives in the Brookwood area. She does all her grocery shopping at Dillons in Brookwood. She uses the nearby Med-Assist for small medical needs and buys her gas right in the area.

When she has an appointment with her regular doctor whose office is outside her neighborhood she takes a cab or uses one of the other forms of transportation available. But she does not want to lose her independence.

If this woman was to lose her driving privileges she would have to make arrangements for transportation for these short trips.

PERFORMANCE AUDIT REPORT

Licensing Kansas Drivers With Medical Disabilities

OBTAINING AUDIT INFORMATION

This audit was conducted by Mary Beth Green, Senior Auditor, and Rick Riggs and Curt Winegarner, Auditors, of the Division's staff. If you need any additional information about the audit's findings, please contact Ms. Green at the Division's offices.

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LICENSING KANSAS DRIVERS WITH MEDICAL DISABILITIES

Summary of Legislative Post Audit's Findings

The Department of Revenue's Division of Vehicles is responsible for administering laws and regulations relating to driver licensing and control. One of the Division's duties is to identify and regulate persons with mental or physical conditions that might impair their driving ability. This audit addresses legislative concerns about the Division of Vehicles' procedures for licensing individuals with driving impairments.

What are the Department of Revenue's procedures for handling driver's license applications from people who have disabilities or disorders? The Division of Vehicles has established routine procedures for handling applications from people with common types of impairments, including minimum standards for applicants with vision impairments and seizure disorders. Applications from people with impaired vision are generally handled by driver license examiners, while applications involving seizure disorders and other medical conditions are reviewed by the Director of Vehicles. In addition, the Division has a Medical Advisory Board to assist the Director in evaluating applicants and drivers with impairments. The auditors found that the Division's policies and procedures comply with federal highway safety standards and are generally more stringent than the policies of other states contacted.

How well are those procedures working? The auditors reviewed Division of Vehicles records for a sample of 100 driver's license applicants with medical impairments and identified the basis for licensing decisions made in those cases. They also contacted 20 of these individuals to determine if the applicants were satisfied with the Division's handling of their cases. The auditors found that the Division generally issued or denied licenses in accordance with State law, regulations, and Department policy. No applicants were denied licenses for arbitrary reasons, and applicants who did not meet the established minimum standards were consistently denied licensure. Most licensing decisions were made on a timely basis, although some actions took longer to process than Department policies and State law prescribe. Finally, although half the individuals contacted by the auditors were dissatisfied with the Division's procedures, many of their complaints were based on misunderstandings or poor communication. In these cases, the Division could minimize misunderstandings by improving communication with applicants and explaining its policies and procedures more clearly.

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LICENSING KANSAS DRIVERS WITH MEDICAL DISABILITIES

State law requires individuals applying for drivers' licenses to successfully complete an eyesight examination and a written examination on traffic laws and signs. The Department of Revenue's Division of Vehicles is authorized to require persons with mental or physical impairments to submit to additional examinations such as driving tests and medical examinations. The Division may also request an opinion from its Medical Advisory Board concerning an applicant's ability to safely operate a motor vehicle.

Legislative concerns have been raised recently about the Department of Revenue's procedures for handling driver's license applications from individuals with mental or physical disabilities. This audit addresses two questions:

1. **What are the Department of Revenue's procedures for handling driver's license applications from people who have disabilities or disorders?**

2. **How well are those procedures working?**

To answer these questions, the auditors reviewed State laws and regulations and interviewed officials from the Department of Revenue. They also contacted officials from a sample of other states to discuss their practices and procedures for licensing drivers with disabilities. The auditors reviewed Department of Revenue records for a sample of applicants who had mental or physical disorders to determine if those applicants were issued drivers' licenses in accordance with State law and Department policies. Finally, they contacted a sample of current and past licensees to obtain opinions about the Department's procedures for licensing drivers with impairments.

The auditors found that the Department of Revenue's Division of Vehicles has established procedures for licensing drivers with medical impairments, and that those procedures are generally more stringent than similar practices in other states. For a sample of applicants with mental or physical impairments, the auditors found that the Department acted in accordance with State law and Department policies for issuing or denying licenses. Most approved and reinstated licenses were issued in a timely manner, but some other actions took longer than prescribed by State law and Department policy. Half the licensees contacted by the auditors were dissatisfied with the Division's licensing procedures, but improved communication between the Division and applicants could minimize such complaints.

What Are the Department of Revenue's Procedures For Handling Driver's License Applications From People Who Have Disabilities Or Disorders?

The Department of Revenue's Division of Vehicles is responsible for administering laws and regulations relating to driver licensing and control. To protect individual drivers and the general public, the Division attempts to identify driver's license applicants with conditions that may impair their ability to drive safely. These conditions include vision impairments, disorders involving seizures or periods of unconsciousness, alcohol or drug addiction, and certain mobility limitations and psychological disorders. According to Department officials, vision impairments are the most common, and seizure disorders are next most common. In September 1986, more than two million people had valid Kansas drivers' licenses, and the Department required approximately 4,000 of those drivers (two-tenths of one percent) to submit annual medical reports as a condition of licensure.

HOUSE TRANSPORTATION
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Attachment 7-4

Approximately 3,300 of those licensees, or 82.5 percent, were required to submit annual reports for vision impairments only.

The Division of Vehicles' fiscal year 1987 organization is shown in the chart on page three. The Division includes five separate bureaus and has approximately 580 authorized positions for 1987. Only the Director of Vehicles' office (eight positions) and the Driver License Examining Bureau (162 positions) are directly responsible for evaluating driver license applicants who have impairments. Driver license examiners identify applicants with disabilities and make some routine licensing decisions. In other cases, personnel in the Director of Vehicles' office determine whether to license impaired applicants. The Division also has a Medical Advisory Board created specifically to give the Director advisory opinions on applicants and drivers with impairments.

The Medical Advisory Board

The Medical Advisory Board was established under K.S.A. 8-255b to assist the Director of Vehicles in determining whether applicants or licensees have a mental or physical condition sufficient to impair their driving ability. The Board has authority to make recommendations only; all final determinations are made by the Director. State law requires that the Board consist of five members appointed by the Secretary of Revenue, including an ophthalmologist, an optometrist, a psychiatrist, a specialist in internal medicine, and one other person. Currently, the fifth member of the Board is a neurologist.

Three of the five current members are State employees. Department of Revenue officials say they have relied heavily on State employees to fill positions on the Board since February 1983. At that time, all five Board members resigned because a district court ordered the Department to release their names to the plaintiff in a court case.

To determine how the Department handles driver's license applications from individuals with medical impairments, the auditors reviewed State law and regulations and interviewed Department officials. They also identified the federal highway safety standards in this area and contacted officials from 10 other states to discuss their procedures for licensing drivers who have impairments.

The auditors found that the Division of Vehicles has established routine procedures for handling driver's license applications from people with impairments, including minimum standards for applicants with vision impairments and seizure disorders. In general, applications from people who have impaired vision are handled by driver license examiners, while applications involving seizure disorders and other medical impairments are sent to Topeka and reviewed by the Director of Vehicles. Finally, the auditors determined that Kansas' policies and procedures for licensing impaired drivers comply with federal highway safety standards and are generally more stringent than other states' policies.

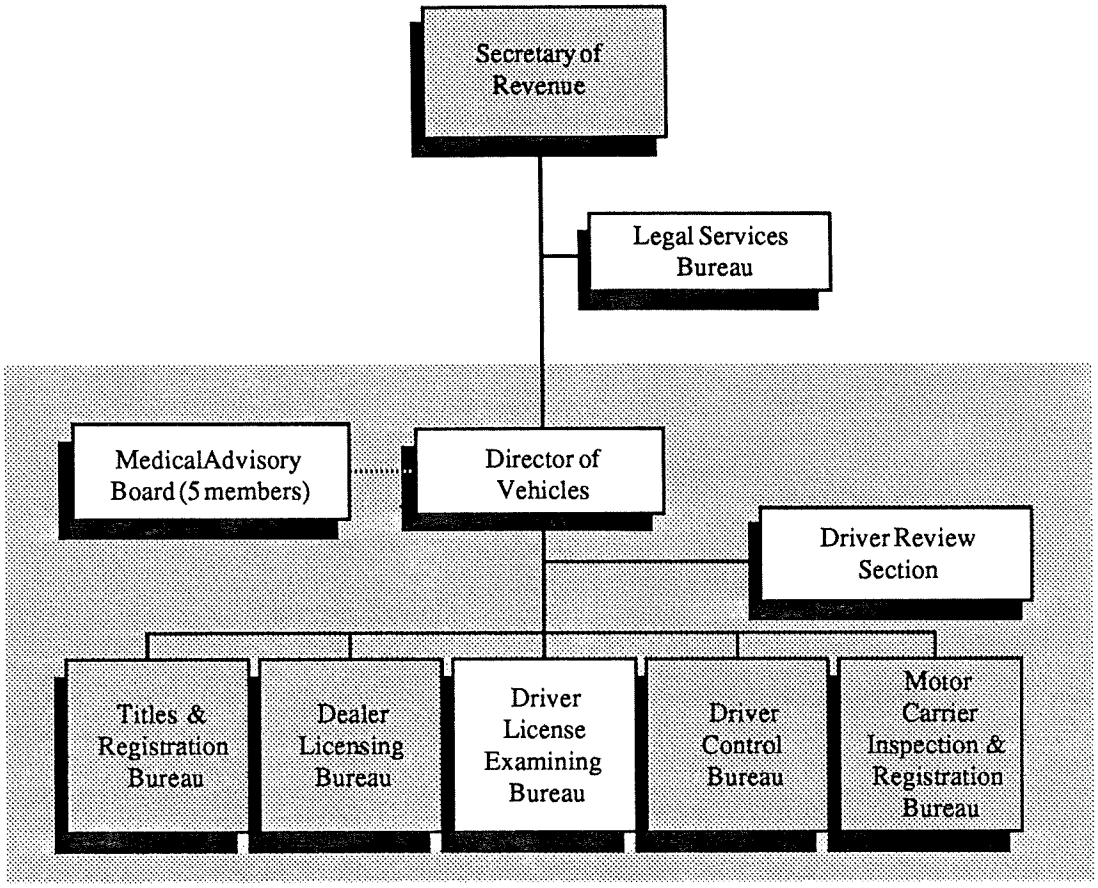
Driver License Examiners Are Responsible For Identifying Applicants With Mental or Physical Impairments

The Driver License Examining Bureau is responsible for identifying potentially impaired drivers when those individuals apply for new or renewed drivers' licenses. The Bureau has approximately 150 examiners who license drivers at 112 locations across the State.

Every individual applying for a license must complete a standard application form, vision examination, and written examination of traffic laws and signs. Driver license examiners may also require any applicant to take a driving test. State law prohibits the Division of Vehicles from licensing applicants who fail any examination, and the examiners use test information to determine whether applicants have any condition that may impair driving ability.

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Attachment 12-5

Organization of the Department of Revenue's Division of Vehicles



Division of Vehicles

The Division of Vehicles is responsible for identifying impaired applicants and issuing drivers' licenses. When someone applies for a license at their local driver license examining station, the examiner conducts a vision test. In some cases, the examiner requires the applicant to have another vision test conducted by an eye specialist. The results of such vision tests are generally evaluated by the examiner. Applications from individuals with non-visual impairments are referred to the Driver Review Section in Topeka. Driver Review staff or the Director make the final decision on issuance of these licenses, generally after requiring the applicant to submit a medical report from his or her physician. For cases not clearly controlled by established regulation or Division policy, the Director may ask the Medical Advisory Board for a recommendation. Drivers who dispute a Division ruling may ask for an administrative hearing. These hearings are conducted by the Department's Legal Services Bureau, and the findings are referred back to the Director of Vehicles for a final determination.

HOUSE TRANSPORTATION
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Attachment 17-6

Applicants with potential impairments usually are identified in one of four ways. First, applicants whose vision is worse than 20/40 in either eye, even with corrective lenses, will fail the vision test. These applicants must have their vision retested by an eye doctor before their application will be considered further. Second, the applicant may answer yes to any of a number of questions on the standard application form about physical or mental impairments, drug addiction, and epilepsy or any other condition involving a loss of consciousness. Applications from individuals who answer yes to any question are referred to the Division's Driver Review Section in Topeka.

Third, an examiner may question an applicant's driving ability even if the applicant does not indicate that he or she has a medical disability or disorder on the standard application form. In these cases, the examiner generally refers the application to the Driver Review Section. However, applications from people with physical handicaps are referred only if the applicant or examiner thinks the handicap could impair driving ability. Finally, law enforcement officers and physicians may submit information to the Driver Review Section about potentially impaired drivers. The Driver Review Section follows up on such information to assess the driver's ability to drive safely.

Third-Party Complaints About Impaired Drivers

Law enforcement officers, physicians, and family members may file complaints or information about individual drivers with the Division of Vehicles. Whenever the third party is willing to leave his or her name, the Division follows up on the information submitted. This usually means requiring the driver in question to have a medical examination and send a report to the Division. The Director of Vehicles then determines whether the individual should be allowed to retain his or her driver's license. For example, in a case reviewed by the auditors a police officer reported that he did not think an 83-year old licensee was a safe driver. The Division requested a medical report from the driver but never received one. As a result, the individual's license was revoked.

The Driver Review Section requires all potentially impaired applicants (other than applicants with visual impairments) to have a physical examination. The applicant's personal physician must provide a summary of the applicant's medical history and current condition. (A blank medical report is included in Appendix A.) The Driver Review Section reviews all completed medical reports and decides whether to approve the application, deny it, or forward it to the Director. Cases involving unclear medical reports or impairments sufficient to deny driving privileges are generally forwarded to the Director. The Director then makes the licensing decision, often after requesting an opinion from the Medical Advisory Board. Individuals applying for renewed licenses may continue to drive while the Driver Review Section and the Director review the case, but applicants for new licenses are not licensed until the Director makes a decision.

The Division Has Established Guidelines For Licensing Applicants With Visual and Seizure-Related Impairments

Individuals who fail the initial vision test and have their vision retested by an eye doctor will have their license approved if the doctor's report indicates the applicant has vision of 20/60 or better in at least one eye (corrected or uncorrected). This approval is allowed by Department administrative regulations. However, the Division's policy is to require the applicants to submit annual vision reports from their eye doctors if their vision is between 20/40 and 20/60. In addition, applicants with cataracts generally are required to submit annual reports. (A blank vision report is included in Appendix B.) Examiners may also include restrictions on the driver's license like wearing corrective lenses and driving during daylight hours only. Applicants who do not have 20/60 vision or better in at least one eye are not licensed.

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The Division also has established requirements for licensing applicants with epilepsy and other seizure disorders. Such applicants must be seizure-free for one year before licensing. The Division does not require applicants to be seizure-free for one year if the reported seizures or blackouts occurred only during sleep or were isolated events caused by medication. Licensed drivers with seizure disorders are required to submit annual medical reports until they have been seizure-free for five years.

In 1985, the Attorney General issued an opinion stating that the Division could not deny or revoke a driver's license because of seizure disorders controlled by medication without first obtaining an opinion from the Medical Advisory Board. As a result, the Division now requests an opinion from the Board on all seizure-related applications. The Board has adopted a policy identical to the Division's requirements: applicants must be seizure-free for one year before they can be licensed.

Licensing Decisions For Applicants With Other Impairments Are Made On A Case-By-Case Basis

The Division does not have established guidelines for licensing applicants with impairments such as alcohol or drug addiction and psychological disorders. Licensing decisions in such cases are generally made on an individual basis after the Director reviews the available medical information, and such cases are often referred to the Board for a recommendation. Licensed drivers with these types of conditions may be required to submit annual medical reports, and those decisions are also made on an individual basis.

Changes Have Been Proposed To Current Kansas Vision Standards

In April 1986, the Kansas Medical Society and the Kansas Optometric Association made a series of recommendations to the Director of Vehicles for revising present licensing standards for visually impaired drivers. The recommendations were designed to permit drivers with vision of 20/70 to 20/200 in the better eye to demonstrate their driving ability to a specially trained examiner. The recommendations included the following major provisions:

- A driver with a visual impairment in the 20/70-20/200 range would be required to provide the Department with a letter of recommendation from a physician or optometrist listing the applicant's visual acuity and diagnosis, and the doctor's recommendations for driving restrictions;
- The Medical Advisory Board would then review the information submitted and make a recommendation to the Director on whether a driving test should be given;
- The specially trained examiner would send a written report to the Board on the results of the driving test, and would have the option to refuse to administer the test if he or she believed that it would be dangerous for the applicant to drive;
- The Director would make the final licensing decision. Licenses could be unrestricted, somewhat restricted, or highly restricted, perhaps allowing only travel to farm or church, in daylight, in light-traffic hours, or in small communities. Annual vision reports would be required, and each driver's violation and accident record would be carefully monitored.

The medical groups making these recommendations to the Director also suggested forming a subcommittee of the Medical Advisory Board consisting of at least two ophthalmologists and two optometrists. The Director has taken the groups' suggestions under advisement, but has not taken any further action.

Kansas' Requirements For Drivers With Impairments Are More Stringent Than Other States' Policies

The U.S. Department of Transportation's National Highway Safety Administration's preferred highway safety practices recommend that states examine driver's license applicants periodically to identify physical and mental characteristics which could restrict an applicant's ability to drive safely. Individual states have adopted different standards.

The auditors contacted driver licensing officials in 10 other states to discuss their procedures for licensing drivers with impairments. The states contacted were California,

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Summary of State Vision and Seizure Standards

The auditors contacted 10 other states, including the four surrounding states, to determine how those states license drivers with physical or mental impairments. Most of these states have specific regulations or policies for licensing drivers with vision impairments and seizure conditions, and those standards are summarized below.

	Vision Standards		Seizure Standards	
State	Minimum Vision(a)	Periodic Reporting(b)	Seizure-Free Period	Periodic Reporting(b)
California	none	none	none	none
Colorado	20/100	every 4 yrs	none	none
Illinois	20/70	every 4 yrs	none	every 4 yrs
Iowa	20/70	every 6 yrs	6 months	every 2 yrs
Kansas	**20/60**	**annually**	**1 yr**	**annually**
Missouri	20/160 (c)	every 3 yrs	none	every 3 yrs
Nebraska	20/70	every 4 yrs	1 yr	none
Oklahoma	20/100 (d)	none	1 yr	none
Oregon	20/70	none	none	none
South Dakota	20/40 (e)	every 4 yrs	18 months	every 6 months (f)
Texas	20/50	every 4 yrs	1 yr	none

(a) Most states' vision standards are based on vision measurements using both eyes. However, Iowa's minimum standard refers to an applicant's best vision, which could be for one or two eyes. The standards in Kansas and Texas refer to an applicant's vision in at least one eye.

(b) Reporting requirements are listed only when the state generally requires applicants to report periodically. States without an established reporting policy often indicated they may require any individual to submit reports, but that decision is made on an individual basis.

(c) Decisions to license applicants whose vision is between 20/75 and 20/160 are made on an individual basis.

(d) Decisions to license applicants whose vision is between 20/60 and 20/100 are made on an individual basis.

(e) Decisions to license applicants whose vision is worse than 20/40 are made on an individual basis.

(f) Licensed drivers who have seizure conditions must report every six months until they are no longer taking medication for the condition.

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Colorado, Illinois, Iowa, Missouri, Nebraska, Oklahoma, Oregon, South Dakota, and Texas. Like Kansas, most of these states have specific requirements for applicants with vision impairments and seizure disorders. Licensing decisions for applicants with other conditions are made on an individual basis.

The other states have adopted a variety of licensing standards, but overall, Kansas' requirements appear to be more stringent than the other states' policies. These policies are summarized in the box on page six. Only Texas has more stringent vision standards than Kansas, requiring drivers to have at least 20/50 vision in one eye. South Dakota requires applicants with seizure disorders to be seizure-free for 18 months, and Nebraska, Oklahoma, and Texas use the same one-year standard adopted by Kansas. California, Oklahoma, and Oregon do not require impaired drivers to submit periodic medical reports, although most of the states require updated reports when applicants renew their licenses. By comparison, Kansas requires many impaired drivers to submit annual medical reports.

How Well Are Those Procedures Working?

To answer this question, the auditors reviewed the Division of Vehicles' records for a sample of 100 licensed drivers and license applicants with mental or physical impairments. They reviewed files and documentation to determine if the Division processed new and renewal applications in a timely manner and based licensing decisions on State law, regulation, and Department policy. In addition, the auditors contacted 20 of the applicants to determine if those individuals were satisfied with the Division's handling of their cases.

For their sample of drivers and applicants with impairments, the auditors found that the Division issued or denied licenses in accordance with State law, regulations, and Department policy. The Division also processed most applications in a timely manner, although some actions took longer to process than Department policies and State law prescribe. Half the drivers and applicants contacted by the auditors were dissatisfied with the Division's procedures, but many complaints were based on misunderstandings or poor communication. These findings are discussed in the following sections.

The Division of Vehicles Based All Licensing Decisions On State Law and Department Policies

The auditors reviewed the Division's records for 100 individuals who applied for new or renewed drivers' licenses or learners' permits from 1981 through 1986. Fifty of these applicants had vision impairments, 43 had seizure disorders, and the remainder reported medical conditions such as cerebral palsy, alcohol dependence, and vertigo. The Division's licensing decisions for these 100 applicants are summarized in the following table.

Summary of Licensing Decisions For Sample Applications

Decision	Vision Impairment	Seizure Disorder	Other Condition	Total
Approved Without Restrictions	0	6	3	9
Approved With Restrictions	49	25	3	77
Denied	1	9	1	11
Under Review	0	3	0	3
Totals	**50**	**43**	**7**	**100**

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As the table on the preceding page shows, the Division approved nine applications without restrictions and approved 77 applications with restrictions. The restrictions included requirements for filing annual vision or medical reports, wearing corrective lenses, or driving only during daylight hours. The Division also denied or revoked 11 applications, and seven of those revocations were for individuals who reported they had experienced a seizure within the last year. The three remaining cases were being reviewed by the Director when the audit was conducted, and no decision had been made.

Two Examples of Typical Driver's License Cases

One licensee in the auditors' sample was an 81-year old woman who came to the attention of the Driver Review Section through a letter from her insurance company in April 1984. The letter expressed concern about the licensee's ability to drive, in light of information supplied by her physician. According to the doctor, the woman had hypertension, heart disease, depression, paranoid delusions, and left foot drop. The Section referred the letter to the Director of Vehicles, who requested additional information from the doctor. In his correspondence with the Director, the doctor repeated his concerns about the woman's ability to drive. As a result, the Director revoked the woman's license in May 1984. More than a year later, in September 1985, the woman requested reinstatement. However, when consulted again, her doctor repeated his previous diagnosis, adding "near-blindness-near-deafness" to the previous list of symptoms. The Director refused to reinstate the license.

A second case reviewed by the auditors concerned a 39-year old man who at his 1984 license renewal reported a recent seizure. The medical report required by the Division showed that his last seizure had occurred in October 1983, but the doctor believed that it had been caused by medication, and that the man would be a safe driver. The Director of Vehicles referred the case to the Medical Advisory Board in June 1984. The Board concurred that the seizure had been induced by medication, and recommended that the man's license be continued. The Director approved the renewal, but required that the man file an annual medical report. The licensee filed reports in 1985 and 1986. In the 1986 report, the doctor recommended that the annual report requirement be discontinued, because the 1983 seizure had not been symptomatic of a seizure disorder. As a result, with the concurrence of the Board, the Director removed the annual report restriction.

In general, the auditors found that all approvals, denials, and revocations were made in accordance with State law and Department policy. For instance, all applications from individuals with vision of at least 20/60 in one eye were approved, although many were approved with restrictions. And all applications from people who reported having a seizure within the last year were denied. In addition, the Director referred seven cases to the Medical Advisory Board and followed the Board's recommendations in the four cases concluded prior to the time the audit was conducted; the other three cases were still being reviewed by the Board. The auditors, however, did find a number of restrictions that were not properly recorded in the Division's computer records.

Some restrictions were not recorded correctly in the Division's computer records for individual drivers. These included both approved restrictions that were not recorded on a driver's record and discontinued restrictions that were not deleted. For six of the 77 licenses approved with restrictions, restrictions documented in the Division's files were not included in the computerized record for the appropriate driver. Five of those restrictions required drivers to submit annual medical or vision reports. Without the computer entry, no reminder notice is generated, and one driver in this group did not submit a 1985 annual report. Division staff apparently were not aware that the report was never submitted, but failure to submit an annual report can result in revocation of a license. The auditors also found two cases in which the Division removed the annual reporting requirement but did not delete the requirement from the drivers' computerized record. As a result, these two drivers could receive reminders to file their annual reports even though that requirement has been discontinued.

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The Division Generally Approved Licenses In a Timely Manner, But Other Actions Sometimes Took Longer Than Necessary

For the 100 sample cases, the auditors determined the average time the Division took to approve a new driver's license, to revoke a license once it was aware of a revocable condition, and to reinstate a revoked license once the driver satisfied all conditions. They also determined the average time needed to schedule and conduct administrative hearings. These processing times are summarized in the following table.

Average Processing Time For Licensing Actions

Action	Number	Processing Time	
		Average	Range
Approvals and Reinstatements	26	9 days	0 to 33 days
Revocations (Medical Conditions)	14	16 days	1 to 54 days
Revocations (Late Medical Reports)	15	30 days	8 to 73 days
Administrative Hearings	4	41 days	25 to 62 days

License approvals and reinstatements were generally handled promptly. The auditors examined 26 actions in which the Division approved new or renewal license applications, or reinstated revoked licenses. As the table shows, on average it took nine days from the receipt of a satisfactory medical or vision report for the Division to make a determination in these cases. Actual decision-making time ranged from the same day to 33 days later, with 17 actions resolved in seven days or less. Only three decisions took more than 20 days.

Revocations for late medical reports were processed more slowly than indicated by Division policies. According to Division policy, when licensees fail to submit medical or vision reports on time their licenses are revoked until a satisfactory report is received. There is no intended "grace period" for delinquent licensees; revocations are to be initiated immediately when the staff becomes aware that a report is overdue. Division officials said that, in practice, revocations are generally processed within two weeks of the date a report becomes overdue. However, the auditors found that only three of 15 such revocations were processed within two weeks. The Division took an average of 30 days to detect delinquencies and process the revocations for late medical reports; actual processing time for these revocations ranged from 8 days to 73 days.

In two cases the Department of Revenue failed to grant administrative hearings within the time limit prescribed by State law. As described in the box on this page, any driver whose license

Applicants May Appeal Any Licensing Decision

Applicants who are denied licenses or whose licenses are revoked for medical reasons may request an administrative hearing with the Department of Revenue. Three attorneys from the Department's Legal Services Bureau conduct the hearings, and the Bureau attempts to schedule proceedings at times convenient for the applicant. The hearing officer reviews the applicant's case, including any new or additional medical information. If appropriate, individuals other than the applicant may testify or submit information.

Based on the information available, the hearing officer makes recommendations to the Director of Vehicles. These recommendations could include concurrence with the original decision or further review by the Director or the Medical Advisory Board. The Director makes the final determination whether to change the original decision in the case. Applicants who are not satisfied with the Director's final decision may also appeal to district court. None of the cases reviewed by the auditors were appealed in district court, and Department officials said that few such appeals are filed.

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Complaints About Licensing Actions Are Often Due to Misunderstandings

One 19-year old woman who had been treated for cerebral palsy told the auditors the Division failed to consider information from her doctor showing that she was no longer impaired by her condition. She alleged that she was unfairly placed under restrictions for over a year before the Division acknowledged this information. In reviewing the woman's file, the auditors found that the Division's decision to impose restrictions was based on the recommendations of both the woman's doctor and her driver's education instructor. The restrictions were removed 22 months later, when the woman had demonstrated that she could safely operate a motor vehicle. Although the woman's complaint was apparently unfounded, the Division did not clearly explain the basis for its actions in its correspondence with her.

Another woman's doctor apparently took away her driving privileges for a year following a seizure, but did not inform the Division of Vehicles. Thinking her license had been officially revoked, the woman wrote to the Division a year later requesting that they send the medical report forms needed to get her license reinstated. Apparently, the Division thought she was simply requesting her annual medical report forms, which were not due for several months. Instead of sending the forms she requested, the Division instructed her to wait until her annual report forms were sent through the Division's normal procedures. The woman wrote a second letter requesting the forms, but received the same reply. Therefore, the woman did not think she could legally drive for an additional five months while she waited for her annual report forms to arrive. As a result of this communication problem, the woman was dissatisfied with the service she received from the Division.

is revoked may request an administrative hearing. State law specifies that such hearings are to be held within 30 days of the request. Four drivers in the auditors' sample had administrative hearings, but two drivers had to wait more than 30 days. One of the two had to write a second request letter, and his hearing was not held until 62 days after the initial request. The other hearing was held 48 days after the initial request. Because neither license was reinstated as a result of these hearings, the delays had no effect on the individuals' driving privileges.

Some Applicants Were Dissatisfied With Licensing Decisions, But Complaints Were Often Due to Misunderstandings of Division Policy

The auditors contacted 20 applicants to obtain their opinions about the Division's procedures for evaluating individuals with disabilities and impairments. Half the people contacted had no complaints and were generally satisfied with the Division's procedures. The other 10 applicants indicated they were not satisfied with some aspect of the Division's actions. The auditors reviewed the files of these people, and in each case it appeared the Division's action was based on established standards and policies. None of the individuals demonstrated that the standards did not, or should not, apply in their cases.

In seven cases, complaints were apparently caused by inaccurate information, poor communication, or misunderstandings of Division policy. For example, one man said he did not understand why it was necessary to continue submitting annual reports when his doctor recommended that they were no longer needed. Although the man sent a letter to the Division inquiring about this, the Division's response failed to explain that annual reports are required for five years in all seizure cases, regardless of the doctor's recommendations. Consequently, the man thought the Division had not handled his case fairly. Other complaints are described briefly in the accompanying profile.

Conclusion

The Division of Vehicles has established policies and procedures for licensing drivers with physical or mental impairments. In most cases the Division appears to follow those established procedures, which are more

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stringent than those of other states contacted by the auditors. No applicants in the auditors's sample were denied driver's licenses for arbitrary reasons, and applicants who did not meet the established minimum standards were consistently denied licensure. Further, most licensing decisions were made on a timely basis. Some applicants did not agree with the Division's standards, but could not demonstrate why those standards should not apply in their cases. Other complainants did not appear to know why the Division took the actions it did. In these cases, the Division could minimize any misunderstandings by improving communication with licensees and explaining its policies and procedures more clearly.

Recommendations

1. To ensure that the Division of Vehicles maintains accurate records for drivers with impairments, license restrictions should be added to and deleted from computerized driver records in a timely manner.

2. To minimize impaired applicants' dissatisfaction with licensing procedures, the Division should ensure that correspondence with those applicants clearly explains the policies and procedures used in licensing decisions.

3. To ensure compliance with K.S.A. 1985 Supp. 8-255, the Legal Services Bureau should schedule administrative hearings within 30 days of the driver's request when the driver's license has been revoked because of a medical condition.

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APPENDIX A

Division of Vehicles' Standard Medical Report

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Attachment 12-15

KANSAS DEPARTMENT OF REVENUE

DIVISION OF VEHICLES
DRIVER CONTROL BUREAU
STATE OFFICE BUILDING
TOPEKA, KANSAS 66626-0001

This medical evaluation report is in TWO SECTIONS. The APPLICANT is to sign the Authorization, COMPLETE SECTION I AND PRESENT SECTION II to a licensed physician of their choice. The LICENSED PHYSICIAN WILL COMPLETE SECTION II and mail both sections to the Division of Vehicles, Driver Control Bureau, State Office Building, Topeka, Kansas, 66626-0001.

Name _____ Date of Birth _____
(Last) First) (Middle) (Month) (Day) (Year)

Address _____ Driver's License #, if any _____
(Street/Box) (City) (State) (Zip Code)

Occupation _____ Marital Status: ( ) Single
( ) Married
( ) Divorced
( ) Widow
( ) Widower

AUTHORIZATION

I hereby authorize licensed physicians to answer any question about my physical and mental condition, and to make available to the Division of Vehicles any medical information or records relating thereto. I consent to the Division of Vehicles receiving such information and records, and using the same as proof of any fact relating to my ability to operate a motor vehicle safely.

_____ _____
(Signature) (Signature of parent or guardian if patient is a minor.)

SECTION I: HISTORY

If the answer to any of the questions below is YES, please give sufficient details in question 13 REMARKS at the end of this section:

1. Have you had any reportable motor accidents in the last five years? .....YES ___ NO ___
2. Has your driver's license ever been suspended, revoked or cancelled? .....YES ___ NO ___
3. How many convicted moving violations have you had in the last year? _____
4. Have you ever had any serious illness ( ), physical disabilities ( ), or missing limbs ( )? .....YES ___ NO ___
5. Have you ever had a stroke? .....YES ___ NO ___
6. Have you ever had any blackout spells ( ), dizzy spells ( ), epilepsy ( ), seizures ( ), or convulsions ( )? .....YES ___ NO ___
   If YES, give date of last attack _____
7. Do you currently suffer from any unusual degree of nervousness, depression, confusion, memory impairment, or any other psychiatric disorder? .....YES ___ NO ___
8. Do you take drugs or medicine of any kind? .....YES ___ NO ___
   If YES, list and describe whether or not these medications cause any symptoms which might impair your ability to drive safely. _____
9. Do you wear glasses or contact lenses? .....YES ___ NO ___
10. Have you ever been advised that you have any kind of vision trouble or eye disease? .....YES ___ NO ___

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(Rev. 12/85)

SECTION I: CONTINUED

11. Have you ever had a temporary or sudden loss of vision in one or both eyes, or double vision? .....YES ___ NO ___
12. Do you have any problem with abuse of alcohol or any other drugs? .....YES ___ NO ___
13. Remarks: Use this space for further explanation. Please refer to the question number. _____

The above medical history has been reviewed. _____
(Signature of Physician) (Date)

_____
(Please type name of physician)

_____
(Address)

_____
(City) (State) (Zip)

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KANSAS DEPARTMENT OF REVENUE

DIVISION OF VEHICLES
DRIVER CONTROL BUREAU
STATE OFFICE BUILDING
TOPEKA, KANSAS 66626-0001

CONFIDENTIAL MEDICAL INFORMATION

DRIVER MEDICAL INFORMATION

Release of Information: Permission is granted for release of all medical information concerning me to the Kansas Division of Vehicles.

_____
(Signature of Applicant)

Dear Doctor: We are seeking your help in protecting the health and safety of your patient. Please have the patient sign the above Release. Although the Division seeks the benefit of your judgment about his medical fitness to drive safely, you are neither expected nor required to make the decision about his driver's license. This legal responsibility rests entirely with the Division of Vehicles, which must also take into account considerations other than medical. Please answer all of the questions and return this form. Any charges for this examination should be made to your patient.

SECTION II

How long has applicant been your patient? _____

Date of this examination _____

Does your patient have episodic or permanent:
( ) Unconsciousness, dizziness, confusion or irrational behavior
( ) Severe Pain
( ) Loss of muscular control
( ) Loss of vision
( ) Other significant symptoms

If so, please describe details, including duration, frequency and nature of any episodic symptoms;

_____
_____
_____
_____
_____
_____

EXAMINATION

Height _____ Weight _____

Hearing: R _____ L _____

Vision without glasses: R _____ L _____
Vision with glasses/contacts: R _____ L _____
Gross fields of vision: Adequate _____ Limited _____

	Normal	Abnormal
Eyes		
Ears		
Heart		
Lungs		
Orthopedic		
Neurological		
Psychiatric or mental		
Other		

BLOOD PRESSURE: _____

Brief account of significant details: _____

List Medications & Dosages of Each:

Diagnoses _____

Do you think this person is physically and mentally capable of driving safely? ..... YES ____ NO ____

Recommendations, including needed specialist examinations: _____

DATE: _____

_____
(Signature of Physician)

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(Rev. 12/85)

HISTORY STATEMENT

Name _____ Date of Birth _____ Sex _____
Last First Middle Month Day Year

Address _____
Street, R.R. or Box City State Zip

Driver's License Number _____ Color of Eyes _____
(Please copy from driver's license)

1. The start of my seizures (spells/blackouts) was at _____ years of age.
2. My seizures have been as frequent as _____ per day _____ per week _____ per month _____ per year.
3. I have not had a seizure now for _____ years, _____ months, _____ weeks.
4. My last attack occurred on _____.
5. I can ( ) cannot ( ) tell that I am going to have a seizure (spell/blackout).
6. My seizures (spells/blackouts) occur:
   ( ) A. Only during sleep.
   ( ) B. Only when awake.
   ( ) C. Any time.
7. I am presently taking the following medicine(s) to control my seizures (spells/blackouts). (If not on medicine, write "NONE".)

	MEDICINE	DOSE	HOW OFTEN
A.			
B.			
C.			

8. I have ( ) have not ( ) had an electroencephalogram examination (EEG brain wave). This was done on _____ at _____.
   (Date) (Place)
9. I intend to operate a private car ( ), taxi ( ), bus ( ), truck ( ).
10. The physician who is presently treating me or whom I wish to have treat or examine me is: _____ M.D. Address _____
    (Street) (City) (State) (Zip)

I certify that the above statements were made freely and in good conscience and are, to the best of my knowledge, correct. I understand that the physician whom I have named above will be contacted for further information. I will notify the Division of Vehicles immediately of any change in my condition.

_____ _____
(Date) (Signature of Applicant)

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16.
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Attachment #17

PHYSICIAN'S REPORT

Patient's Name_____ Date of Birth___/___/___ Sex____
Last First Middle

Address _____
Street, R.R., Box City State Zip

HISTORY : On set of seizures at _____ year of age.

Type of Seizures: Frequency of Seizures:

_____ [at onset] _____
_____ [subsequently] _____
_____ [presently] _____

Presence of aura_____ Type of aura_____

Time of attack [while awake, in sleep, anytime]_____

Date of last attack___/___/___

PHYSICAL FINDINGS: [Within six months of above date, and since date of last attack, note abnormalities only]

A. General:

1. Head & Neck_____
2. Chest_____
3. Abdomen_____
4. Extremities _____

B. Neurological:

1. Cranial Nerves_____
2. Reflexes _____
3. Sensory_____
4. Motor _____
5. Coordination _____
6. Paralysis _____

C. Other Physical, mental and/or psychological abnormalities:

_____
_____
_____
_____
_____

HOSPITALIZATION : For study and/or treatment relative to seizures:

[Date] _____ [Place]_____ [Results] _____
[Date] _____ [Place]_____ [Results] _____

ELECTROENCEPHALOGRAPHIC FINDINGS : [If known]

Date_____ Place_____
[Institution] [Location]

Results _____
Read by_____

(PLEASE COMPLETE OTHER SIDE)

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PHYSICIAN'S REPORT: CONTINUED

MEDICATION: The following medication(s) presently given to control seizures:

(Drug) _____ (Dose) _____
(Drug) _____ (Dose) _____
(Drug) _____ (Dose) _____

CLASSIFICATION OF SEIZURE:

Generalized tonic-clonic _____
Absence _____
Partial _____
Complex Partial_____
Other _____
If symptomatic, specify cause _____
_____
_____
_____

ANTICONVULSANT BLOOD LEVELS:

_____
_____
_____
_____

This patient has been under my care for _____. During this time, I have had reason to believe that he/she ( ) is ( ) is not reliable in taking necessary medications and reporting for his/her appointment.

Other remarks _____
_____
_____
_____
_____
_____

_____ M.D.
(Signature)

_____
(Street)

_____
(City) (State) (Zip)

Specialty _____

_____
(Date)

17.
HOUSE TRANSPORTATION
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Attachment 17-18

MEDICAL ADVISORY REQUEST

PERTAINING TO: _____ _____
(Name) (Date of Birth)

_____
(Address)

In an effort to properly and accurately screen Kansas drivers, the Division of Vehicles requires that this form be completed by a licensed physician prior to licensing certain citizens to drive. K.S.A. 8-241, K.S.A. 8-247.

By signing this form, the physician is certifying that there is no known medical reason to deny a driver's license to the above named driver's license applicant. Signature also indicates that the physician is sufficiently familiar with the driver's license applicant to render this decision.

FULL DRIVING PRIVILEGES

I certify that after reviewing the medical history of the above referenced person, I find that he/she is medically capable to operate a vehicle safely upon the public highways of this or other states.

ANNUAL MEDICAL REVIEW IS NECESSARY YES ☐ NO ☐

_____
Physician's Signature

The above named person appeared before me, a notary public, and executed the foregoing instrument this _____ day of _____, 19____.

_____
Notary Public

My Appointment Expires _____

PARTIAL DRIVING PRIVILEGES

I certify that after reviewing the medical history of the above referenced person, I find that he/she is medically capable to operate a vehicle safely upon the public highways of this or other states with the following restrictions:

_____

_____

ANNUAL MEDICAL REVIEW IS NECESSARY YES ☐ NO ☐

_____
Physician's Signature

The above named person appeared before me, a notary public, and executed the foregoing instrument this _____ day of _____, 19____.

_____
Notary Public

My Appointment Expires _____

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(2/83)

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Attachment 18
18.

APPENDIX B

Division of Vehicles' Standard Vision Report

HOUSE TRANSPORTATION
October 25, 1993, 1:30 pm
Attachment 12-20

KANSAS DEPARTMENT OF REVENUE

DIVISION OF VEHICLES

INSTRUCTIONS TO APPLICANT OR DRIVER

The simple vision test given by a Driver's License Examiner shows that you would probably be a safer driver if you could see better. You are being asked to have your eyes examined by an eye specialist to determine whether your sight can be improved by glasses or treatment. If glasses will make you a safer driver, your license will permit you to drive only while wearing them.

Please do not ask the Driver's License Examiner to recommend an eye specialist as he is forbidden to do so.

If you have any questions about how well you must be able to see to be granted the privilege of driving on the streets and highways of Kansas, the Driver's License Examiner will be glad to answer them.

ACUITY	Right Eye	Left Eye	Both Eyes	Field of Vision
With present Glasses (if any)	20/ /	20/ /	20/ /	To Right of Point of Fixation
Without Glasses	20/ /	20/ /	20/ /	To Left of Point of Fixation
With Best Possible Correction	20/ /	20/ /	20/ /	TOTAL ANGLE

1. **Are glasses needed for distant vision?** _____ **Are they being fitted?** _____
2. **Describe any irregularities such as: Double vision, poor night vision, eye injury, eye disease, poor near vision, etc.:**

_____

_____

_____

3. **Will glasses improve conditions described in No. 2?** _____
4. **Will other treatment improve above mentioned conditions?** _____
5. **Are you undertaking such improvements?** _____

(OVER)

DE-7
(Rev. 8/84)

EXPLANATION FOR EYE SPECIALIST

All applicants for licenses and drivers whose records cast doubt on their ability to drive safely are given *simple vision tests* by the Driver's License Examiners, but when more accurate measurements are needed, the person is asked to visit an eye specialist. A report from such a specialist is particularly valuable if the fitness of a driver is questioned in court following an accident.

Kindly sign this report, and give your own driver's license number, if you have one. For proper identification, please have the person examined sign the report in your presence.

No recommendations or suggestions as to which specialist to visit are given by the Driver's License Examiners. *Only* reports from licensed practitioners will be acceptable. The eye specialist assumes no responsibility in making this report other than that of truthfully representing the facts.

DIVISION OF VEHICLES

DRIVER'S LICENSE SECTION

Full Name of Person Examined _____ **Driver's License No.** _____

Address _____

CERTIFICATION OF EYE SPECIALIST

I, _____ **being licensed to practice**

_____ **in Kansas, certify that I have personally examined the eyes of the above named, that a true record of this examination appears on the other side of this sheet and that he or she signed below in my presence.**

Signature of Eye Specialist _____ **Date** _____ **19** ___

Business Address _____ **Telephone Number** _____

Usual Signature of Person Examined _____

(OVER)

HOUSE TRANSPORTATION
October 25, 1993, 1:30 pm
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APPENDIX C

Agency Response

A copy of the draft audit report was sent to the Department of Revenue for its review and comment on October 10, 1986. The Department's response to the audit is presented in this Appendix.

HOUSE TRANSPORTATION
October 25, 1993, 1:30 pm
Attachment #2-22

KANSAS DEPARTMENT OF REVENUE
Office of the Secretary
State Office Building · Topeka, Kansas 66612-1588

October 17, 1986

Meredith Williams
Legislative Post Auditor
Legislative Division of Post Audit
Mills Building
Topeka, Kansas 66612

RECEIVED
OCT 20 1986
DIVISION OF POST AUDIT

Dear Mr. Williams:

As requested by the legislative Division of Post Audit, the Department of Revenue hereby submits its response to the draft audit report, Licensing Kansas Drivers with Medical Disabilities.

Maintaining Accurate Records For Drivers With Impairments

The Division of Vehicles is currently in compliance with the recommendation to add to or delete license restrictions from computerized driver records in a timely manner in order to maintain accurate records for drivers with impairments.

Medical records are updated within forty-eight hours from a direct entry terminal located in the Driver License Examining office on the third floor of the State Office Building.

Other entries, aside from suspensions and revocations, are made by Data Entry unit, second floor, State Office Building. Prior to January, 1985, medical restrictions were entered through the Data Entry unit, and it generally required from one to six weeks for the restrictions to be reflected on the computer records.

Minimizing Applicant Dissatisfaction

The recommendation to explain the licensing policies and procedures in correspondence in order to minimize impaired applicants' dissatisfaction is currently being applied.

Because each applicant is recognized as an individual case, the Division strives to be as specific as possible in referring to pertinent medical information or in referring the applicant back to their physician.

Further, if a misunderstanding does occur, a phone call to the office of the Director of Vehicles will result in a timely and accurate answer.

General Information (913) 296-3909
Office of the Secretary (913) 296-3041 · Legal Services Bureau (913) 296-2381
Audit Services Bureau (913) 296-7719 · Planning & Research Services Bureau (913) 296-3081
Administrative Services Bureau (913) 296-2331 · Personnel Services Bureau (913) 296-3077

HOUSE TRANSPORTATION
October 25, 1993, 1:30pm
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Compliance with KSA 1985 Supp. 8-255

The Legal Services Bureau schedules all administrative hearings within thirty (30) days of the driver's request when the driver's license has been revoked for any reason.

Instances where a hearing may not be either scheduled within thirty (30) days, as required, or held within that time period would include a clerical error; a request by the driver for an extension; or when the hearing date is extended upon request from the hearing officer.

Proposed Changes to Current Kansas Vision Standards

As noted in the report, the Director of Vehicles has taken under advisement changes in vision standards proposed by the Kansas Medical Society and the Kansas Optometric Association. The Department agrees with the suggestions as written on page 5 of the audit report, with the following exception.

We do not feel there is a need for a "specially trained" driver license examiner to evaluate the driving ability of persons with vision of 20/70 to 20/200 in the better eye. Driver license examiners having at least six months experience are capable of making this assessment.

If further information is needed or if you have any questions, please contact me.

Sincerely,

Harley T. Duncan
Secretary of Revenue

HOUSE TRANSPORTATION
October 25, 1993, 1:30 pm
Attachment 12-24

A Division of
Mid-America Chapter PVA

October 25, 1993

Testimony on Restricted Driving Privileges
by Richard Charlton
Legislative Director

before the
House Transportation Interim Study Committee

Mr. Chairman and members of the committee thank you for this opportunity to speak on behalf of Sunflower Sub-Chapter/Mid-America Paralyzed Veterans of America (PVA). We support amending K.S.A. 8-247(e)(6) regarding the driver's license renewal process for persons with disabilities.

The current statute is too ambiguous in that any driver's license examiner can arbitrarily require a drive test before renewal of a license by a person with an alleged disability. The examiner, without any substantial evidence that an alleged disability would impair the applicant's driving abilities, can require a drive test prior to renewal. To my knowledge the driver's license examiners have not been provided with sufficient training to prepare them to adequately make this determination.

Drivers with disabilities in our great State of Kansas realize driving is a privilege. Having a driver's license is extremely important to those of us who drive. It affords us the ability and mobility of independence and full inclusion in the day-to-day activities of life. This is especially important to persons who are employed or doing volunteer work activities.

Attached you will find the wording of the current statute and PVA's proposed amendments. Also attached are documents that were requested from the Kansas Commission on Disability Concerns regarding their research efforts on this matter.

HOUSE TRANSPORTATION
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Attachment 13-1

7846 S. Seneca • Wichita, KS 67233
(316) 524-7633
Toll Free Number: 1-800-321-5041

Current Statute: Sup. 1992

K.S.A. 8-247(e)(6) When the division has good cause to believe that an applicant for renewal of a driver's license is incompetent or otherwise not qualified to operate a motor vehicle in accord with the public safety and welfare, ...
.....
Any such applicant who is denied the renewal of such a driver's license because of a mental or physical disability shall be afforded a hearing in the manner prescribed by subsection (c) of K.S.A. 8-255, and amendments thereto.

Recommended amendment

K.S.A. 8-247(e)(6) When the division has ***documentation which would prove*** ~~good cause to believe~~ that an applicant for renewal of a driver's license is incompetent or otherwise not qualified to operate a motor vehicle in accord with the public safety and welfare, ...
.....
Any such applicant who is denied the renewal of such a driver's license because of a mental or physical disability shall ***retain their driving privileges while*** be***ing*** afforded a hearing in the manner prescribed by subsection (c) of K.S.A. 8-255, and amendments thereto.

HOUSE TRANSPORTATION
October 25, 1993, 1:30 pm
Attachment 13-2

STATEMENT PRESENTED TO THE KANSAS HOUSE TRANSPORTATION COMMITTEE 14

MONDAY, OCTOBER 25, 1993

HARRIET F. DUFF, EXECUTIVE DIRECTOR
GREATER KANSAS CITY AREA ALZHEIMER'S ASSOCIATION

The Alzheimer's Association Chapters of Kansas City, Topeka, and Wichita appreciates the opportunity to represent the interests of the approximately 50,000 individuals with Alzheimer's Disease in Kansas and their families with a brief statement.

Alzheimer's Disease is a progressive, degenerative disease of the brain that results in changes in behavior and cognitive ability. At this time, diagnosing with 100% accuracy for Alzheimer's Disease is only possible through an autopsy; probable diagnoses are determined through complete examinations that rule out other possible causes for the individual's symptoms. The course of the disease can extend from a few years to over twenty years. Although Alzheimer's Disease generally strikes those over age 65, greater awareness and improved diagnostic techniques have made it more common to recognize early stages of the disease in younger people. Some patients will be able to function at the same level for an extended time, but the patient will eventually require complete supervision and care.

The Alzheimer's Association does not feel that a diagnosis of Alzheimer's Disease should be the primary criteria for limiting driving privileges. This broad categorization may cause physicians or families to delay diagnosis. It would also tend to stigmatize the disease itself. At some point during the disease, an Alzheimer's patient will no longer have the ability to be a safe driver. However, this point is very individual. The basis for taking away a driver's license should come from the individual's level of disability based on that individual's rate of decline. The diagnosis of Alzheimer's Disease may be given long before this point is reached. Someone who receives an early diagnosis may be able to function safely for a number of years -- depriving this person of the independence that driving provides could vastly affect the quality of those years.

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There are systems already in place that allow a family or caregiver to have driving privileges taken away. It is our suggestion that the current system be kept as simple as possible while still protecting the licensee's rights. It is also important that information about following the system be made readily available. Many families still do not know the steps they can take to protect their loved one. Physicians as well as other health care and social service providers should also we given this information so that they can assist families or those Alzheimer's patients without caregivers. It should be clear that steps to revoke a license can be started without putting the person who begins the procedure at risk for suit.

We appreciate your concern for the safety of our highways and your wish to insure that only appropriate drivers are licensed. With proper application and public information, the system you have already developed can help protect all of us including Alzheimer's Disease patients. We thank you for hearing our concerns today and hope we can again be included if any changes in the system as they may impact upon those with Alzheimer's Disease or related dementias are considered in the future. Thank you.

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HOUSE TRANSPORTATION COMMITTEE
1:30 P.M. October 25, 1993

Comments by:
Topeka Independent Living Resource Center, Inc.
Kenji S. Zweygardt, Staff Attorney

The issue of driving privileges is one of which holds a very important place to most, if not all, Kansans. This is of particular importance given the lack of, or inadequacy of, public transportation. However, the issue of adequate funding for public transportation is not before us at this time, although we do strive of increases in funding for such needs. Driving one's own car means freedom to many. It means the ability to socialize, go to the grocery store, the drugstore, or to religious services. It is such freedom of movement that many Kansans do not have on their own, either through physical or psychological disabilities they can not have such freedom of movement without assistive devices. We are not as concerned, at this time with the need to establish proficiency in the usage of assistive devices when initially obtaining a driver's license. Certainly an individual must establish the "ability" to maneuver the automobile with an assistive device.

This is a simple issue, if it were only related to assistive devices. The real issue is how persons are treated that do not require such devices. It has been my experience with person's who have disabilities seeking legal assistance in obtaining license renewal that it would appear the State of Kansas is establishing a pattern and practice of discriminating against persons with disabilities. Let me give you a few examples of what I believe are discriminatory practices.

1. A person in high school with a learning disability who has just completed driver's education, passes the course, and takes the certificate to the examiner for the long-awaited license. The person is told that a driving exam is necessary. This individual's medical history is unremarkable except for the slight developmental disability. I was able to review this person's file and was astounded at some of the items included. I saw one examiner note that stated "Obviously epileptic". Can a person "see" epilepsy? The State must have extraordinarily trained examiners.

2. A person with only partial usage of their left leg (ie, walks with a limp) goes in to renew the license. The person is told to drive with the examiner. There is no other indication of additional issues. Why the exam? The person looked different.

3. A person uses a cane for balance in walking, no other issues, and desires license renewal. The person is told to drive with the examiner, even though the reason for cane usage was non-progressive and had existed for 20+ years. Again, the only reason I can envision is that the person looked different.

These are just several instances which have occurred over the course of the past year. I believe these persons and undoubtedly hundreds, maybe thousands, of persons with disabilities are being subjected to humiliating discrimination at the hands of examiners. I ask you, would you like to drive with an examiner every time you renewed your license? If the answer is "NO" then you are like the persons with disabilities I have spoken to. They don't want to either. The discriminatory practice enters in when an individual is singled out due to their disability. This is obvious in the examples I have given. Not every one who renews a license has to drive with an examiner. If all renewals were required to drive this issue would not be before you.

I understand the Department of Revenue has indicated the examiner's have guidelines to follow and are trained in "screening" those who need to drive with an examiner. If this is the case, and I believe even if it were there would still be discrimination on its face, then why is my initial advice to persons accurate? That advice is to go renew on a different day and time and obtain a different examiner. In all but one instance my advise has worked. Therefore, in my opinion, not only has the State established a pattern and practice of discrimination; but it doesn't even follow its own guidelines which are stated by the Department as being non-discriminatory. We simply ask that all persons, regardless of disability status, be treated equally.

MEMORANDUM

Kansas Legislative Research Department

300 S.W. 10th Avenue
Room 545-N – Statehouse
Topeka, Kansas 66612-1504
Telephone (913) 296-3181 FAX (913) 296-3824

October 22, 1993

To: House Transportation Committee

From: Hank Avila, Research Analyst

Re: Interim Study Regarding the State's Relationship with Kansas Airports and Aviation

Background

The Aviation Division, Kansas Department of Transportation (KDOT), was created pursuant to K.S.A. 75-5010 and 75-5011. The Division, which is responsible for agency matters pertaining to aviation, was transferred in 1975 from the Kansas Department of Economic Development (now the Department of Commerce) to KDOT. This legislation was designed to structure the state government along lines of the federal Department of Transportation.

In Kansas, there are no state funds earmarked for aviation. The Aviation Division is funded from the State Highway Fund, as is KDOT administration generally. State monies that are appropriated to the Division are for salaries, consultant services to update the State Airport Systems Plan, and equipment and services (communication, travel expenses). The Division is responsible for preparation of the State Airport Systems Plan (90 percent of this cost is granted from the Federal Aviation Administration (FAA), and the State and Regional Disaster Airlift Plan, for inspection of selected airports under contract with FAA, and for publication of the State Aviation Directory and the State Aeronautical Chart. In addition, the Division promotes economic development of aviation and aerospace educational development in Kansas. The Division also provides administrative support to the Aviation Advisory Committee. The objective of the Committee is to provide recommendations to the Secretary concerning aviation matters in the state.

The Division of Aviation works with most of the governmental agencies in the state with respect to aviation matters and is a member of various organizations such as the American Association of State Highway and Transportation Officials, the National Association of State Aviation Officials, the Kansas Space Grant Consortium, the Kansas Pilots Association, the Kansas Aviation Museum, the Travel Industry Association of Kansas, the Kansas Cavalry, and the Airport Minority Advisory. These organizations provide guidance and research material to assist the Division with matters of concern in the aviation community.

Additional activities of the Division include advising FAA of specific unsafe practices which will jeopardize the flying public in Kansas; assisting with mediation of problems arising out of public and private conflict regarding aviation matters; holding public hearings pertaining to changes in facilities, navigation aids; participating in aviation conference, and expositions; promoting Kansas aviation, tourism, and industry; organizing and conducting the annual aviation art contest; and participating in the FAA flight safety program.

House Transportation
October 26, 1993 9:00 a.m
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As noted, there are no state funds earmarked for airport improvements. As a result, local airport authorities must rely on their own resources or on federal sources to provide funding for airport improvements. Some smaller airport authorities derive revenue principally from aviation fuel sales. Other sources include fees from leased portions of the airport, such as restaurants, hangars, and land for business and agriculture. Very few small airports are self-sufficient from such fees. Many airports are thus forced to make up the deficit from their cities' general funds, or allow the facility to deteriorate where it becomes unsafe for the user, or close the airport altogether.

For most smaller airports with ten or more aircraft based at their facility, the principal source of funding for capital improvements is FAA. The Airport Improvement Program (AIP), as amended in 1992, is the main source of such funding. AIP assists sponsors, owners, or operators of public-use airports in the development of a nationwide system of airports adequate to meet the needs of civil aeronautics. The types of assistance which are made by AIP include grants for planning, construction, or rehabilitation at a public-use airport. Grants are not made for the construction of hangars, automobile-parking facilities, or routine maintenance and repair. There are 13 airports eligible for federal funding as commercial service or reliever airports in Kansas. There are 64 existing general aviation airports in the state. Of those general aviation airports that filed applications for AIP assistance for FFY 1993, $43 million of needs were identified. However, only $5.3 million of AIP funds have been allocated for general aviation airports in Kansas.

There are 149 public-use airports in Kansas, of which ten receive commercial service. Seven of these communities receive Essential Air Service subsidies out of the FAA's aviation trust fund. Each airport, whether commercial service or strictly general aviation, provides essential transportation services and benefits to the community it serves. In terms of the economic importance of airports in Kansas, Peat Warwick, a consulting firm, estimated in 1990, the overall economic activity attributed to airport operations approximated $1.7 billion. There are also related nonmeasurable benefits in terms of public health, public safety, general welfare, and commerce.

Issues

This interim study was requested by the Kansas Association of Airports (KAA). In the opinion of KAA, an interim study of Kansas airports and aviation is needed to address the following issues:

1. Kansas has fallen behind other states in its investment in the development and maintenance of public use airports. Only 76 of the 149 public use airports in Kansas qualify for federal airport improvement program assistance. Kansas airports that do not qualify for federal assistance are relying on the KDOT, Division of Aviation, for advice on the availability of other funding for necessary airport development and safety upgrades. Without a source of state funds for assistance with basic maintenance, more and more Kansas communities may be faced with the closure of their local airport. The loss of the local airport means the loss of access to emergency medical services by air and access to the national air transportation system. Quality of life may be reduced and economic development possibilities are lessened. KAA recommends that an interim committee study possible State of Kansas funding sources for airport maintenance and development at small general aviation airports.

2. Kansas is not able to participate in the federal block grant program for federal airport improvement program (AIP) assistance. Currently, the federal government apportions approximately $3.4 million to Kansas for airport improvement grants made to general aviation airports. Currently, these funds are

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administered by the Federal Aviation Administration (FAA). Should the federal government decide that all 50 states should administer these funds, KDOT's Division of Aviation would not be able to perform the task due to lack of personnel and an insufficient data base about the physical conditions and needs as well as the day-to-day operation of general aviation airports. Four more states were added to the FAA's block grant program in 1992. It appears that the trend will continue. If the KDOT Division of Aviation is not able to administer the block grant program, then Kansas airports will stand to lose $3.4 million in annual AIP assistance. KAA recommends that an interim committee consider what action should be taken to prepare the KDOT Division of Aviation for participation in the FAA's block grant program for the state's general aviation apportionment.

3. The state must do a better job in enabling local communities to adopt effective land use and zoning regulations for the protection of airports and the airspace surrounding airports. Airports in Kansas face significant challenges from encroachment by incompatible land use surrounding existing airports. Airports in the state are also adversely affected by inadequate limitations on the height of tall structures in the vicinity of airports. The presence of an incompatible land use or the reduction of useable airspace surrounding an airport can significantly reduce the usefulness of the airport. KAA recommends that an interim committee review possible changes in current statutes enabling local communities to adopt airport zoning regulations with the goal of developing a more up-to-date enabling legislation.

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Attachment 13

93-0007577.01/ha

STATE OF KANSAS

17

KANSAS DEPARTMENT OF TRANSPORTATION
Docking State Office Building
Topeka 66612-1568
(913) 296-3566
FAX - (913) 296-1095

Michael L. Johnston
Secretary of Transportation

Joan Finney
Governor of Kansas

Testimony of Eugene Anderson, Director
Division of Aviation
Kansas Department of Transportation

Presented To
House Committee on Transportation and Utilities
October 26, 1993

Mr. Chairman, Members of the committee:

Background

In December 1982, the Aviation Division of the Kansas Department of Transportation (KDOT) initiated Phase I of the Kansas Aviation Systems Planning Program. The primary objective of Phase I was to prepare a statement of airport system requirements for the State of Kansas through the year 2000. The requirements data that were prepared served as an input to the 1984 National Plan of Integrated Airport Systems (NPIAS).

Phase I of the Kansas Aviation Systems Planning Program resulted in:

1. **General goals and objectives for aviation system planning in Kansas**

2. **A statement of criteria for airport classification and entry of airports into the statewide system**

3. **Forecasts of aviation demand through the year 2000 for the State of Kansas, its Economic Development Regions, counties and individual airports**

4. Determination of the airfield capacities of all public-use airports in the State (both publicly and privately owned)

5. Recommendations for airports to be included in:

   a. The Kansas Airport System

   b. The National Plan of Integrated Airport Systems (NPIAS)

Phase II accomplished:

1. An ongoing program and procedures for monitoring and updating the Kansas Aviation Systems Plan

2. An update of information on planned and required airport improvements, for input to the 1986 NPIAS

Phase III accomplished:

1. An update of aviation demand forecasts for the State and its eleven Economic Development Regions

2. A review and update of the Kansas Airport System

3. An evaluation and statement of the importance of the Kansas Airport System to the economy of the State and the many communities within the state

Phase IV accomplished:

1. Implementation of a continuing planning process

2. An update of the NPIAS data base for input to the 1991-1992 NPIAS

3. Preparation of a five-year Capital Improvement Program (CIP) adjusted for available federal funds

4. An evaluation and recommendations for surface access to airports in Kansas

Phase V is in progress and is accomplishing:

1. Completion of 1992 program year activities under the continuing planning process

2. Preparation of the NPIAS data base for input to the 1992-1993 NPIAS

3. Updating of the states' five-year CIP, adjusted for available federal funds

4. Preparation of special study of current and potential trends and issues concerning air taxi serviceand the air taxi industry in Kansas

In the next program year of the Kansas Aviation Systems Planning Program, the Division of Aviation plans to continue:

a. Maintaining the continuing planning process

b. Updating the aviation data base, including new inputs for the NPIAS

c. Updating the five-year CIP

In addition, a special study and forecast of aviation demand in the state and its subregions will be prepared. The study will cover historical data and forecast economic trends, general aviation and air carrier activity, and will update data presented in the KASPP Phase I and Phase III reports.

The following goals, as recommended in Phase I, have become the operating goals of the Division of Aviation of the Kansas Department of Transportation:

1. A balanced and fully adequate system of airports in Kansas serving the people and the economies of communities throughout the state, as well as the overall economy of the state.

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2. A system of airports designed to foster the safe, efficient, and rapid intercity transportation of people and goods by air.

3. A program of planning for airports in Kansas which is coordinated with and compliments the goals, objectives and programs in the National plan of Integrated Airport Systems (NPIAS) at the National level and other transportation system planning programs at the state and substate regional levels.

In light of the above, and in order to continue to meet the immediate and future aviation transportation needs of the state and to ensure efficient public service, the Kansas Department of Transportation, Division of Aviation is continuing the Airport Systems Planning Program. The work program will include the following tasks:

1. Implement the continuing planning process (annual)

2. Update the airport inventory (annual)

3. Maintain and update the Kansas Aviation Systems Planning Program (annual)

4. Update the National Plan of Integrated Airport Systems data base (annual)

5. Perform special studies (as required) that will provide guidance for planning and policy decisions at both state and local levels. (Examples include studies on commercial air transportation, ground access, and economic impact of the Kansas airport system)

DIRECTOR OF AVIATION

The Director, Division of Aviation, has overall responsibility for administration and supervision of the activities of the Division of Aviation, which include:

Represents the Secretary at meetings with legislative committees, Federal aviation officials, local government officials, representatives of other State Transportation or State Aviation Departments and the general public to discuss activities of the Aviation Division.

Serves as a member of KDOT Executive Staff who advise the Secretary concerning broad policies and procedures that affect KDOT.

Serves as Executive Secretary to the Aviation Advisory Committee which has responsibility for recommending to the Secretary goals, objectives, policies and programs for aviation activities.

Provides liaison between KDOT and the Federal Aviation Administration and other Federal and State agencies and officials as to federal assistance programs for aviation.

Maintains liaison with, and provides advisory assistance to, the KDOT Director of Planning and Development in the preparation of the state-wide airport system plan.

Provides overall direction and coordination of the airport inspection program being done by KDOT under contract for the Federal Aviation Administration.

Provides liaison between KDOT and the private sector of the aviation industry, maintains awareness of the scope and trends in aviation manufacturing and sales in Kansas, and promotes bringing aviation functions such as the air shows and aviation conventions and related activities to Kansas.

Coordinates the Governors Aviation Honors Awards and Hall of Fame Program.

Attend Legislative and Public Hearings on aviation related activities.

Attends the following meetings/seminars or training sessions:

Aviation Advisory Committee
Aviation Advisory Council
Airport Improvement Seminars
AAAE Meetings
Region 7 FAA Meetings
TIAK Meetings
KSGC Meetings
Aviation Conference
NASAO Meetings
ESA Meetings
DBE Meetings
MARC Meetings
Airport Managers Meetings

Perform other duties as directed by the Secretary.

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ADMINISTRATIVE OFFICER III

Assists with the direction of all aviation programs and activities of the Division of Aviation. This includes the development of and determination of data needs and methodologies to provide input to the State Airport Systems Plan, the National Plan of Integrated Airport Systems and the State and Regional Disaster Airlift Plan; review and evaluation of plans and proposals relative to the FAA Airport Improvement Program and directing of data collection activities required.

Serve as principal assistant to the Director of Aviation by providing professional guidance and direction relevant to the implementation of federal laws and regulations dealing with the funding of aviation programs and activities. This includes responses to proposed changes in federal regulations and providing technical expertise for legal and legislative response on matters related to aviation.

Initiate and administer applications for aviation planning, funding to the Federal Aviation Administration and coordinate the management of such funds. This includes coordinating all required technical and administrative documentation, reporting activities, fiscal status reports and program planning and scheduling.

Review and evaluate airport plans submitted by local communities for expansion/improvement or airport facilities. This includes evaluation of proposed improvements from the airspace impact as well as the engineering perspective.

Establish and administer a system to schedule and monitor the complex activities of the Division of Aviation. This includes the determination of goals and objectives for aviation systems planning; criteria for airport classification and entry into the statewide systems; projection of future aviation demands; capability of public-use airports; programs and procedures to monitor and update analysis for use by all levels involved in making policy decisions concerning the states airport system. Provide coordination required to meet established deadlines and priorities.

Coordinates aviation activities through liaison with other aviation-oriented interest. This includes meeting with and counseling state, federal and local government officials, transportation industry personnel, research interests, transportation organizations (such as AASHTO), aviation users and the public concerning statewide aviation planning activities accomplished through public hearings, coordination and informational meetings, conferences and by individual contacts.

Coordinate administrative responsibilities of the aviation planning program, including personnel matters and training activities; prepare the Division budget.

Perform other related duties as required.

SPECIAL PROJECTS PLANNER

Assist with the direction of aviation programs, the development of policy, the production of reports and research, and with the administration of activities of the Division of Aviation as directed by the Director of Aviation. This includes assisting in the determination and development of data needs, methodologies organizational structure, strategy and staffing for present and future activities of the Division.

Provide professional guidance and direction relevant to the implementation of federal and state laws and regulations dealing with aviation programs and activities. This includes responding to proposed changes in federal regulations and state mandates; providing expertise for legal and legislative response on matters related to aviation; estimating sales tax collected on aviation fuel, parts and services; and advising the Director as to the management of other state aviation agencies.

Design and implement a computerized, state aviation data-base, in consultation with colleagues in the Division of Aviation and KDOT, the Federal Aviation Administration (FAA), consultants, airport sponsors and other Kansas agencies. Such a system should be consistent with FAA requirements and applications, strategically respond to future data and reporting needs, interface with Department-wide intermodal planning applications, and be capable of automating and integrating the many tasks of the Division.

Prepare grant applications and membership applications, to include a multi-million dollar state block grant application and applications for participation in aerospace education activities.

Participate in aerospace education activities. This includes attending meetings of the Kansas Commission on Aerospace Education, the Kansas Space Grant Consortium and space development groups, supporting their activities with staffing and research, and advising the Director as to ways in which the Division can be of further service.

Provide staffing for the Aviation Advisory Committee, responding to issues and events of interest and/or consequence to the committee.

Represent the Division in inter-modal long-range planning activities, and prepare information in participation in the planning process.

Perform public affairs duties. These include preparing press releases, articles and letters.

Represent the Director at meetings with Federal aviation officials, local government officials, representatives of other state aviation departments and the aviation community.

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EXECUTIVE SECRETARY

The Executive Secretary acts for the Director of Aviation when he is absent from the office; maintaining continuity of service with FAA, city and county offices, airport operators, etc.

Maintains itinerary for the Director of Aviation and other office personnel, scheduling meetings, travel arrangements, preparation of expense vouchers.

Takes oral dictation and transcribes correspondence from the Director of Aviation. This correspondence will be letters, memorandums, circulars and reports of aviation material.

Prepares the completed contract letters to the FAA for acquisition of federal money. Compose letters answering request from the general public for aviation material such as charts, directories, statistics, etc.

Schedules and records minutes of the Aviation Advisory Committee and other committee minutes as requested. Is liaison person between the Director of Aviation and the Committee. Prepare expense vouchers for committee members.

Maintains the Division correspondence files and airport information files.

Maintains work schedules for airport inspectors nd completes inspection log for a statewide program.

Prepares information for the State and Regional Disaster Airlift Plan.

Prepares all aviation certificated emanating from the Division.

Assists with state-sponsored aviation activities to include Civil Air Patrol and other organizations.

Organizes art work the Annual Governors Aviation Art Contest.

Assists with the Governors Aviation Honors Award and Hall of Fame Program.

Prepares all mass mailing of aviation related material distributed to the public.

Assists with editing of Division of Aviation Quarterly newsletter. Newsletter is sent to airport managers, city, state and county officials, civic organizations and individuals.

Other related duties as required.

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PREPARING THE KANSAS DEPARTMENT OF TRANSPORTATION, DIVISION OF AVIATION, FOR PARTICIPATION IN THE FEDERAL AVIATION ADMINISTRATION'S BLOCK GRANT PROGRAM FOR THE STATE'S GENERAL AVIATION APPORTIONMENT

Prepared for the Kansas House
Transportation Committee
October 26, 1993 - 9:00 A.M.

Presented by:
Timothy F. Rogers, A.A.E.
President, Kansas Association of Airports
Executive Director, Salina Airport Authority

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Chairman Crowell and members of the Committee

I am Tim Rogers, Executive Director for the Salina Airport Authority and the current President of the Kansas Association of Airports. Today, I would like to inform you about an issue which affects the future development of general aviation (GA) airports in the State of Kansas. At issue is whether the Kansas Department of Transportation is prepared to participate in the Federal Aviation Administration's (FAA) Airport Improvement Program (AIP) block grant program for general aviation airports.

If KDOT does not move ahead to prepare the Division of Aviation for participation in the FAA block grant program, opportunities to maximize Federal funding for Kansas GA airports will be missed. At the present time the State receives 3.4 million dollars in GA airport apportionment funds. Additional grant funds are available at the discretion of the FAA. In order to properly develop and maintain the State's system of general aviation airports, KDOT must maximize federal funding and identify possible sources of State assistance and funding.

The State's AIP GA apportionment does not fund airport improvement projects for the State's primary, reliever, or commercial service airports. (These categories include

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airports at Manhattan, Topeka, Wichita, Augusta, Newton, Olathe, Johnson County, Dodge City, Garden City, Hays, Liberal, and Salina.) The GA apportionment is intended to fund airport improvements at 79 eligible GA public use airports such as the Ellsworth Municipal Airport. Attached to my testimony is a listing of the GA airports currently eligible for Federal assistance. There are an additional 73 public use general aviation airports in the State that are also in need of either Federal or State financial assistance for airport improvements and maintenance.

A funding shortage faces Kansas GA airports. According to the FAA, the 79 Kansas GA airports which are eligible for Airport Improvement Program assistance have submitted preapplications requesting 43 million dollars in grants. The Kansas GA apportionment is only 3.4 million dollars per year. FAA discretionary funds may provide an additional one to two million dollars. During the next five years, only four to five of the 79 eligible GA airports will actually receive funding from the FAA. At this time, no other GA airports will receive funds.

The remaining 73 public-use GA airports are also in need of airport improvements and maintenance. Presently, the cost of these needs is largely undetermined by the Division of Aviation. At this time, there is neither Federal or State funding available for these GA

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airports.

As KDOT works to complete its Long Range Transportation Plan as required by the Intermodal Surface Transportation Efficiency Act, it seems that this is the appropriate time for the State Legislature and KDOT to determine the support necessary to develop a GA airport system that can keep Kansas cities and counties viable. A well-developed and maintained GA airport system provides all Kansas cities and counties access to national and state air transportation systems. Examples of general aviation activity that is supported by GA airports include agricultural spraying, pipeline patrol, air charter service, flight training, business aviation, and emergency medical services. In addition to general aviation uses, well developed and maintained GA airports are essential for efficient State and local response to natural disasters such as flooding and tornados.

At the present time, the development of Kansas GA airports is, in large part, determined by the FAA. The FAA has done an excellent job over the years, but recently has experienced numerous reductions in personnel and operating budgets. The Kansas City Airports Division of the FAA has been forced to reduce the staff time allocated to Kansas GA airport issues. Nationally, the FAA is expecting all States, including Kansas, to assume a greater role in developing and maintaining their respective GA airports.

The State of Kansas has the opportunity to be proactive in assuming greater responsibility and control over the development and maintenance of its GA airports. The Kansas Legislature and KDOT have the opportunity to actively address this issue and have a greater input into how the transition from Federal Administration of GA apportionment funds to State administration of GA apportionment funds is accomplished. The alternative is to wait until the Federal government mandates that the GA apportionment funds be administered by block grant.

At the present time, the Division of Aviation is not staffed or equipped for the job. But, KDOT has existing planners and engineers that are very capable and can support the Division of Aviation. The Legislature and KDOT should work together to develop a plan that when implemented over a period of time, enables the State to assume greater responsibility for GA airport development. This action would better prepare KDOT and the Division of Aviation for block grant administration.

As initial steps, the Legislature may consider working with the Secretary of Transportation and the Secretary's Director of Aviation in order to develop initiatives such as:

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1. A complete inventory of development needs at all Kansas GA airports and assign priorities to those needs. Such an inventory would also determine the costs of development needs at Kansas GA airports.

2. A plan to increase Federal funding for Kansas GA airports and to secure State funding for Kansas GA airports.

3. A comprehensive update of the State Aviation Systems Plan.

4. A program which enables current KDOT planners and engineers to assist GA airports with the preparation of the documents necessary for securing Federal AIP grants.

5. Develop a program by which KDOT planners and engineers can advise GA airports on airport maintenance priorities.

6. Develop a program which enables KDOT personnel and equipment to assist GA airports with basic airport maintenance.

For the State to have a true intermodel transportation system, our GA airports must be as well developed and maintained as possible. In order to achieve this goal, KDOT must take steps to enable the Division of Aviation to maximize federal funding for GA airports and to request and receive State funds for GA airport development and maintenance. The Kansas Association of Airports is confident that with the leadership of the Kansas Legislature and KDOT that the needs of Kansas GA airports can be addressed.

Since 1903, the issue of airport development has been an important legislative topic. In testimony before the United States Congress, a man once stated:

> *The most significant obstacle to the development of a national system for the transport of people and goods, and the development of commerce is the development of adequate airports.*

The man was Orville Wright, who included the statement in his testimony to a Congressional committee in 1910.

Thank you for your consideration of this important issue.

PRIMARY AIRPORTS

Manhattan	MHK	Municipal	3	20	0052
Topeka	FOE	Forbes Field	3	20	0113
Wichita	ICT	Mid-Continent	3	20	0088

RELIEVER AIRPORTS

Augusta	3AU	Municipal Airport	3	20	0006
Newton	EWK	Newton-City-County	3	20	0058
Olathe	IXD	Johnson County Industri	3	20	0109
Olathe	OJC	Johnson County Executi	3	20	0062
Wichita	3KM	Colonel James Jabara Ai	3	20	0089

COMMERCIAL SERVICE AIRPORTS

Dodge City	DDC	Regional	2	20	0017
Garden City	GCK	Municipal	3	20	0024
Hays	HYS	Municipal	3	20	0028
Liberal	LBL	Municipal	3	20	0050
Salina	SLN	Municipal	3	20	0072

GENERAL AVIATION AIRPORTS

Abilene	K78	Municipal	3	20	0001
Anthony	ANY	Municipal	3	20	0002
Atchison	K59	Amelia Earhart	3	20	0004
Atwood	ADT	Atwood-Rawlins City	3	20	0005
Belleville	RPB	Municipal	3	20	0007
Beloit	K61	Moritz Memorial	3	20	0008
Burlington	8K3	Municipal	3	20	0510
Chanute	CNU	Chanute Martin JOH	3	20	0009
Cimarron	8K8	Municipal	3	20	0116
Clay Center	CYW	Municipal	3	20	0010
Coffeyville	CFV	Municipal	3	20	0011
Colby	CBK	Shaltz Field	3	20	0012
Coldwater	3K8	Comanche County Airpo	3	20	0114
Concordia	CNK	Blosser Municipal	3	20	0013
El Dorado	EQA	Captain Jack Thomas	3	20	0018
Elkhart	EHA	Elkhart-Morton County	3	20	0019
Ellsworth	9K7	Municipal	3	20	0117
Emporia	EMP	Municipal	3	20	0020
Eureka	13K	Municipal Airport	3	20	0021
Leavenworth	FLV	Sherman AAF	3	20	0048
Fort Scott	FSK	Municipal	3	20	0022
Gardner	K34	Municipal	3	20	0119
Garnett	K68	Muncipal	3	20	0025
Goodland	GLD	Goodland Municipal	3	20	0026
Great Bend	GBD	Municipal	3	20	0027
Greensburg	8K7	Paul Windle Municipal	3	20	0094
Herrington	HRU	Municipal	3	20	0029
Hiawatha	K87	Municipal	3	20	0095
Hill City	HLC	Municipal	3	20	0031
Hillsboro	M66	Municipal	3	20	0111

GENERAL AVIATION AIRPORTS

Hugoton	HQG	Municipal	3	20	0034
Hutchinson	HUT	Municipal	3	20	0035
Independence	IDP	Municipal	3	20	0036
Iola	K88	Allen County	3	20	0037
Johnson	2K3	Stanton County Municipal Ai	3	20	0110
Junction City	3JC	Freeman Field	3	20	0039
Kingman	9K8	Municipal	3	20	0042
Kinsley	33K	Municipal Airport	3	20	0097
La Crosse	K94	Rush County	3	20	0045
Larkin	36K	Larkin Municipal Airport	3	20	0106
Larned	LQR	Larned-Pawnee County	3	20	0046
lawrence	LWC	Municipal	3	20	0047
Leoti	3K7	Mark Hoard Memorial Airpor	3	20	0049
Lincoln	K71	Municipal	3	20	0118
Lyons	LYO	Lyons-Rice Municipal	3	20	0051
Marysville	MYZ	Municipal	3	20	0053
McPherson	MPR	McPherson	3	20	0054
Meade	MEJ	Municipal	3	20	0055
Medicine Lodge	K51	Medicine Lodge	3	20	0098
Ness City	48K	Municipal	3	20	0057
Norton	NRN	Municipal	3	20	0091
Oakley	OEL	Municipal	3	20	0060
Oberlin	OIN	Municipal	3	20	0061
Osage City	53K	Municipal	3	20	0120
Osawatomie/Paola	K81	Miami County	3	20	0063
Osborne	K75	Municipal	3	20	0064
Ottawa	OWI	Municipal	3	20	0066
Parson	PPF	Tri-City	3	20	0067
Phillipsburg	PHG	Municipal	3	20	0068
Pittsburg	PTS	Atkinson Municipal	3	20	0069
Pleasonton	57K	Gilmore	3	20	0112
Pratt	PTT	Industrial	3	20	0070
Russell	RSL	Municipal	3	20	0071
Satanta	1K9	Municipal Airport	3	20	0101
Scott City	2K9	Municipal Airport	3	20	0073
Smith Center	K82	Municipal	3	20	0076
St Francis	7V3	Cheyenne County Municipal	3	20	0077
Stafford	3TA	Municipal Airport	3	20	0078
Syracuse	3K3	Syracuse-Hamilton County A	3	20	0081
Topeka	TOP	Philip Billard Municipal	3	20	0082
Tribune	5K2	Municipal	3	20	0083
Ulysses	ULS	Ulysses	3	20	0084
Washington	K38	Washington County Memoria	3	20	0086
Wellington	EGT	Municipal	3	20	0087
Winfield/Ark. Cit	WLD	Strother Field	3	20	0090
Washington	K38	Washington County Memoria	3	20	0086
Wellington	EGT	Municipal	3	20	0087
Winfield/Ark. Cit	WLD	Strother Field	3	20	0090

Source: Federal Aviation Administration
Airport's Division, Kansas City, MO

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Remarks Prepared for the
State of Kansas
House Transportation Committee
by
Jan Monroe
Planning Supervisor
Federal Aviation Administration
Airports Division, Central Region
October 26, 1993

The following is a brief statement of how the present Federal Airport Improvement Program works and some information on the Block Grant Program.

The purpose of the Airport Improvement Program is to promote a safe and efficient nationwide system of public-use airports. The Federal Government has made grants for state and local governments since 1946, and during the last several years the Federal investment in airport infrastructure has been increased substantially to enhance airport safety, capacity, and security.

We view the Kansas Aviation System Plan as the tool to be used in identifying the aviation needs for the state of Kansas. This system plan is continually being updated and can be used as a way to gauge the needs of aviation in Kansas.

In Kansas, there are 350 private and public use airports. Of these, 97 airports are identified in the National Plan of Integrated Airport Systems, which makes them eligible to receive Federal funding for development projects through the Airport Improvement Program. Three of these are large commercial service, five are smaller commercial service, and eight are identified as reliever airports for either Wichita Mid Continent Airport or Kansas City International Airport. This would leave 81 smaller general aviation airports that are eligible for Federal funding of development projects through the Airport Improvement Program. Only 30 of these 81 airports have 20 or more based aircraft, a significant criteria number for funding priorities.

Projects are identified for funding through a Preapplication for Federal Assistance (Preapps) submitted by the sponsor. Currently, 37 of the 81 general aviation airports have Preapps on file in our office. For FY93, these Preapps total approximately $38 million. Kansas received $3.4 million in state apportionment funds and an additional $1.9 million in discretionary funds for FY93. State apportionment funds are allocated according to population and area and will decrease as the national Airport Improvement Program budget is being decreased from the $1.8 billion received for FY93 to the budget for FY94 of $1.69 billion. This budget reduction will most likely reduce availability of discretionary funds.

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We are not optimistic about Federal funding for development at small general aviation airports (less than 20 based aircraft). There is simply not enough money to reach them.

The purpose of the State Block Grant Pilot Program is to identify administrative functions which might successfully be shifted to or shared with states in carrying out the Airport Improvement Program. The pilot program potentially allows greater state discretion in selecting and managing projects within several categories of Airport Improvement Program funding. The legislation directs the Federal Aviation Administration to conduct a review and report to Congress recommendations for further action relating to state administration of the Airport Improvement Program.

The Block Grant Program currently has seven states participating and we expect more states to be identified in the future. No additional funds are expected to be available under the block grant program. Block grant funds are authorized for administration costs up to one percent of a state's apportionment funds, or $75,000, whichever is greater.

Development projects are assigned a federal priority code and projects are funded according to the higher priority. Under this priority system, projects are favored which improve safety, assure the integrity of the system, and improve capacity.

The priority code is determined by the airport type, the development category, and add-on factors. The highest priority goes to any development project that is safety related, i.e. aircraft rescue fire fighting equipment, mandatory signs, etc. Preservation of the existing facilities, or reconstruction, carries a higher priority than construction of new facilities and the primary landing surface and associated taxiway have a higher priority than the secondary landing surface, associated taxiway, and apron area. Projects with the lowest priority are service roads, secondary access roads, and fencing.

This priority system for development projects provides a fair and equitable way to designate funds for development projects at airports with higher aviation needs.

Airport maintenance is not eligible under the current legislation. Our office is taking a more active role in assuring that the sponsors abide by the grant assurances in maintaining the airports in a safe and serviceable condition. We have invested millions of dollars for the construction of airport facilities and need to preserve the pavements for the maximum time possible. A regular maintenance program will extend the pavement life and allow the limited funds available to reach more airport development projects.

In order to assume the responsibilities inherent in the block grant program or in an expanded state program, additional personnel resources will be required. Individuals with expertise in pavement evaluation, civil engineering design, construction inspection, and planning need to be identified.

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A long term plan identifying aviation needs and resources is needed to administer a block grant program. To some extent this is currently being done with the Kansas Aviation System Plan. However, the work being done through the system plan is currently being contracted with a consultant. For continuity, the system plan work would better be accomplished in house by state personnel with directly assigned aviation duties. This will make them more familiar with aviation in general, the aviation needs, the ability to identify identify future projects, and to be better able to administer the block grant program (should the state of Kansas apply and be selected).

Our office reviews the priorities and the projects being presented, determines eligibility, examines the justification, and concurs with proposed projects. There are four people in our office who are essential to this process. They include the state airport engineer, the paving engineer, the programmer, and the state planner. It would take at least seven people, in our opinion, to effectively and efficiently operate the block grant program including the director, clerical, and secretarial staff requirements.

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BEFORE THE

KANSAS HOUSE OF REPRESENTATIVES

COMMITTEE ON TRANSPORTATION

October 26, 1993 - 9:00 p.m.

Comments of R. Lee Metcalfe, Executive Director, Johnson County Airport Commission:

Ladies and Gentlemen of the Committee:

We appear before you today to urge you to consider legislation which would enable local governments who operate public airports to have more direct and affirmative control over land use planning and zoning decisions in the proximity of those airports. We have too many times seen the results of the current lack of coordination among airport operating agencies and their neighboring or overlying land use regulating jurisdictions. Inevitably the interests of the airport, which are in fact the interests of the community it serves, are relegated to secondary concern or are not considered at all by these jurisdictions as they make land use decisions.

Johnson County serves as a prime example of the problem. Johnson County's two airports, which are the second and fourth busiest airports in the state, are islands of county-owned land surrounded by incorporated cities. In the past these cities routinely made land use decisions on property in very close proximity to the airports without even *notifying* the Airport Commission, let alone consulting it! Unless the airport property boundary is within 1,000 feet of the parcel to be rezoned, no notification is required by local regulations.

Even when the Airport Commission has become aware of rezonings and offered input on potential noise and safety impacts, the cities have normally not shown any great concern for the "county" airports. A good example is the recent rezoning of a 400-acre parcel one-half mile north of the Industrial Airport. The property was an inactive farm being offered for sale with "agriculture" zoning. A residential real estate developer took an option on the property subject to getting it rezoned to "residential." The property was at that point not within a city's corporate limits. The developer first attempted to get his zoning through the county planning commission. The county planning commission rejected the rezoning, partly because of the proximity of the airport and the approach/departure corridor of the runway, but *primarily* because of the lack of water and sewer in the area. The developer then went to a city whose corporate limits touched the subject parcel only at a common half-section corner, and requested annexation and rezoning. He was even able to get the city to agree to make the annexation *contingent* upon the rezoning. In spite of presentations made by the Airport Commission emphasizing the close proximity of a busy transport-category airport with an average of thirty-two jet operations per day and a military helicopter unit which routinely flies over the subject parcel at low altitudes, and in spite of recommendations by its own staff against the rezoning (due to the lack of water and sewer), the city approved the rezoning. If the several hundred homes allowed by this rezoning are built, the utility and long-term viability of the Industrial Airport will be severely limited, and the millions of taxpayers' dollars spent on improvements at the airport in the last few years will have been wasted.

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Attachment 20 1

In Johnson County's case, and I suspect in the cases of many other Kansas airports, there is no sense of ownership of the airports by the surrounding communities. There has been an attitude among the city officials that the airports are the *county's* problem. There is a perception that the airports serve an elite few who have airplanes as expensive toys. There is no appreciation of the value of the airports as transportation centers and critical components of the local economic engine. The airports are seen by many as nuisances, and there may even be an unspoken desire by those who have other agendas to drive the airports out of business.

I must point out that Johnson County does in fact have specific authority under the statutes to establish the Airport Commission as the zoning authority for all land within one mile of the airport boundaries. This authority has existed since 1967, however the County has been reluctant to use the authority as it would put the Airport Commission in the role of a planning and zoning commission for land within city limits. The County did not think this was an appropriate role for the Airport Commission, and assumed the cities would think likewise. Instead of unilaterally invoking this authority, the County and the Airport Commission have initiated a joint effort with the cities to develop consensus on a set of regulations covering land use within a defined area around the airports which would be mutually adopted by all the jurisdictions. This effort has been underway for over three years with the adoption of regulations having yet to be achieved. We have however been successful in achieving among the city and county planning organizations a much greater understanding of and sensitivity to the noise and safety impacts of airport operations on development around the airports.

Airports are community assets, owned and paid for by the taxpayers. We believe we have a duty to protect those assets for the taxpayers and to see that they are of maximum utility to the community. Unfortunately, we in the airport business have frequently found ourselves having to protect the airports from neighboring communities. We believe an appropriate remedy is to require through state statute that land use regulating jurisdictions take into consideration the noise and safety impacts on neighboring land uses of aircraft operations at and around airports, and that airport operating agencies be given some meaningful leverage in the land use decision process. We know from our experience in Johnson County that simply pitting one local jurisdiction against another with no provision for dispute resolution does not work. In our case, the developer lobby has prevailed in every instance.

I will end with one more short but illustrative anecdote. At a recent public hearing on an update of the master plan for Executive Airport, a woman came up to me and asked why were spending more money on the airport when it was going to be closed. I explained that there was no plan to close the airport and asked where she got the idea. She said she had just bought a $300,000 home on the east side of the airport and the "real estate lady" told her during the initial showing that the airport was scheduled to be closed soon.

We appreciate this opportunity to share our concerns with you and are prepared to provide any support we can.

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Ronald R. Hein
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Stephen P. Weir

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HOUSE TRANSPORTATION COMMITTEE
TESTIMONY RE: Alternative Fuel Vehicles
Presented by Ronald R. Hein
on behalf of
Mesa
October 26, 1993

Mr. Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for Mesa. Mesa is one of the nation's five largest independent gas producers and currently has approximately 60% of its natural gas reserves in the state of Kansas.

Over the past few years, much has been written and said about the economic impact that the natural gas industry has upon Kansas, and an equal amount of time has been spent discussing the negative impact that Kansas' tax policy has had upon this important industry.

The greatest burden facing the gas industry right now is the combined severance tax and property tax burden. That tax burden currently is about 19% of gross receipts on Mesa. That is the greatest disincentive currently to natural gas production, exploration, and investment in Kansas. The severance tax issue and the proposed changes on natural gas regulatory controls on production currently before the KCC continue to be the most pressing issues to Mesa.

However, another issue involving natural gas at the national level requires Kansas' attention. That issue involves natural gas vehicles (NGVs) and natural gas as a transportation fuel.

Kansas is one of the five largest natural gas producing states in the country, and the Hugoton Field, much of which is in Southwest Kansas, is one of the largest natural gas fields in the world.

Natural gas is a cheap, abundantly available, domestic fuel which is clean-burning, safer, and better for our environment than other fossil fuels. As America turns away from it's reliance on expensive, foreign oil, cheap domestic natural gas will be the obvious alternative. And Kansas will be a winner.

At the national level, the Clean Air Act (CAA) of 1990 and the Energy Policy Act of 1992 (EPACT), and on various state levels, the need to be in compliance with federal and state

environmental laws, has prompted increased awareness of the value of natural gas as a transportation fuel.

As a large producer of natural gas, and as a proud supporter of a clean environment, Kansas should be on the cutting edge of state policy with regards to NGVs.

NGVs will first be utilized by fleet operators. But as fleets convert to natural gas, the infrastructure of the distribution of natural gas will develop and individuals will begin utilizing this clean-burning fuel.

Several states with EPA designated non-attainment cities are under tremendous pressure to clean up their environment, and as such are taking significant actions to encourage the development of natural gas vehicles. Approximately 50-60% of air pollution is tailpipe emissions. These states are looking at income tax credits for conversion equipment; low interest loans to cities, counties, and school districts to convert their vehicles; exemption of natural gas fuels from fuels tax; and numerous other programs to encourage business and government to convert to natural gas vehicles.

The Kansas City area has been a non-attainment area, and is just now barely within the attainment level. Their need to eliminate air pollution, predominantly motor vehicle emissions, is one of the major reasons why this type of legislation is extremely important.

All taxpayers of the state benefit by some of the vehicles converting to natural gas, as the air will be cleaner, and the ability to comply with federal legislation, and thus avoiding penalties against business and industry will be accomplished.

EPACT builds on the CAA. It requires federal, state, gas industry, and eventually commercial fleets to purchase a statutorily mandated percentage of alternative-fueled vehicles (AFVs) pursuant to the schedule set out in the attachment to this testimony.

Today, there are approximately 50,000 NGVs on the road in the U.S. and about 700,000 worldwide. By the year 2000, 10% of all vehicles may be running on natural gas.

Motor vehicles account for approximately 40% of the ozone and 65% of the carbon monoxide pollution in the United States.

Compared with gasoline-powered vehicles, NGVs reduce emissions of carbon monoxide by more than 90 percent, hydrocarbons by up to 93 percent and nitrogen oxide up to 65 percent.

A natural gas vehicle will emit approximately 300-400 fewer pounds of pollutants per year than a gasoline powered car. This will help clean the environment, and hopefully avoid health problems relating to those pollutants.

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Converting to natural gas will help the United States' balance of trade. Forty percent of the USA's trade deficit results from importation of foreign oil. The US could reduce consumption of oil by 500,000 barrels per day by the year 2000 if 10 million vehicles converted to natural gas.

Are natural gas vehicles safe? Yes, they are safer than gasoline powered vehicles. The gas tanks have not ruptured in studies where they have been exposed to fire, crashes, and a 44 caliber armor piercing bullet.

Even if the cylinder was punctured, the gas would simply escape, and would quickly disperse throughout the air since natural gas is lighter than air.

The Senate Transportation Committee has before it SB 330 which provides an exemption from fuels tax for CNG. The House Transportation committee has HB 2499 which provides for income tax credits for conversion of equipment or original equipment capable of burning CNG. The Natural Gas Commission created by the legislature and the Governor's Fossil Fuel Commission have both made recommendations for legislation in these areas, as well as other programs, such as low interest loans.

There may be some concern raised about the impact of a fuels tax exemption on the highway fund or an income tax credit on the SGF.

First of all, there are so few natural gas vehicles in the state right now that any impact would be minimal. In addition, conversions will be predominantly by fleet vehicles, and many of the natural gas vehicles that will convert will be city, county, state, federal and school vehicles. (See charts attached.)

Mesa is encouraging this type of legislation in order to jump start the natural gas vehicle industry, and does not desire for the exemption from fuels tax to be detrimental to the highway fund. We would recommend that amendments be placed on the legislation to provide for a two-year sunset clause, or a sunset in the event that the cost to the highway fund reaches a certain level, such as $250,000, or that the legislation be structured so that an individual is only entitled to the exemption for the first two or three years, and thereafter is subject to tax.

Often times there is considerable lip service paid to having a cleaner environment. NGV legislation will directly provide a cleaner environment, while benefiting the State of Kansas, a major natural gas producer, at minimal cost.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.

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Attachment 1-3

EPAct Mandated Programs

	1996	1997	1998	1999	2000	2003	2006
Federal Fleet	25%	33%	50%	75%	75%	75%	75%
State Fleet(NEW)	10%	15%	25%	50%	75%	75%	75%
Private Sector(*)	30%	50%	70%	90%	90%	90%	90%
Private Sector(#)				20%	20%	40%	70%
Priv. Sector(NEW)						40%	70%

* Principal business is producing, storing, refining, processing, transporting, distributing, importing, or selling at wholesale or retail any alternative fuel other than electricity.

Principal business is generating, transmitting, importing, or selling at wholesale or retail electricity

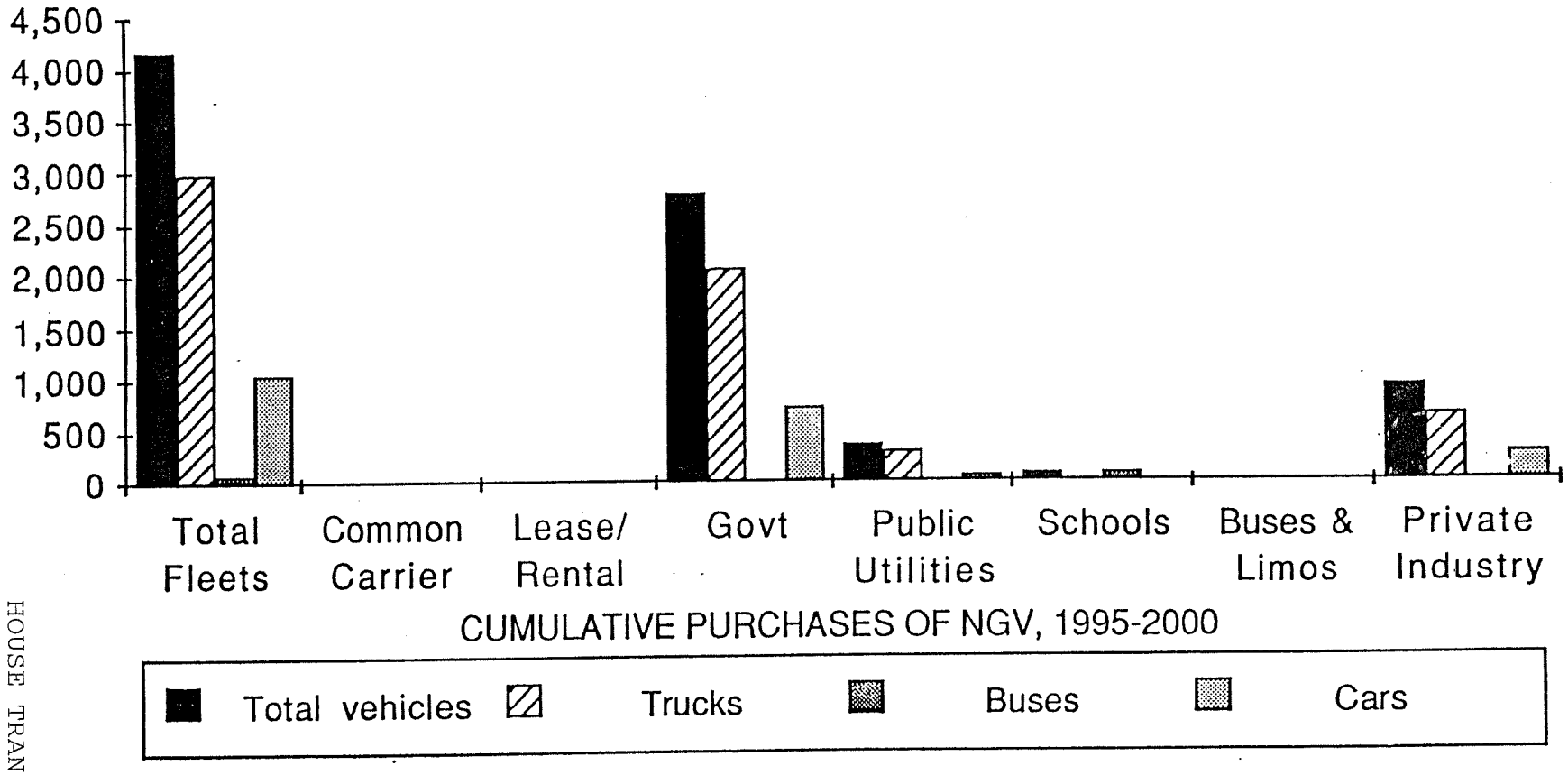
Person who produces, imports, or combination of both, an average of 50,000 barrels per day or more of petroleum, and a substantial portion of business is producing alternative fuels.

\# All other Private Sector, not already covered.

NEW New vehicles purchased in those years.

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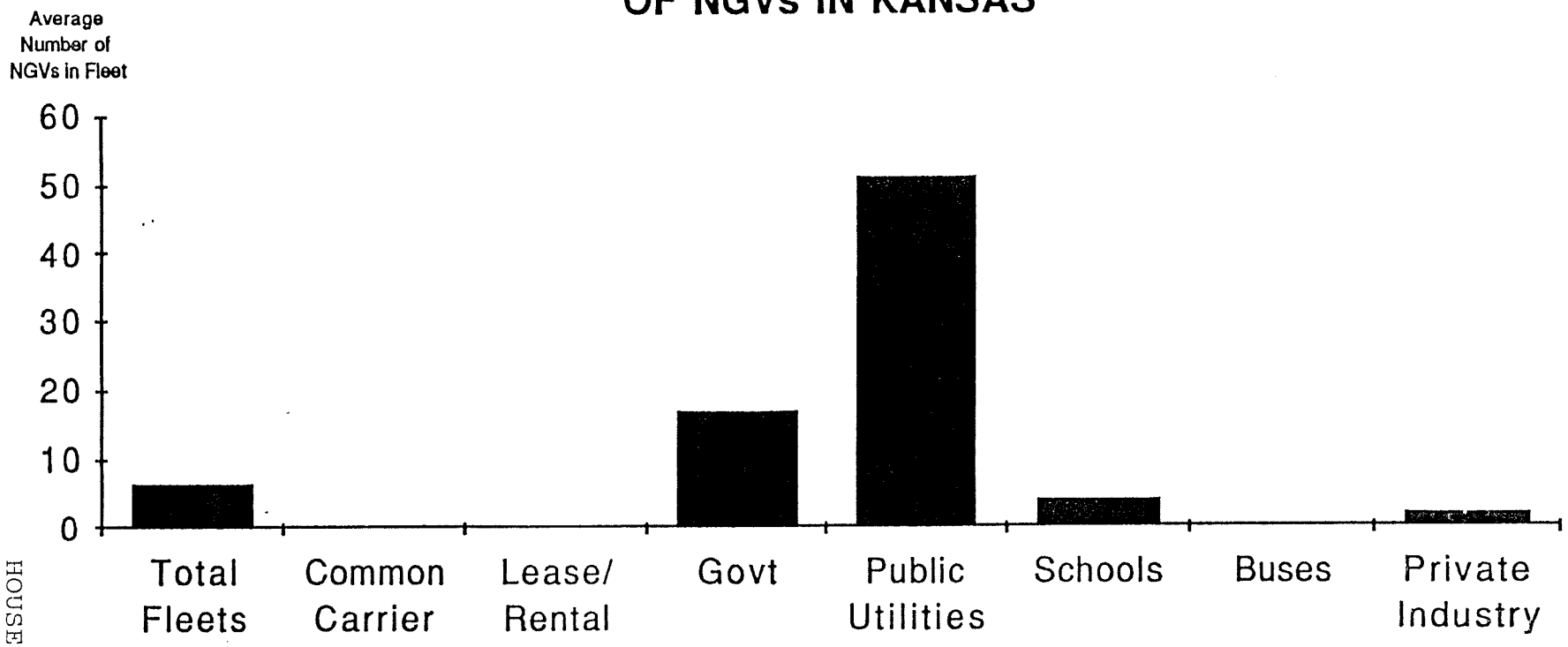
4,000 PURCHASES OF NGV IN KANSAS



NGV
THE NATURAL GAS VEHICLE COALITION

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BY YEAREND 2000, MODERATE-SIZE GAS UTILITY FLEETS OF NGVs IN KANSAS



AVERAGE NUMBER OF NGVs IN FLEETS WHICH CONVERT, AFTER CUMULATIVE NGV PURCHASES 1995 - 2000

NGV
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Kansas	1993 ESTIMATE OF NGV VEHICLE PURCHASES (larger of mandated % or econ attractive %)						
	# of fleets	Flts purch NGV	Total vehicles	Trucks	Buses	Cars	(tractor/trailer, offro
Total Fleets	1409	0	3	0	3	0	0
Common Carrier	352	0	0	0	0	0	0
Lease/Rental	121	0	0	0	0	0	0
Government	217	0	0	0	0	0	0
Public Utilities	95	0	0	0	0	0	0
Schools	30	0	3	0	3	0	0
Buses	17	0	0	0	0	0	0
Private Industry	577	0	0	0	0	0	0

Kansas	1994 ESTIMATE OF NGV VEHICLE PURCHASES (larger of mandated % or econ attractive %)						
	# of fleets	Flts purch NGV	Total vehicles	Trucks	Buses	Cars	(tractor/trailer, offro
Total Fleets	1439	0	3	0	3	0	0
Common Carrier	362	0	0	0	0	0	0
Lease/Rental	122	0	0	0	0	0	0
Government	221	0	0	0	0	0	0
Public Utilities	97	0	0	0	0	0	0
Schools	30	0	3	0	3	0	0
Buses	17	0	0	0	0	0	0
Private Industry	589	0	0	0	0	0	0

Kansas	1995 ESTIMATE OF NGV VEHICLE PURCHASES (larger of mandated % or econ attractive %)						
	# of fleets	Flts purch NGV	Total vehicles	Trucks	Buses	Cars	(tractor/trailer, offro
Total Fleets	1469	0	3	0	3	0	0
Common Carrier	373	0	0	0	0	0	0
Lease/Rental	124	0	0	0	0	0	0
Government	225	0	0	0	0	0	0
Public Utilities	99	0	0	0	0	0	0
Schools	31	0	3	0	3	0	0
Buses	17	0	0	0	0	0	0
Private Industry	600	0	0	0	0	0	0

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NGV
THE NATURAL GAS VEHICLE COALITION

Kansas	1996 ESTIMATE OF NGV VEHICLE PURCHASES (larger of mandated % or econ attractive %)						
	# of fleets	Flts purch NGV	Total vehicles	Trucks	Buses	Cars	(tractor/trailer, offro
Total Fleets	1501	178	185	123	17	46	0
Common Carrier	385	0	0	0	0	0	0
Lease/Rental	125	0	0	0	0	0	0
Government	230	152	139	99	0	40	0
Public Utilities	101	7	30	24	0	6	0
Schools	31	20	17	0	17	0	0
Buses	17	0	0	0	0	0	0
Private Industry	612	0	0	0	0	0	0

Kansas	1997 ESTIMATE OF NGV VEHICLE PURCHASES (larger of mandated % or econ attractive %)						
	# of fleets	Flts purch NGV	Total vehicles	Trucks	Buses	Cars	(tractor/trailer, offro
Total Fleets	1533	182	287	199	17	71	0
Common Carrier	396	0	0	0	0	0	0
Lease/Rental	126	0	0	0	0	0	0
Government	234	155	218	157	0	61	0
Public Utilities	103	7	52	42	0	10	0
Schools	31	20	17	0	17	0	0
Buses	17	0	0	0	0	0	0
Private Industry	625	0	0	0	0	0	0

Kansas	1998 ESTIMATE OF NGV VEHICLE PURCHASES (larger of mandated % or econ attractive %)						
	# of fleets	Flts purch NGV	Total vehicles	Trucks	Buses	Cars	(tractor/trailer, offro
Total Fleets	1566	185	474	340	17	116	0
Common Carrier	408	0	0	0	0	0	0
Lease/Rental	127	0	0	0	0	0	0
Government	239	158	380	278	0	102	0
Public Utilities	105	7	76	62	0	14	0
Schools	32	20	17	0	17	0	0
Buses	17	0	0	0	0	0	0
Private Industry	637	0	0	0	0	0	0

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THE NATURAL GAS VEHICLE COALI

1999 ESTIMATE OF NGV VEHICLE PURCHASES (larger of mandated % or econ attractive %)

Kansas	# of fleets	Flts purch NGV	Total vehicles	Trucks	Buses	Cars	(tractor/trailer, offroa
Total Fleets	1599	618	1370	990	18	363	0
Common Carrier	420	0	0	0	0	0	0
Lease/Rental	129	0	0	0	0	0	0
Government	244	161	796	590	0	206	0
Public Utilities	108	7	103	85	0	18	0
Schools	32	21	18	0	18	0	0
Buses	18	0	0	0	0	0	0
Private Industry	650	429	454	315	0	139	0

2000 ESTIMATE OF NGV VEHICLE PURCHASES (larger of mandated % or econ attractive %)

Kansas	# of fleets	Flts purch NGV	Total vehicles	Trucks	Buses	Cars	(tractor, offroad)
Total Fleets	1,634	630	**1,850**	1,362	18	471	0
Common Carrier	433	0	0	0	0	0	0
Lease/Rental	130	0	0	0	0	0	0
Government	249	164	1,250	937	0	312	0
Public Utilities	110	7	108	90	0	18	0
Schools	32	21	18	0	18	0	0
Buses	18	0	0	0	0	0	0
Private Industry	663	438	474	334	0	140	0

CUMULATIVE NGV PURCHASES 1995 - 2000

Kansas	# of fleets	Total NGV fleet:	Total vehicles	Trucks	Buses	Cars	(tractor, offroad)
Total Fleets		630	**4,169**	3,014	89	1,066	0
Common Carrier		0	0	0	0	0	0
Lease/Rental		0	0	0	0	0	0
Government		164	2,782	2,062	0	721	0
Public Utilities		7	370	303	0	66	0
Schools		21	89	0	89	0	0
Buses		0	0	0	0	0	0
Private Industry		438	928	649	0	279	0

NGV
THE NATURAL GAS VEHICLE COALITION

THE NATURAL GAS VEHICLE COALITION

TESTIMONY
BEFORE THE STATE OF KANSAS LEGISLATURE
HOUSE TRANSPORTATION COMMITTEE
JEFFREY SEISLER, EXECUTIVE DIRECTOR
THE NATURAL GAS VEHICLE COALITION
26 OCTOBER 1993

THE NGV COALITION

The Natural Gas Vehicle Coalition is a broad-based national organization dedicated to promoting and stimulating the use of natural gas as a vehicle fuel. The Coalition's approximately 250 members include natural gas distribution companies, pipelines, automotive equipment vehicle manufacturers, NGV equipment suppliers, NGV users, educational institutions and other organizations interested in commercializing natural gas as a vehicle fuel.

The Coalition supports the development and implementation of federal and state policies that encourage the use of natural gas for cars, trucks, buses, and other vehicles. The Coalition also supports new technologies that advance or assist the growth and commercialization of the natural gas vehicle market and the natural gas vehicle (NGV) industry.

STATE GOVERNMENTS TYPICALLY HAVE DEVELOPED AS MANY AS EIGHT DIFFERENT TYPES OF ALTERNATIVE FUELS PROGRAMS, CURRENTLY IN 37 DIFFERENT STATES.

States across the country are adopting a variety of legislative programs favoring alternative fuel vehicles (AFVs) and natural gas vehicles (NGVs). A combination of incentives, mandates, taxes, and education are required to provide an alternative fuel infrastructure and motivate alternative fuel vehicle (AFV) technology developments. The challenge to state legislators and regulators is to develop balanced alternative fuel programs that are reasonable to implement, and that do not impose economic dislocation upon individuals or business, yet accomplish the clean air and energy security goals that can be achieved using alternative fuels, and particularly natural gas vehicles.

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1515 Wilson Boulevard, Suite 1030, Arlington, VA 22209 Phone: (703) 527-3022 Fax: (703) 527-3025

The programs commonly developed at the state-level include (but are not necessarily limited to):

- **Alternative fuel vehicle conversion or purchase programs for state vehicles;**
- **Vehicle conversion and/or sales mandates for alternative fuel vehicles;**
- **Tax credits, deductions, rebates, or exemptions;**
- **Low interest loan funding or financing schemes;**
- **Standards, specifically for emissions, but also for safety and installation of equipment;**
- **Demonstrations and pilot programs;**
- **Studies evaluating alternative fuels;**
- **Public education.**

(A matrix of State Government Initiatives to Promote Clean Transportation Fuels is provided as an attachment to written testimony.)

STATE POLICY ISSUES AND OPTIONS

Increasingly, states will play an important role in helping to commercialize AFVs. States play a dual role in the commercialization process, as vehicle users (the ultimate customer) as well as policy leader to motivate consumers to use alternative fuels.

There are a number of key issues and policy options at the state-government level that affect commercialization and growth of the NGV market. These issues pertain to fuel taxes, state and local standards and codes, government procurement procedures, resale opportunities for NGVs and state utility regulatory considerations.

o ***Fuel taxes*** -- How fuel taxes are levied and the amount of fees charged can play an important role in defining the economics of NGVs relative to fuel prices, and the differential between alternative and traditional fuels. Assessing motor fuel taxes on natural gas while it is still in initial stages of market development makes it a lot less competitive. To help promote alternative fuels and capitalize on their contribution to clean air, taxes on all alternative fuels should be removed for at least an interim period, with an appropriate sunset clause. Arizona, Minnesota, Texas, and Utah all exempt natural gas (and some other alternative fuels) from the state fuels tax.

Additionally, there are currently no mechanisms at the state level for taxing fuel consumed through a home fueling appliance. A moratorium on taxes for alternative fuels alleviates this problem.

If states feel compelled to tax alternative-fuel vehicles

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(AFVs), they can adopt the approach used in California and Colorado, where an annual sticker tax is imposed, to avoid penalizing high-volume users. Alternatively, fuel taxes can be reduced for AFVs, as has been done in South Dakota (18 cents to six cents for AFVs).

Sales tax exemptions on the incremental cost of an AFV is yet another tax incentive, and is used in California until 1995.

o *Tax Credits & Tax Deductions* -- Reductions in income taxes by rewarding investments in alternative fuels is an opportunity to reduce first costs of AFVs. Federal tax deductions for the incremental costs of AFVs and conversions, as well as for investments in fueling stations are now available through the Energy Policy Act of 1992. Tax credits are more valuable to consumers, but will have more impact on a state's revenue. Tax deductions on vehicles and fueling stations have less impact on state revenues, but are far less valuable to consumers.

Connecticut, Louisiana, Oklahoma, and Utah all have adopted a variety of tax credits and deductions pertaining to both personal income taxes and property taxes.

o *State and local standards and codes* -- Because the NGV industry still is in its infancy, many standards and codes remain to be developed. As standards are adopted by the appropriate national standards organizations, state and local governments need to recognize and adopt the standards.

Although standards are being written or finalized at the national level, local authorities are already issuing and applying their own standards on an ad-hoc basis, which may lead to delays or overly restrictive policies. In many instances, these actions are driven by the misperception of safety issues surrounding NGVs.

States should be encouraged to adopt uniform standards for NGVs, if it is required to support the commercialization effort. Code officials involved with fire prevention, buildings, compressor station sitings, and weights and measures all need to focus on the needs of the various fuel alternatives to encourage a rapid expansion of a fueling infrastructure to support AFV growth.

o *State and local government procurement procedures* -- These can create barriers to the penetration of natural gas in the transportation market. State and local governments often rely on low-bid procurement when purchasing vehicles and other equipment, and this approach does not properly consider the lower cost of fuel and maintenance over the life of an NGV compared with flexible-fuel vehicles that generally run on more expensive

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fuels. This is important when considering longer-life vehicles such as urban transit buses, garbage trucks and heavy-duty vehicles.

The implications of neglecting the life cycle costs of the alternatives can be great. It could, for example, send a signal to the transit industry and engine manufacturers that continued use of dirty technology would be tolerated, and that further expenditure of R&D dollars and efforts on developing cleaner bus engines would likely be wasted.

o *Opportunities to reduce costs for state vehicles* -- Today, there are only 30,000 NGVs on the road; thus there is a very small resale market for used NGVs. Local governments and municipal utilities in particular, which typically purchase used vehicles as a cost-cutting measure, have expressed concern about this lack of a used NGV market and the associated lack of a resale value for used NGVs. One solution is to develop partnerships among private businesses, municipal governments and utilities to develop a market for the gas industry and its customers to purchase used NGVs. In addition, states can be purchasers of low mileage, well-maintained federal government vehicles, and dramatically reduce the cost paid for these vehicles.

Another opportunity to reduce the first cost of AFVs is to create vehicle purchasing consortiums between federal, state, local governments, and possibly customers. Economies of scale can be achieved by ordering larger quantities of vehicles. (It also would help the development of the alternative fuel markets by encouraging the building of higher demand fueling stations.

o *Emissions standards and testing* -- Several states are evaluating opting in to the California Low Emission Vehicle (LEV) program, either instead of, or in addition to, the existing state requirements. One contentious issue involves the question of whether the LEV program can replace the Clean Air Act (CAA) fleet program in 22 metropolitan areas. Replacing the CAA fleet program with the LEV program would diminish the potential to build an alternative-fuel infrastructure and limit the application of the program to light-duty vehicles. Thus, no attention would be given to the higher-mileage, more fuel consumptive, higher-polluting, medium-to-heavy-duty vehicles. There would be no reduction of particulate emissions if only the LEV program were adopted to the exclusion of a CAA fleet program. We believe that an LEV-type program, combined with a fleet program, will provide maximum air-quality benefits.

o *Emissions testing requirements* -- The standard three-way tailpipe analyzers used in many state inspection programs measure only total hydrocarbons, and cannot account for the non-methane hydrocarbons fraction. An equipment recalibration would have to be developed to mitigate the potential for widespread NGV emission test failures due to limitations of existing test equipment.

o *Sale-for-Resale* -- The sale of natural gas for resale is prohibited in approximately half the states. These prohibitions are roadblocks to utilities opening up third-party-owned public refueling stations. Prohibitions prevent a natural gas utility from selling natural gas to a public fueling station that in turn sells the natural gas (unregulated) to customers. Section 404(b) of the Energy Policy Act of 1992 on vehicular natural gas now helps mitigate the problem by allowing non-utilities to sell natural gas at a fueling station without being subject to state or FERC regulations. It is likely that many states may review this issue and decide to regulate in this area.

o *Utility cost recovery of NGV-related equipment* -- As the alternative fuels market has expanded, natural gas distribution companies, pipelines and producers have become more active in the development of the NGV market. Because the industry is heavily regulated, and because neither the natural gas industry nor regulators are accustomed to thinking of vehicular fuel as a major natural gas market, many utility commissions do not allow inclusion of NGV-related equipment in a utility's base rates. In some states, utility commissions even prohibit the ratebasing of the conversion of the utility's own vehicles to natural gas, despite the fact that it is typically considered to be a cost of operation and is economically justifiable. Giving utilities the option of ratebase treatment for NGV-related expenditures would contribute significantly to development of the NGV market.

Regulators historically have taken a narrow view toward gas marketing, questioning whether increased gas sales will lower or at least not raise prices to "captive" or "core" customers. Arguments include: increased gas sale reduces unit costs by achieving fuller system utilization (assuming surplus delivery capability); and sizable demand increases likely could be accommodated with little wellhead price impact, given the surplus natural gas deliverability in the U.S. and Canada. With the new market for NGV technology, however, some utility regulators believe a different approach should be taken, one that does not involve cost-sharing among all utility customers. This approach fails to recognize that providing service to the transportation market benefits all utility customers, as does service to the traditional utility markets.

NGVs require fuel throughout the year, increasing off-season use of natural gas and reducing the seasonality of gas demand.

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Thus, capacity utilization of the natural gas infrastructure improves, and the average annual cost of delivered gas declines. Moreover, NGVs use baseload capacity and do not typically negatively affect a utility's peakload capacity, thereby improving demand-size management. In terms of consumption characteristics and volume, NGVs can be viewed as an opportunity to increase utility efficiency for roughly the same cost as expanding the residential market.

Gas utility companies typically spend approximately $800 to $3,500 for each new residential customer. Similarly, it costs about an additional $1,500 to $3,500 per vehicle converted to run on natural gas. If the fueling dispenser normally is viewed as a residential meter, then states should allow a utility company to ratebase the cost of all the equipment and pipes on the utility side of the meter, which is consistent with usual public utilities commission practice.

Utilities also are allowed to include in their base rates the costs of installing compressor stations along their distribution main. State regulatory commissions should not dispute such justification and precedent when deciding whether or not to allow the cost of NGV compressor stations in its base rates.

SUMMARY

The State of Kansas, as one of the top five gas producing states in the country, should become proactive toward NGVs and alternative fuels. There are many opportunities to capitalize on NGV commercialization potential through sensible policies at the state level. The policy approach can be balanced among alternative fuels, but ultimately the growth markets and consumers will influence and determine the mix of fuels in the market. Leadership from government, however, is a critical element. In gas producing states, government vehicles need to be running on natural gas. Government policies -- incentives, mandates, public education, etc. -- need to provide direction for consumers.

We have now the ability to develop policies, and support an alternative fuel, that promotes better economics for vehicles, an improved environment, improved safety over other fuels, and an American fuel. Economic development and increased jobs will follow. By supporting natural gas vehicles, the state of Kansas has the opportunity to be part of the solution to pollution and rising fuel imports.

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STATE ALTERNATIVE FUEL VEHICLE INITIATIVES (continued)

STATE	AFV COMMISSIONS	STATE AFV PROGRAMS	AFV INCENTIVE PROGRAMS	TAX ISSUES	UTILITY ISSUES	OTHER ISSUES
District of Columbia		1990 - Government and private fleets of 10+ vehicles must convert 5% of fleets to AFs beginning in 1993, and increasing by an additional 5% per year until 1998. Commercial fleets to submit compliance plans beginning in 1992.				1990 - Beginning in 1998, non-AF commercial vehicles banned from operating in Central Area Employment from sunrise to sunset from May 1 to September 15.
Florida		1991 - Executive Order mandates AFs in state vehicles beginning in FY 1992-93 in nonattainment areas. Target of 100% state fleet AFVs by 2000. Florida Energy Office developing state AF and fueling infrastructure plan.				
Georgia					1992 - Retail sale of NG as motor fuel removed from PSC jurisdiction.	
Hawaii	1991 - Department of Business, Economic Development and Tourism to study various AF issues and report in 1992.					
Iowa		1991 - Beginning in 1992, 5% of state fleet purchases to be AFVs, increasing to 10% in 1984.	1991 - State, local government and school district AFV purchases may be financed through Iowa Energy Bank Program.			
Kansas	1991 - Commission established to evaluate state NG policies.					

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STATE ALTERNATIVE FUEL VEHICLE INITIATIVES

STATE	AFV COMMISSIONS	STATE AFV PROGRAMS	AFV INCENTIVE PROGRAMS	TAX ISSUES	UTILITY ISSUES	OTHER ISSUES
Arizona		1987 - Certain public and private fleets in Phoenix required to use clean fuels. 1988 - Mandate extended to include buses. 1991 - Program to increase use of AFVs in state fleet adopted. 1992 - Fleet requirements expanded to require fleets to purchase AFVs.		1988 - NG sales temporarily exempted from state motor fuels tax		1992 - Conversions allowed to meet AFV requirements. LNG included as alternative fuel.
Arkansas	1991 - 9 member AF commission created.					
California		1989 - 25% of state vehicles must have AF capability. 1990 - Passenger vehicles - for-hire in non-attainment areas must use AFs.		1989 - Incremental cost of AFVs exempt from sales tax until 1995. 1990 - $1,000 auto and $3,500 truck tax credits adopted for LEVs. 1990 - CNG and LPG fuel purchases taxed by annual flat sticker tax.	1990 - PUC to evaluate policies to encourage NGVs. 1991 - CNG sales alone not a utility activity. Utilities allowed to recover NGV related costs.	1990 - CARB adopts vehicle emission standards. 1992 - AF providers required to publicize LEV fuel information.
Colorado	1990 - AF commission created by executive order.	1990 - Beginning in 1991-92, 10% of state fleet purchases to be AFVs, increasing by 10% per year thereafter.	1989 - $200 rebate for AFV purchases or conversions. 1992 - Rebate of up to $1,000 for new or converted AFVs.	1988 - CNG and LPG fuel purchases taxed by annual flat sticker tax.	1990 - NG vehicle fuels sales deregulated.	1992 - Certification program for AFV conversion mechanics implemented.
Connecticut				1991 - 10% tax credit for AFV investments and expenditures until 1993 adopted. AFV purchases, conversions and CNG fueling station purchases exempt from sales and use tax.	1992 - NGVs, electric vehicles and other AFVs are promoted and encouraged.	1990 - Use of AFVs to be evaluated to address global warming. 1991 - Study of adopting California emission standards begun. AFV tunnel restrictions removed.

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STATE ALTERNATIVE FUEL VEHICLE INITIATIVES (continued)

STATE	AFV COMMISSIONS	STATE AFV PROGRAMS	AFV INCENTIVE PROGRAMS	TAX ISSUES	UTILITY ISSUES	OTHER ISSUES
Kentucky					1992 - Rates for sale of CNG as motor fuel not to be regulated by PSC. Transportation and distribution to retail sellers of CNG still regulated. PSC to oversee allocation of utility/non-utility costs.	
Louisiana	1990 - State agency fleet vehicles to be clean-fuel capable: 9/1/94 - 30% 9/1/96 - 50% 9/1/98 - 80% Department of Environmental Quality to review program.			1991 - 20% tax credit for AFVs and AF fueling equipment.	1990 - PSC directed to deregulate direct sales of NG for vehicles.	
Maryland					1992 - Sales of NG as motor fuel deregulated for non-public utilities.	
Massachusetts						1990 - State will opt-in to the California LEV Program beginning in May 1993. May be delayed if the NE states don't opt-in.
Minnesota				1991 - Exempts sales of NG as vehicle fuel from local franchise fees or taxes.	1984 - Deregulates resale of NG as vehicle fuel.	

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STATE ALTERNATIVE FUEL VEHICLE INITIATIVES (continued)

STATE	AFV COMMISSIONS	STATE AFV PROGRAMS	AFV INCENTIVE PROGRAMS	TAX ISSUES	UTILITY ISSUES	OTHER ISSUES
Missouri		1991 - Government fleets of 15 or more vehicles to begin converting to AFVs: 7/1/96 - 10% 7/1/98 - 30% 7/1/2000 - 50% 30% of AFVs must operate solely on AFs by 7/1/2002.				
Nevada	1991 - Requires State Enviornmental Commission to report on AF use in vehicles.					1991 - Requires State Environmental Commission to adopt certain California laws relating to vehicle emission testing.
New Mexico	1991 - Clean Alternative Fuels Task Force created to make recommendations on a variety of AFV issues.	1992 - State and university light-duty vehicles must convert to AFs: FY93-94 - 30% FY94-95 - 60% FY95-96 - 100%	1992 - A revolving loan fund of $5 million established to fund vehicle conversions.		1992 - The sale-for-resale of NG as a vehicle fuel is deregulated.	
New York		1991 - N.Y. City ordinance requires 385 AFVs be purchased by 6/30/92. 1990 - N.Y. State starts 6-year AFV demonstration program.				1989 - N.Y. State Energy Plan adopted - calls for encouraging use of CNG as a vehicle fuel. 1990 - Triborough Bridge and Tunnel Authority opened bridges and tunnels to NGVs.
North Carolina	1991 - Study of clean fuels in state-owned vehicles initiated and NGV demonstration project developed.					

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STATE ALTERNATIVE FUEL VEHICLE INITIATIVES (continued)

STATE	AFV COMMISSIONS	STATE AFV PROGRAMS	AFV INCENTIVE PROGRAMS	TAX ISSUES	UTILITY ISSUES	OTHER ISSUES
Oklahoma			1990 - $1.5 million Alternative Fuels Conversion Fund established to reimburse state agencies, counties, cities and school districts that convert vehicles to operate on AFs, up to $3,500 per vehicle. Up to $100,000 per fueling station can be reimbursed. Repayment to be made from fuel cost savings.	1991 - A 50% tax credit for conversion of vehicles to operate on AFs is applicable through 1/1/95.	1991 - Sale of NG as a vehicle fuel deregulated.	
Oregon	1991 - Study of NGVs commenced by Department of Transportation. Department of Energy to study renewable fuels.	1991 - State fleet vehicles to be converted to operate on AFs to maximum extent practicable. After 7/1/94, only AFVs to be acquired by state mass transit vehicles to use AFs whenever economically feasible.		1991 - AFV purchases eligible for energy conservation tax credit programs.	1991 - Utilities authorized to assist industrial and commercial customers to acquire AFVs and fueling facilities.	
Pennsylvania						1989 - Resolution to Congress to mandate shift to AFVs and provide tax incentives and financial assistance to do so.
South Dakota				1993 - Reduced the state motor fuel tax from 18¢ to 6¢ for AFs.		1990 - Adopted resolution similar to Pennsylvania's 1989 memorial to Congress.
Tennessee						1992 - Legislative resolution urging the development of domestic, environmentally-beneficial AFs.

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STATE ALTERNATIVE FUEL VEHICLE INITIATIVES (continued)

STATE	AFV COMMISSIONS	STATE AFV PROGRAMS	AFV INCENTIVE PROGRAMS	TAX ISSUES	UTILITY ISSUES	OTHER ISSUES
Texas		1989 - Certain vehicles in non-attainment areas, including buses, state fleets over 15 vehicles, and school bus fleets over 50 vehicles, must begin using clean-fuels: 9/1/94 - 30% 9/1/96 - 50% and 9/1/98 - 90%, if approved by Texas Air Control Board. TACB authorized to set mandates for local government fleets over 15 vehicles, with certain exemptions.		1991 - NG and LPG as vehicle fuels exempt from state sales tax.	1989 - Sale-for-resale of NG as vehicle fuel to end-user is deregulated.	
Utah		1992 - Requires Utah Air Quality Board to implement program to convert vehicle fleets to AFs.	1991 - Established a Clean Fuel Private Sector Incentive Program and a revolving Clean Fuel Conversion Fund for private and public fleets, respectively.	1992 - Exempts AFs from franchise taxes. 1992 - Corporate and personal tax credits established for purchase of AFVs.		
Virginia	1990 - Joint subcommittee appointed to study NGVs and other AFVs.	1991 - A variety of AF legislation enacted to do demonstration projects or convert school bus fleets to NG.	1992 - Virginia Alternative Fuels Revolving Fund established to provide loans for the conversion of government vehicles to AFVs. The Literary Fund authorized to purchase AF buses, do AF conversions, and build AF fueling stations.		1991 - SCC authorized to deregulate sales of NG as a vehicle fuel on a case-by-case basis.	

STATE ALTERNATIVE FUEL VEHICLE INITIATIVES (continued)

STATE	AFV COMMISSIONS	STATE AFV PROGRAMS	AFV INCENTIVE PROGRAMS	TAX ISSUES	UTILITY ISSUES	OTHER ISSUES
Washington		1991 - After 7/1/92, 30% of state vehicle purchases must be AFVs, increasing by 5% per year. 1991 - King County ordinance requires AFV purchases or conversions: 1992 - 50% 1993 - 75%			1991 - NG fueling infrastructure development found to be in public interest.	
West Virginia		1991 - Group of state vehicles to be converted to operate on CNG. CNG fueling stations to be constructed by 9/30/91.			1991 - Sale by a non-utility of NG as a vehicle fuel deregulated. PSC to develop demonstration programs for AFs.	
Wisconsin	1989 - Task Force appointed by Governor to develop state policy on AFs.		1991 - Fund established to reimburse municipalities $2,000 per vehicle up to $30,000 maximum for conversion to AFs.			

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October 26, 1993, 1:30 pm
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23

Compressed Natural Gas (CNG)
An Alternative Fuel
for
Motor Vehicles

Comments to:

Kansas House Committee on
Transportation & Utilities

October 26, 1993

By:

Dick Brewster
Amoco Corporation

HOUSE TRANSPORTATION
October 26, 1993, 1:30 pm
Attachment 23-1

Mr. Chairman, Members of the Committee, my name is Dick Brewster, and I am Senior Government Affairs Representative for Amoco Corporation.

Compressed natural gas, or "CNG," is one of the cleanest, safest and most abundant vehicle fuels in the market today. Vehicles powered by CNG emit significantly less carbon monoxide (CO), nitrous oxides (NOX), and other pollutants as compared to vehicles powered by conventional, or even reformulated gasolines.

As you have heard and seen already during today's hearing, CNG can be safer than liquid fuels. And natural gas is abundant in the U. S. today. Reserves of natural gas from conventional exploration and production activities in the U. S. are estimated at a 75-year supply. If you include so-called non-conventional reserves such as coal-bed methane production, estimates are that we have a 200 year supply in the U. S. alone.

From a national perspective, then, the two reasons to encourage the use of natural gas as a vehicle fuel are energy security for the nation and the environmental benefits natural gas provides.

The largest contiguous natural gas production field in North America, and perhaps in the entire Western Hemisphere is located in Southwest Kansas. Thus, by geopolitical accident, Kansas has much to gain by encouraging the use of natural gas as a vehicle fuel, not only within the state, but throughout the nation. We would encourage the State of Kansas to "lead by example," in the use of natural gas as a vehicle fuel.

In addition to the obvious advantages of CNG listed above and discussed by other conferees today, we should keep in mind that the natural gas "wholesale infrastructure" is already in place: that is, the use of natural gas as a space heating fuel has become widespread throughout the nation in the past two decades: the pipeline and local utility system delivering natural gas to the nation exist now.

HOUSE TRANSPORTATION
October 26, 1993, 1:30 pm
Attachment 3-2

The additional infrastructure needed to make CNG available to the motor vehicle driver, CNG refueling stations, are not yet in place in sufficient numbers to adequately encourage vehicle owners and fleet operators to purchase CNG dedicated vehicles or to convert existing cars and trucks to bi-fueled vehicles. And, there are not enough CNG fueled vehicles to encourage fuel marketers and others to install CNG refueling facilities.

Thus, we believe the development of CNG fueled vehicles and the development of refueling facilities must proceed on a parallel track. And this development requires, we believe, a partnership between and among governments at all levels, natural gas producers, pipelines and utilities, traditional motor fuel marketers, manufacturers and vendors of equipment, regulatory officials, and others. Where such partnerships have been developed, the benefits have become clear.

Both the State of Kansas and Amoco have helped lead the way toward the development of the needed CNG infrastructure. As you may know, we installed the first retail CNG outlet in Kansas at the Amoco location at 6th and Quincy here in Topeka. This station was the result of an effort by KPL Gas Service (Western Resources), which provides the gas to that location; the State of Kansas, which converted a number of fleet vehicles to CNG; and Amoco, which installed the refueling equipment. Subsequently, we installed a CNG facility an Amoco location in Lenexa, Kansas.

Amoco also has CNG refueling locations in Colorado, Michigan, Illinois, Georgia, Nebraska and New Mexico. Several Amoco CNG outlets will be in place in time for the Olympic Games coming to Atlanta, during which many Olympic shuttle vehicles will be CNG powered.

These locations are expensive and do not bring the return on investment required of other ventures undertaken by our company. We persist, however, because we are convinced that the future of CNG is a strong, viable one.

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There have been obstacles to overcome in the development of CNG. Jeff Seisler, of the Natural Gas Vehicle Coalition has alluded to some of the obstacles in reviewing a number of steps a state may take to encourage the use of CNG.

Kansas has taken a leadership role in overcoming some of these obstacles. Though traditionally a highly regulated commodity, delivered by regulated pipelines and utilities, it was quickly determined that natural gas for use as a motor fuel would not be subject to regulation as to price, nor would CNG be subject to rules prohibiting the sale-for-resale of natural gas. The speedy resolution of these two concerns, major obstacles in some states, indicate Kansas' leadership role.

Method-of-Sale for CNG has been a major concern. Since natural gas, even in its compressed form, is not a liquid but a gaseous substance, typical weights and measures regulations have required the sale of CNG by weight or volume. But we believe the motorist cannot make needed price, performance and value comparisons unless CNG can be sold in units comparable to the gasoline gallon. (How many miles per pound or cubic foot should your vehicle get?)

Thus, Kansas was the first state to adopt legislation creating a "gasoline gallon equivalent" unit (or GGE) for CNG, and permitting the sale of CNG by that unit. Since then, Colorado and Georgia have adopted similar legislation (though the determination of what constitutes a GGE is different in each of the three states.

We have been working closely with the National Conference on Weights and Measures to develop a national standard for the GGE, and I believe we are close to that goal. Again, Kansas led the way on this issue.

I believe there is more Kansas can and should do to encourage the widespread use of CNG:

HOUSE TRANSPORTATION
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1993 H. B. 2499 would provide tax incentives, in the form of income tax credits, for the installation of CNG refueling facilities and for equipping motor vehicles to use CNG in addition to traditional liquid fuels. We would encourage adoption of this proposal. A "window" during which these tax credits are available will encourage speedy development of the infrastructure in Kansas, especially in parts of the state outside major metropolitan areas. We would encourage opening that "window" on January 1, 1994, and gradually decreasing the tax credit available until it closed completely three or four years hence.

In the Senate, another carry-over bill, S. B. 330, would exempt CNG from the state's motor fuel tax. We believe such an exemption would provide significant encouragement to motorists and fleet operators to convert existing vehicles to CNG. It would increase the fuel cost savings over traditional fuels, and would allow the conversion to pay for itself in a shorter period of time.

That bill simply exempts CNG from the tax altogether. We would suggest amendments which would exempt CNG from the motor fuel tax for three years, subject CNG to half the motor fuel tax for two years, to a three fourths of the tax for another year, and finally, subject CNG to the full motor fuel tax thereafter. This would provide early incentives to the development of this fuel, but ultimately CNG would shoulder its fair share of maintaining and building roads and highways.

We believe these two measures would allow Kansas to continue to set an example for other states; an example which will speed development of natural gas as a vehicle fuel and encourage the use of this abundant Kansas resource. The fiscal impact of these bills should be fairly small, particularly when compared to the long term benefit to Kansas and to the nation.

Mr. Chairman, Members of the Committee, thank you for your time and attention. I'll be glad to answer any questions.

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24

KANSAS GEOLOGICAL SURVEY

1930 Constant Ave., Campus West
The University of Kansas
Lawrence, Kansas 66047
913-864-3965

Testimony presented to the Transportation Committee and the Energy and Natural Resources Committee, October 26, 1993, by David R. Collins, Ph.D., Petroleum Research Section, Kansas Geological Survey.

Chair and members of the committee:

I have been asked to present an overview of the nature of the natural gas resource base in Kansas and trends in its development and production. To accomplish this I have prepared a sequence of maps, graphs, and charts which are intended to highlight information of particular importance and also give you material for future contemplation.

Figure 1 is a map indicating the geographic distribution of oil and gas fields in Kansas. The primary area of natural gas production is in the Hugoton Embayment in southwest Kansas. Approximately 70% of all natural gas produced in Kansas to date has been produced from the Hugoton Gas Field.

The following graph shows annual production of crude oil and natural gas from 1953 to 1993. Production trends in the 1980's show the strong influence of higher prices in stimulating new production.

The next two graphs show the leveling of natural gas and crude oil reserve trends in response to higher prices. Crude oil reserves are expected to continue declining at current price levels ($15-$19 per barrel).

The graph of Kansas Rig Activity is shown in relation to the price of crude oil, which has (until very recently) had the dominant impact on drilling. This graph shows price adjusted for inflation.

The following graph indicates the historic trend in the nominal (or current dollar) value of annual crude oil and natural gas production in Kansas. Note that 1992 was the first time that natural gas has surpassed crude oil in value. We expect that condition to remain well into the future (except

for an improbable major price increase through production cutbacks by OPEC). This is followed by a graph of the same trends in constant dollars (i.e., adjusted for inflation).

The next graph shows the strong correlation between employment of individuals in oil and gas extraction and the total (constant dollar) value of crude oil and natural gas production.

The final graph shows the estimated direct state revenue from severance taxes and taxes on individual wages and royalty income. This trend is expected to level for the next few years under the current tax structure due to rising value of natural gas production.

The following two pie charts provide information about the past and present geologic setting of natural gas production in Kansas. The chart for cumulative gas production shows that over 86% of all production through 1992 has come from reservoirs in Permian rock formations. This is due to the overall historical importance of the Hugoton Gas Area. Looking at the chart for 1992 production indicates that current production is shifting significantly toward formations in Mississippian and the Pennsylvanian (Morrow).

The next five maps show annual natural gas production by county for the years 1992, 1991, 1982, 1981, and 1972. These can easily be flipped through to see production changes in specific counties. As can be seen from the first graph on Kansas Production, 1972 was chosen to represent the peak production years of the late 1960's and early 1970's; 1981 and 1982 cover the sharpest production decline in kansas history; while 1991 and 1992 represent the current trend of gradually increasing production. Natural gas production is expected to peak and hold near 700 billion cubic feet per year for several years.

The last two maps compare production changes over 10 year intervals, from 1982 to 1992 and from 1981 to 1991. Obviously, the apparent changes in the industry represented by such maps are very highly dependant on the years selected for comparison.

That concludes my material. I would be glad to take questions from the committee.

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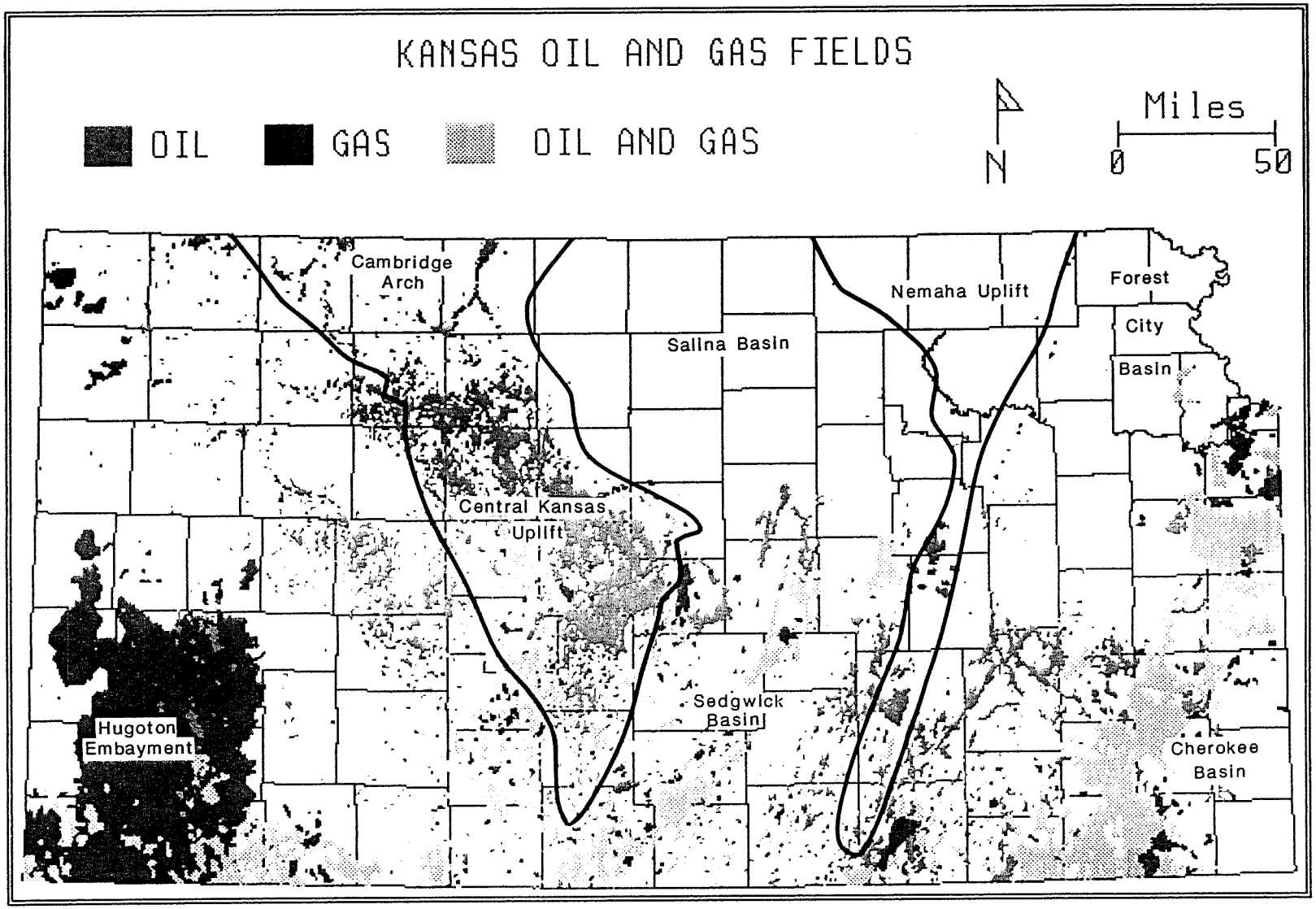
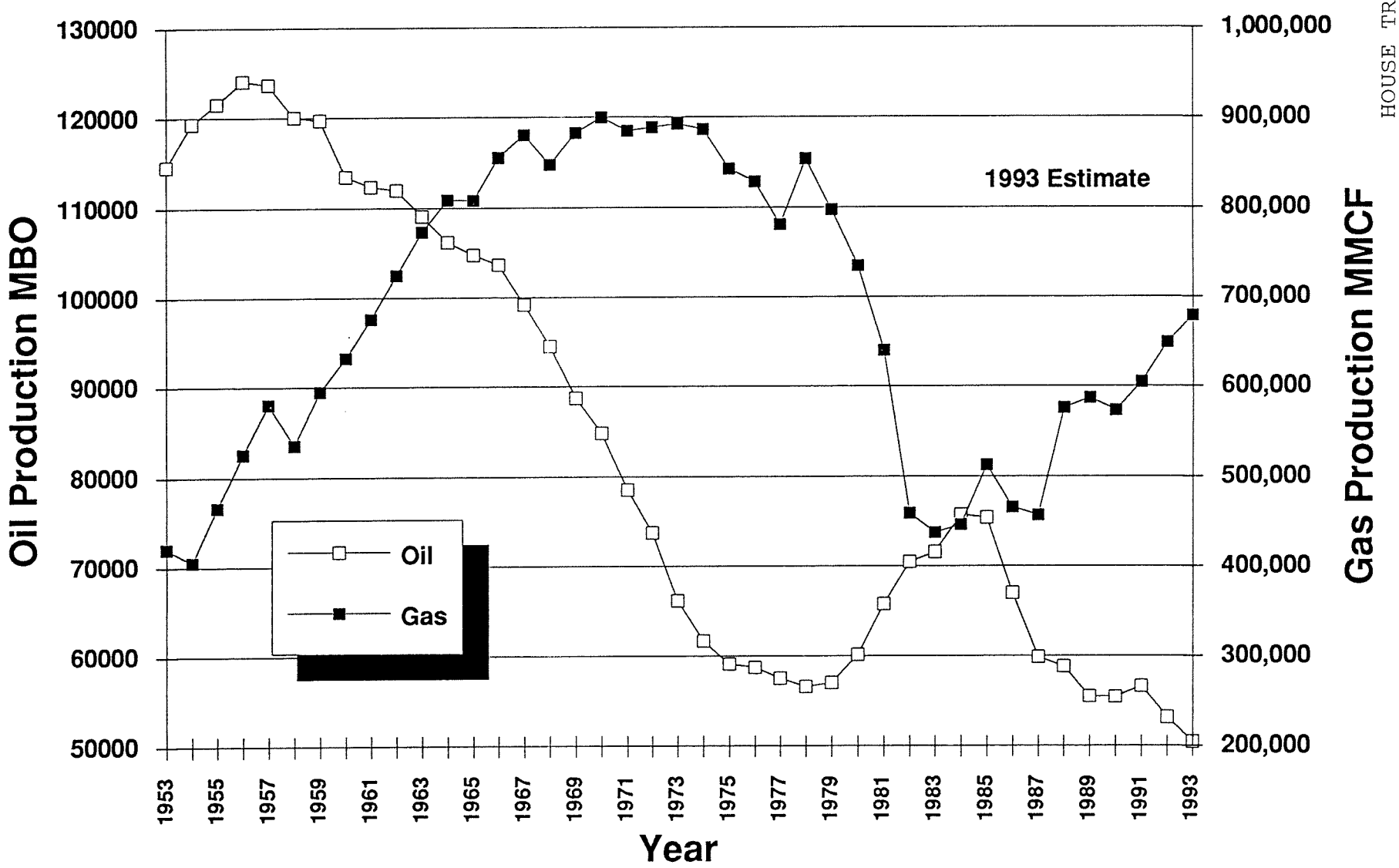


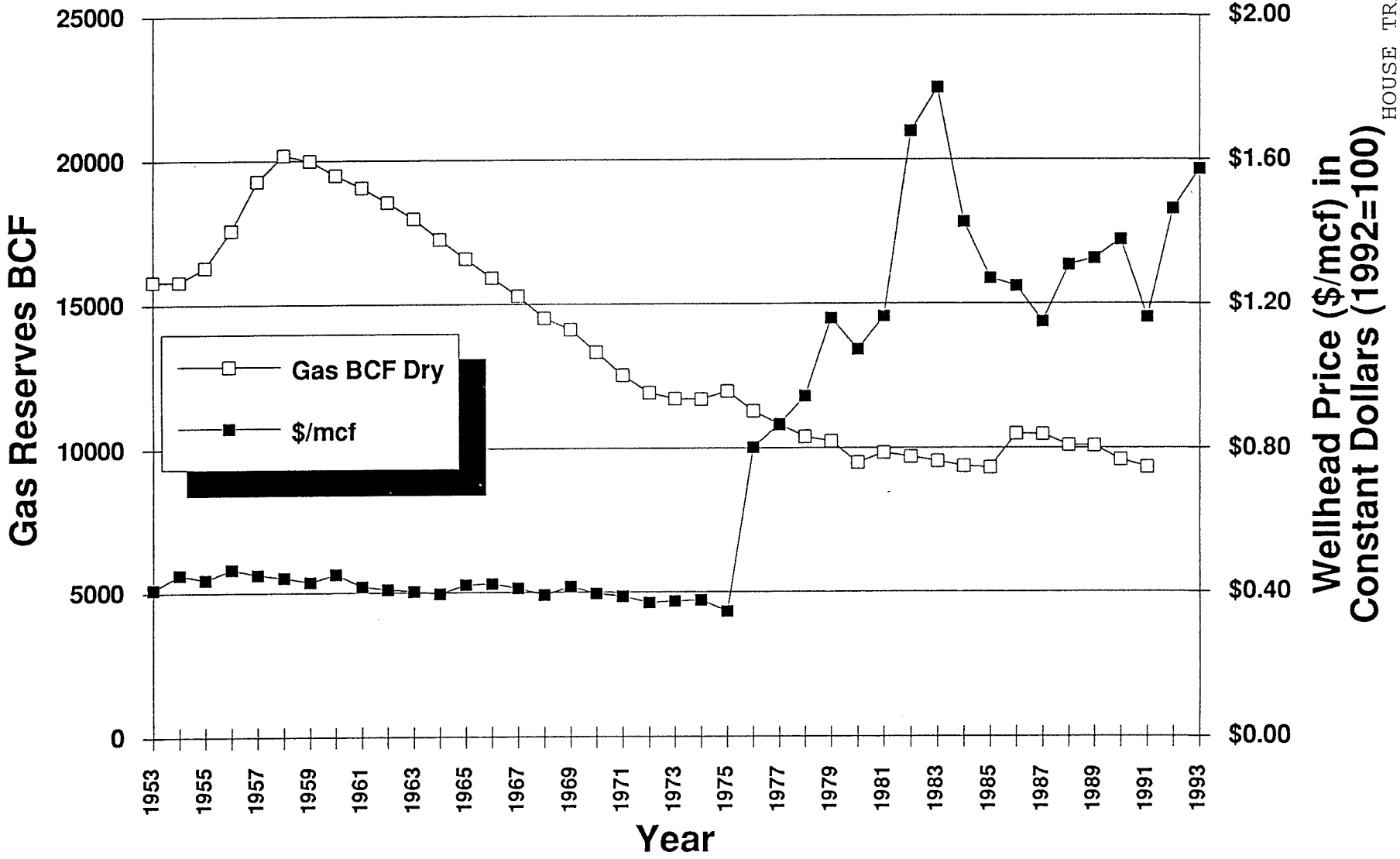
Figure 1.-- Map showing distribution of distribution of oil and gas fields in relation to the major structural features of Kansas. Structural features from Merriam (1963). Data on oil and gas fields from Kansas Geological Survey.

KANSAS PRODUCTION



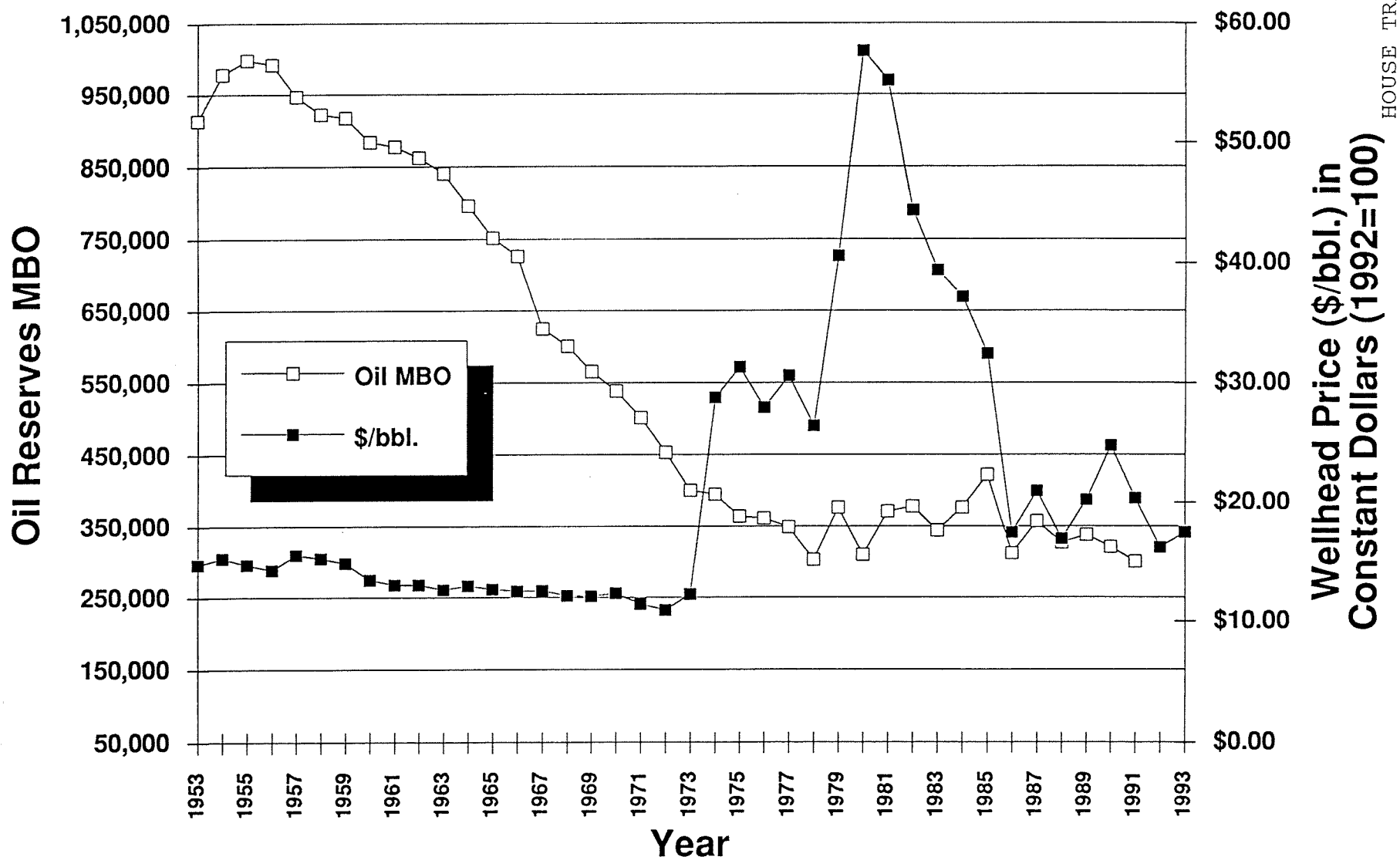
T. Carr, 9/30/93

KANSAS Reserves and Price



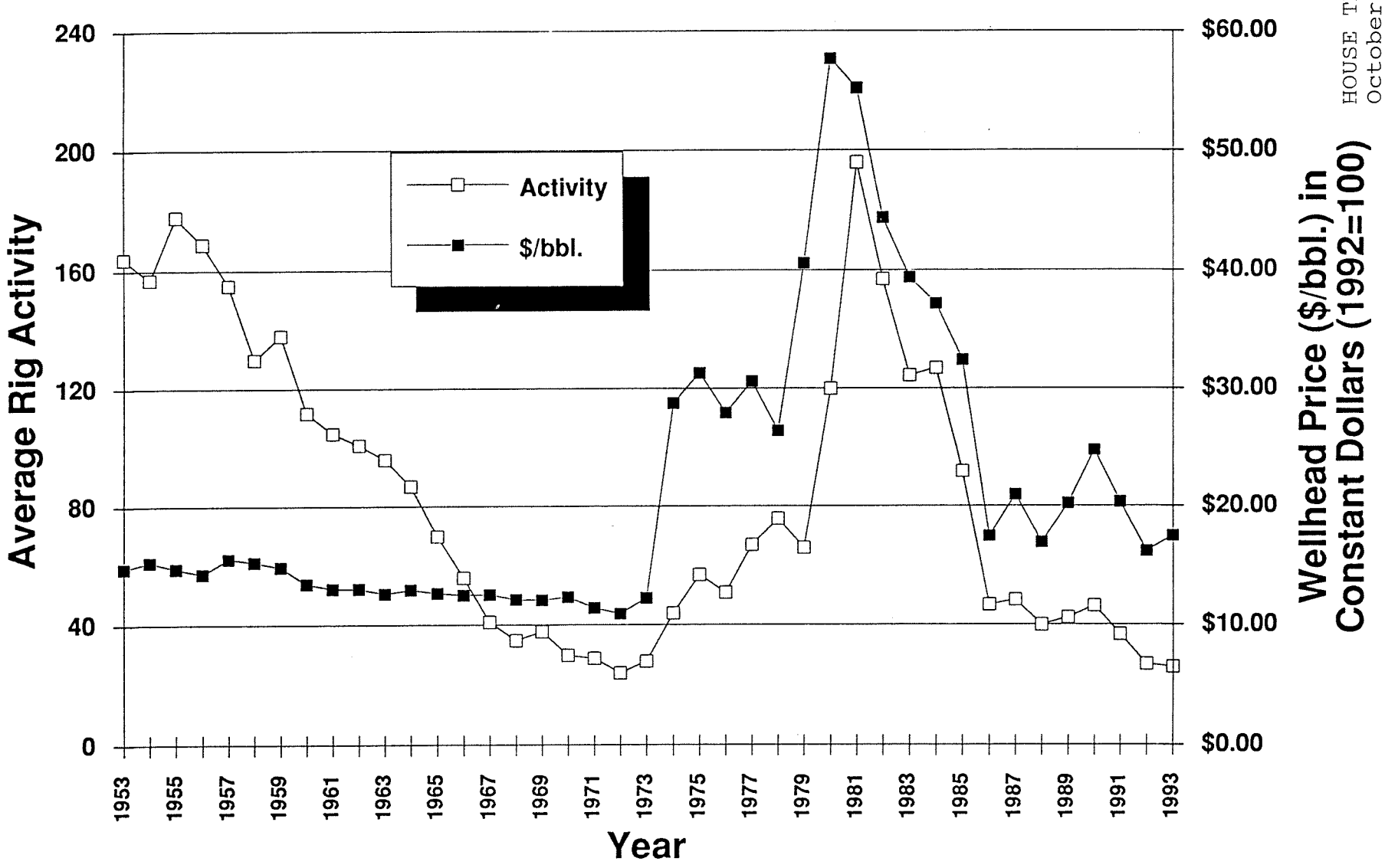
T. Carr, 9/24/93

KANSAS Reserves and Price



T. Carr, 9/24/93

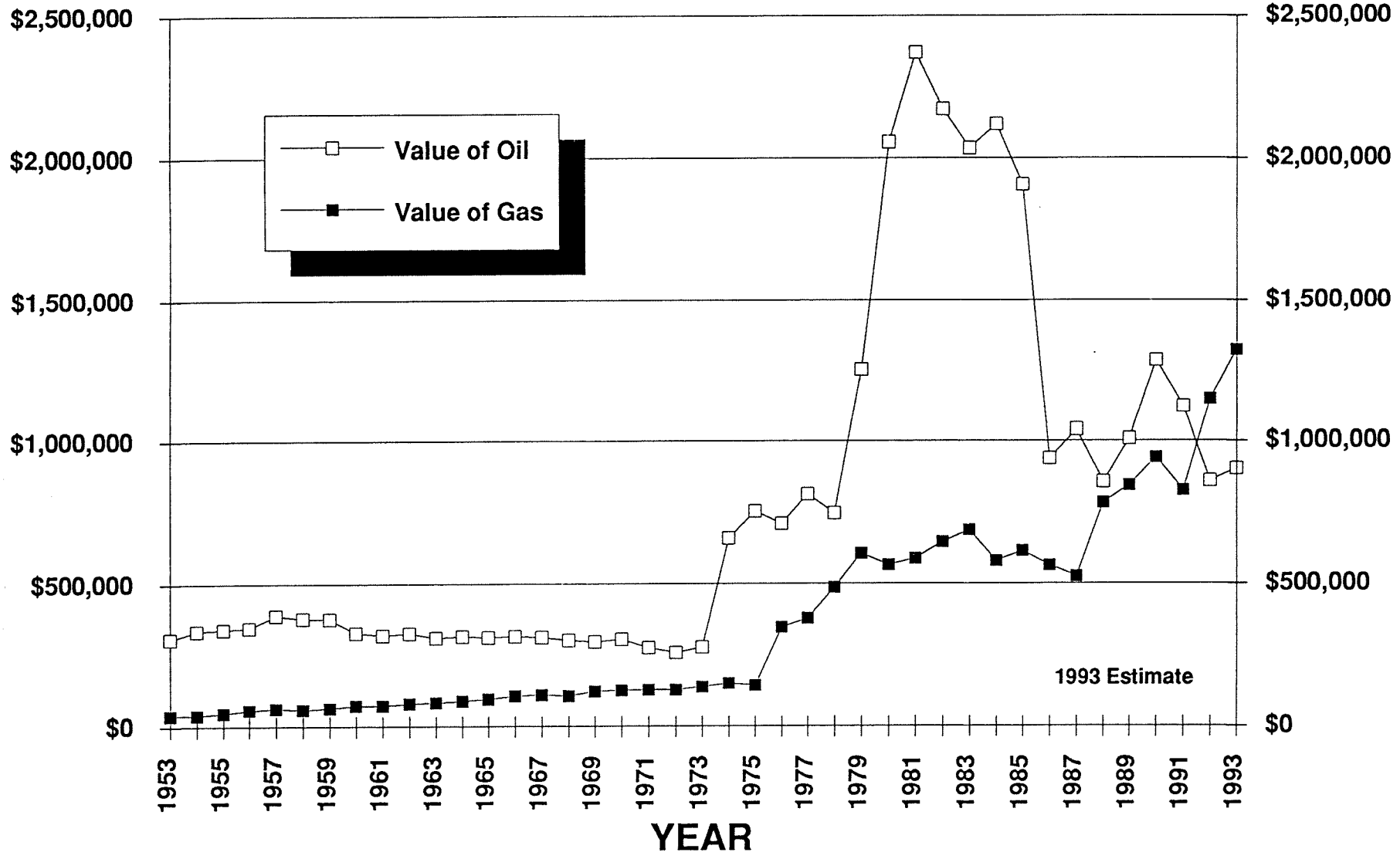
KANSAS Rig Activity and Price



T. Carr, 9/24/93

HOUSE TRANSPORTATION
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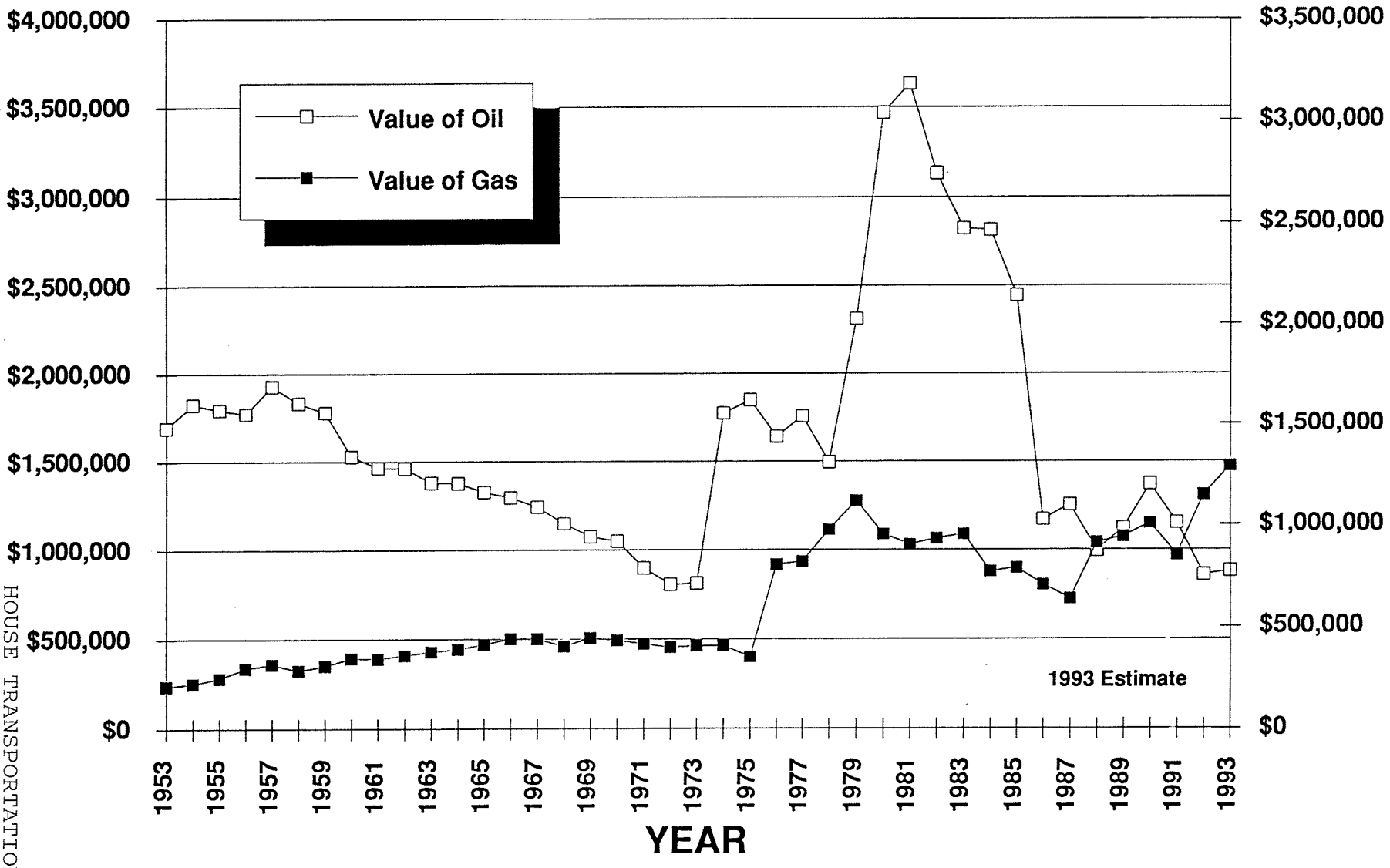
KANSAS PRODUCTION



T. Carr, 9/30/93

KANSAS PRODUCTION

Real Dollars, 1992=100

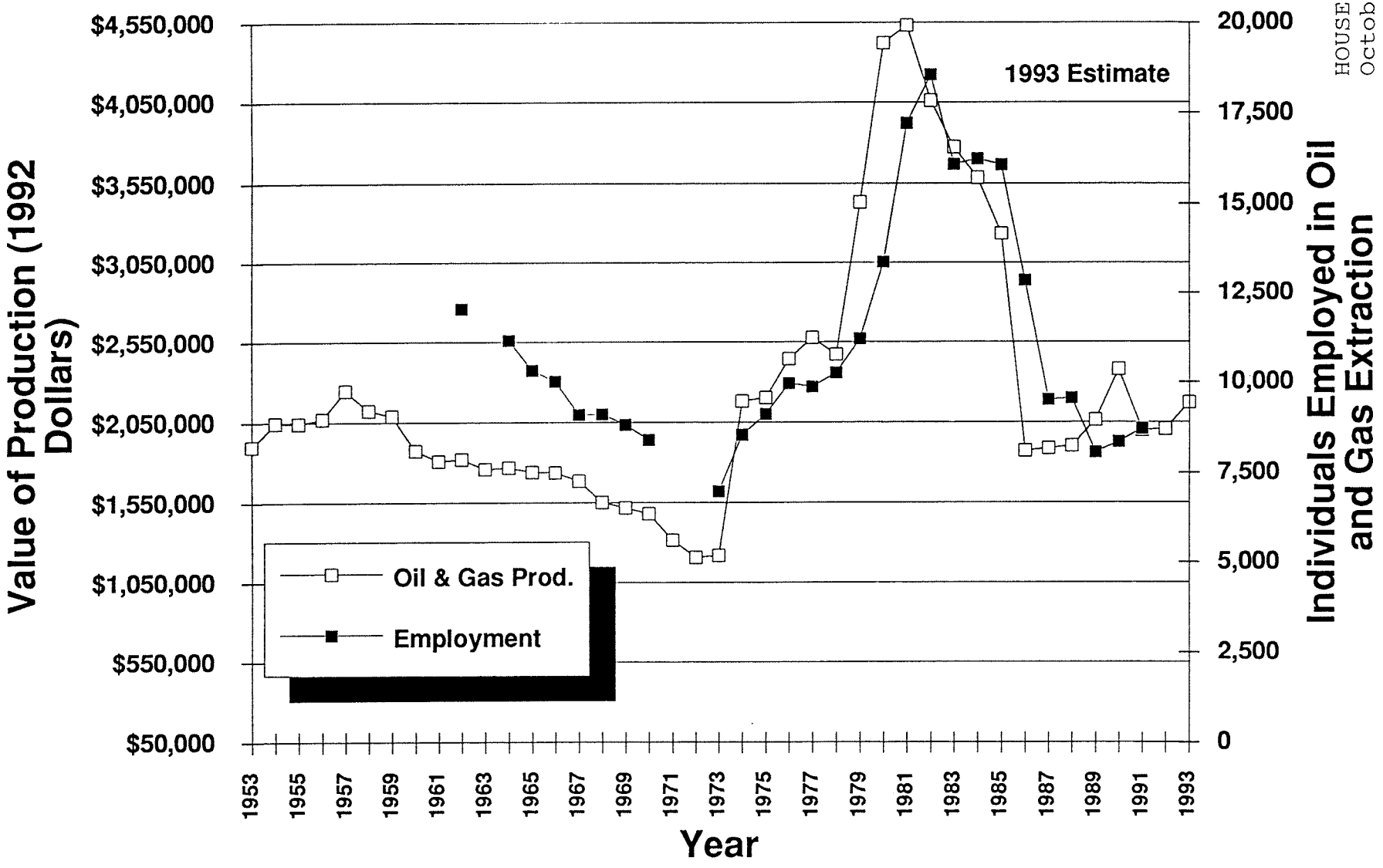


T. Carr, 9/30/93

HOUSE TRANSPORTATION
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Attachment 24-9

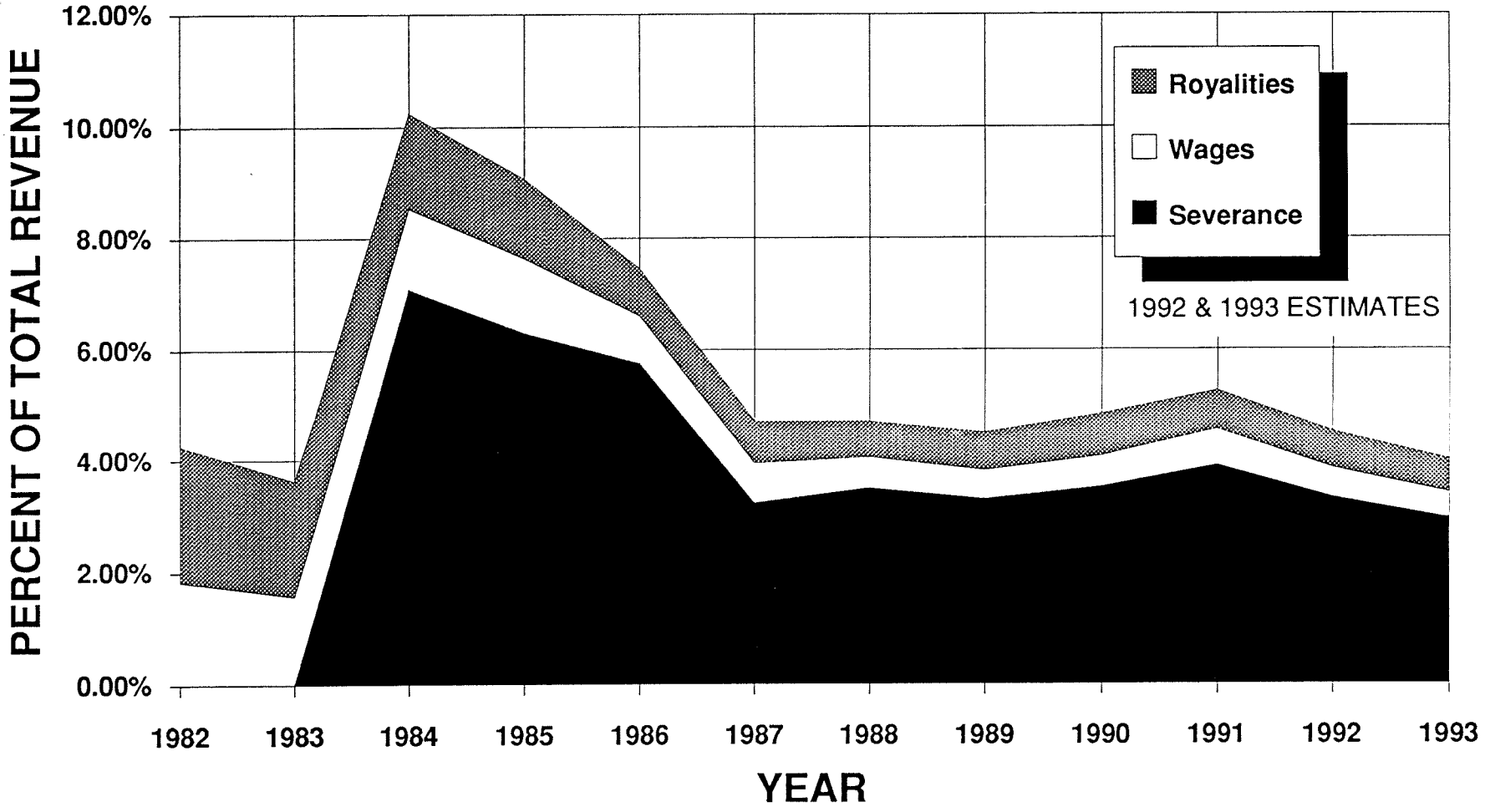
HOUSE TRANSPORTATION
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Attachment 24-10

KANSAS PRODUCTION AND EMPLOYMENT



T. Carr, 9/30/93

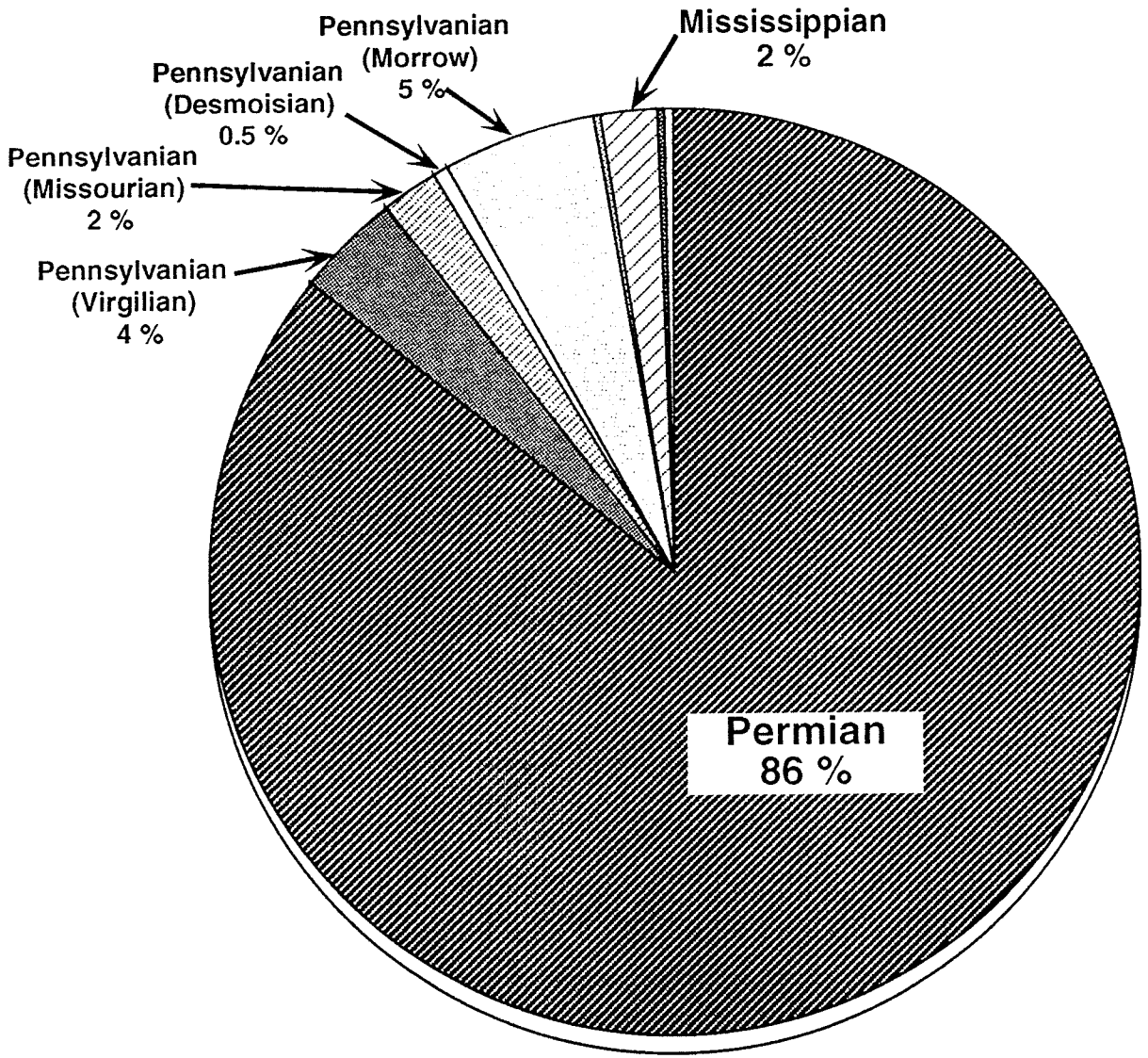
ESTIMATED DIRECT STATE TAX REVENUE



T. Carr, 9/25/93

HOUSE TRANSPORTATION
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Attachment 24-11

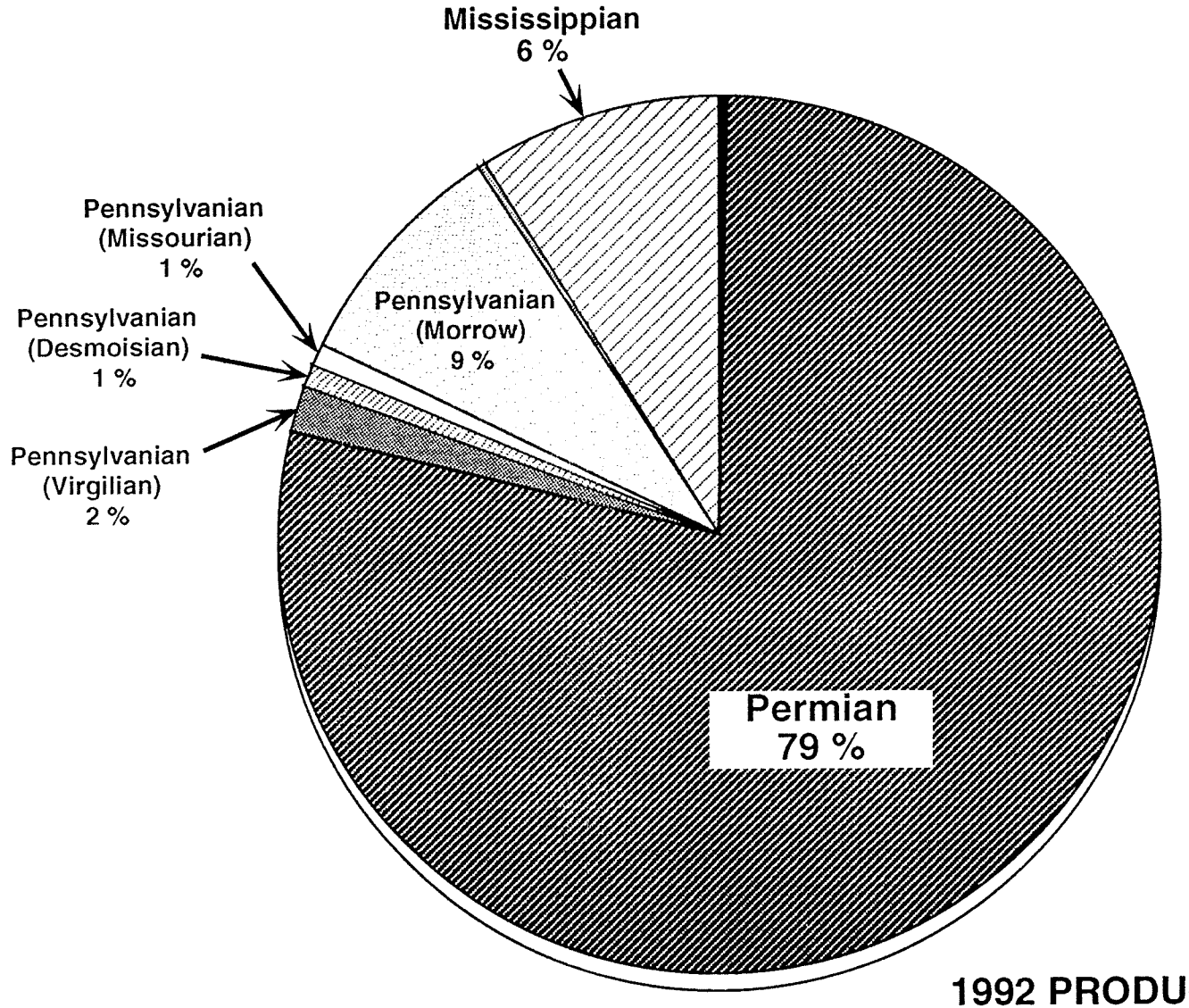
CUMULATIVE GAS PRODUCTION BY INTERVAL



TOTAL PRODUCTION: 29.5 TCF

HOUSE TRANSPORTATION
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Attachment 4-12

1992 ANNUAL GAS PRODUCTION BY INTERVAL

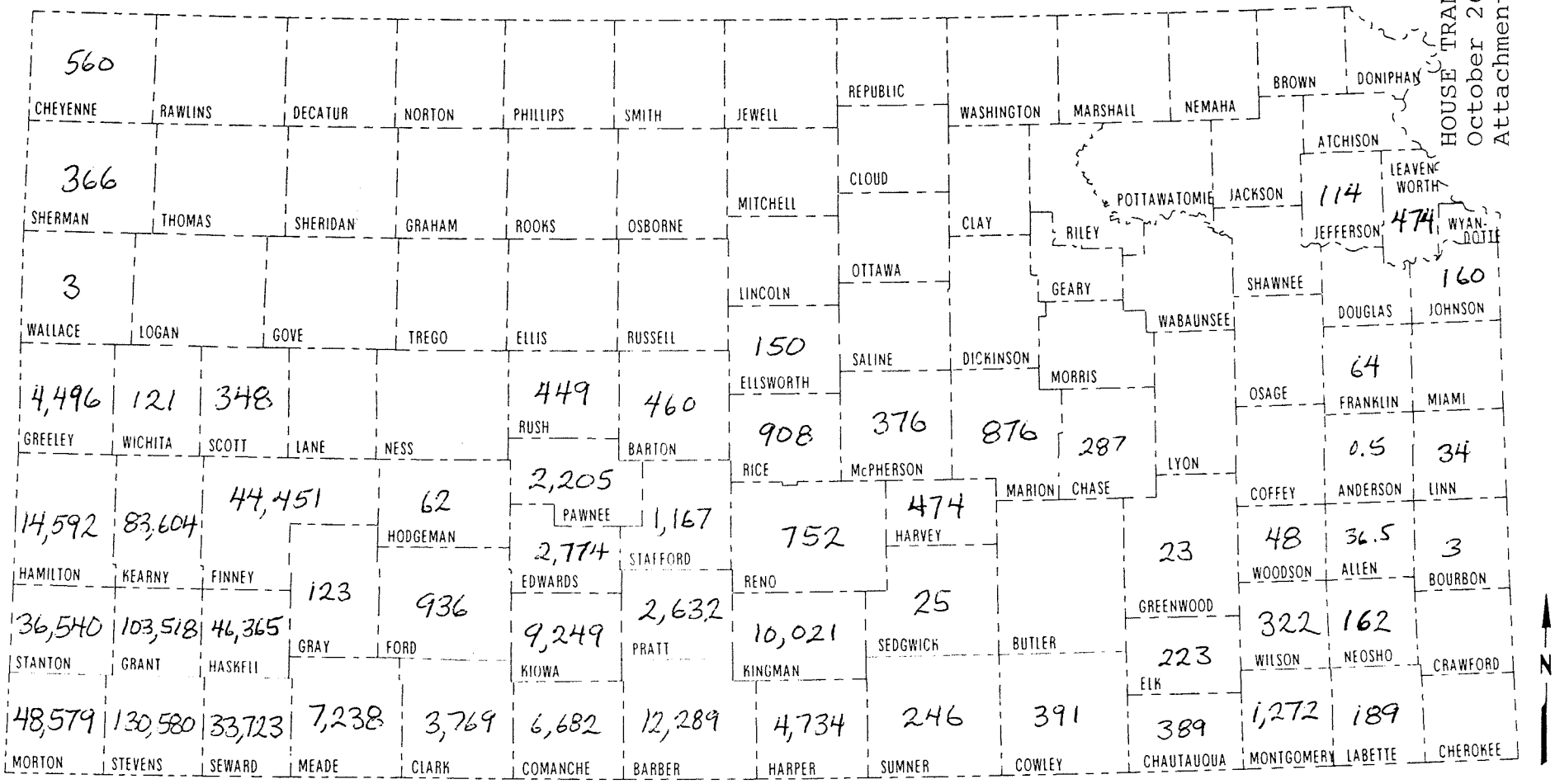


1992 PRODUCTION 649BCF

HOUSE TRANSPORTATION
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Attachment 24-13

Kansas: 1992 Natural Gas Production

(million cubic feet)



Total 1992 Production: 620,775 million cubic feet

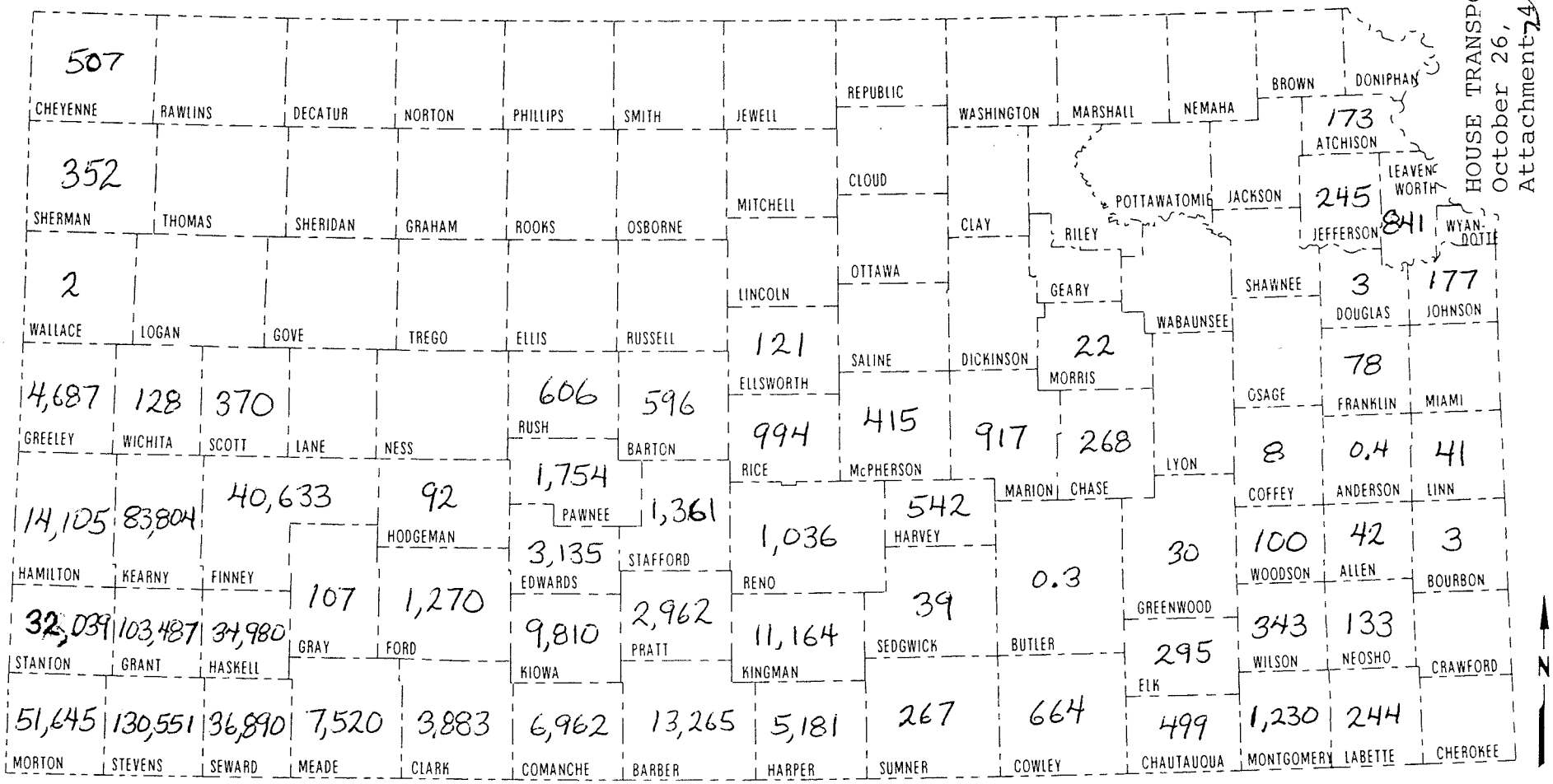
0 50 100 miles

0 50 100 kilometers

HOUSE TRANSPORTATION
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Attachment 14-14

Kansas: 1991 Natural Gas Production

(million cubic feet)

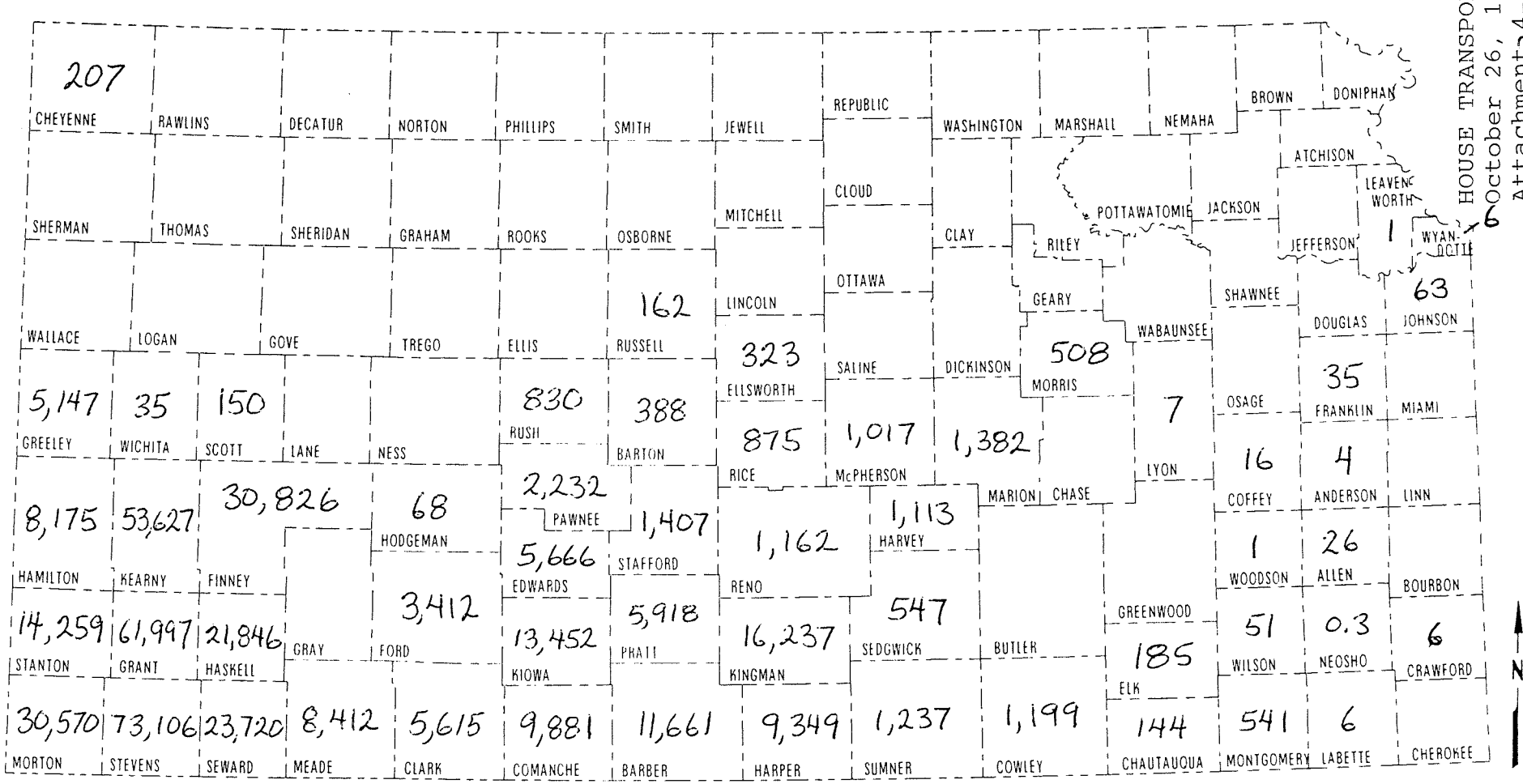


Total 1991 Production: 613,617 million cubic feet

HOUSE TRANSPORTATION
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Attachment 4-15

Kansas: 1982 Natural Gas Production

(million cubic feet)

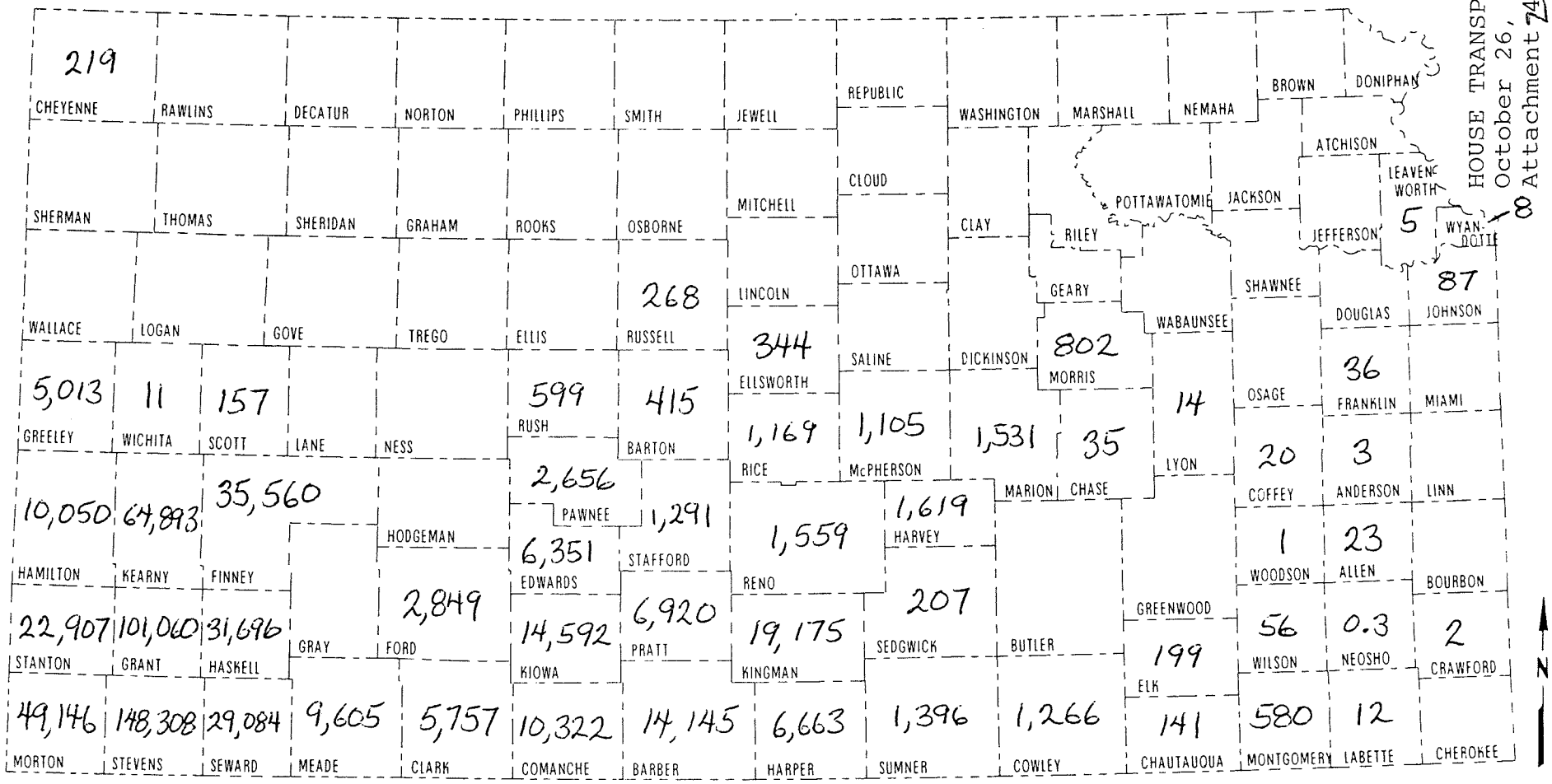


Total 1982 Production: 428,810 million cubic feet

HOUSE TRANSPORTATION
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Attachment 24-16

Kansas: 1981 Natural Gas Production

(million cubic feet)

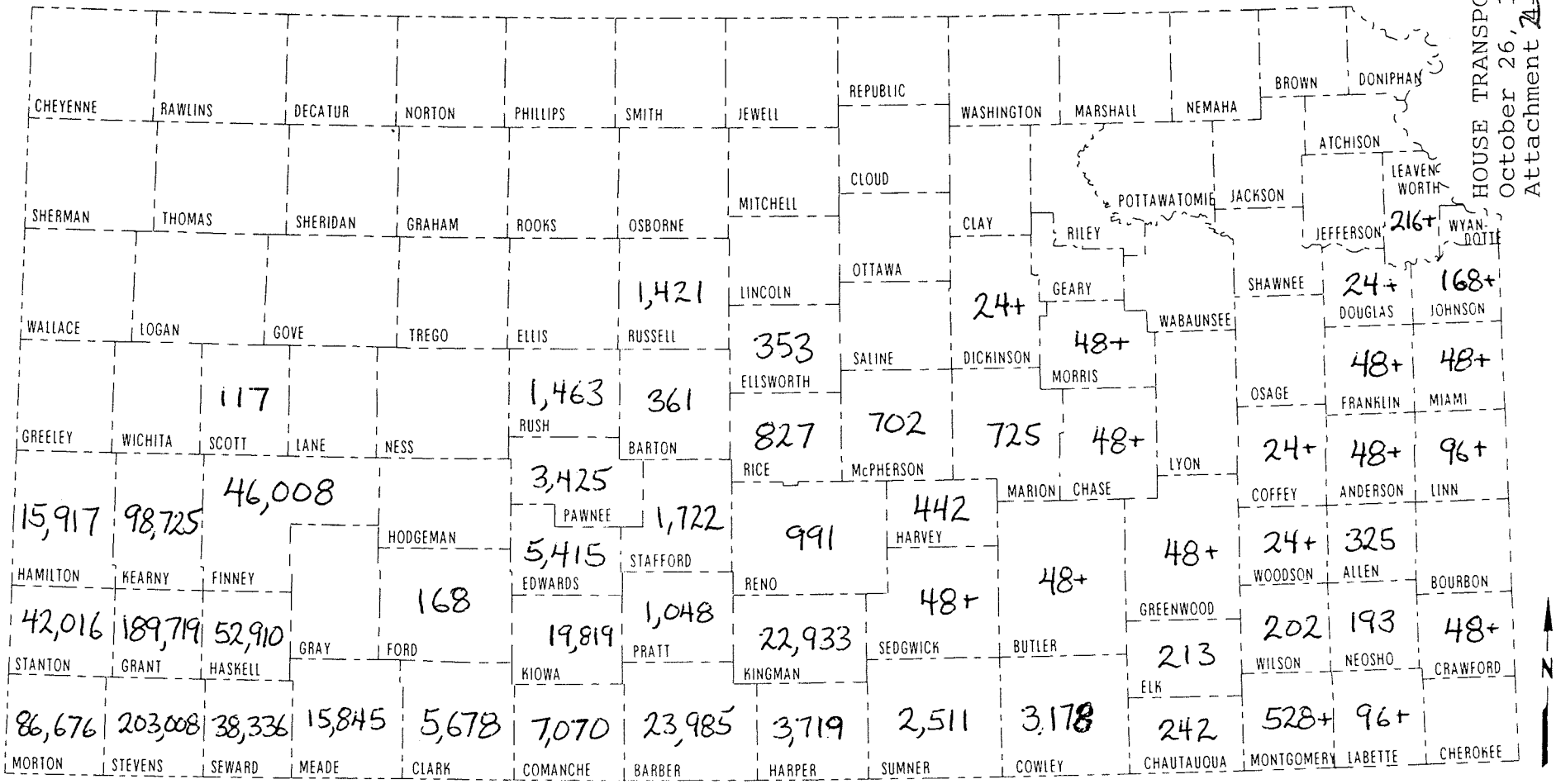


Total 1981 Production: 611,932 million cubic feet

HOUSE TRANSPORTATION
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Attachment 24-17

Kansas: 1972 Natural Gas Production

(million cubic feet)



Total 1972 Production: 898,618 million cubic feet

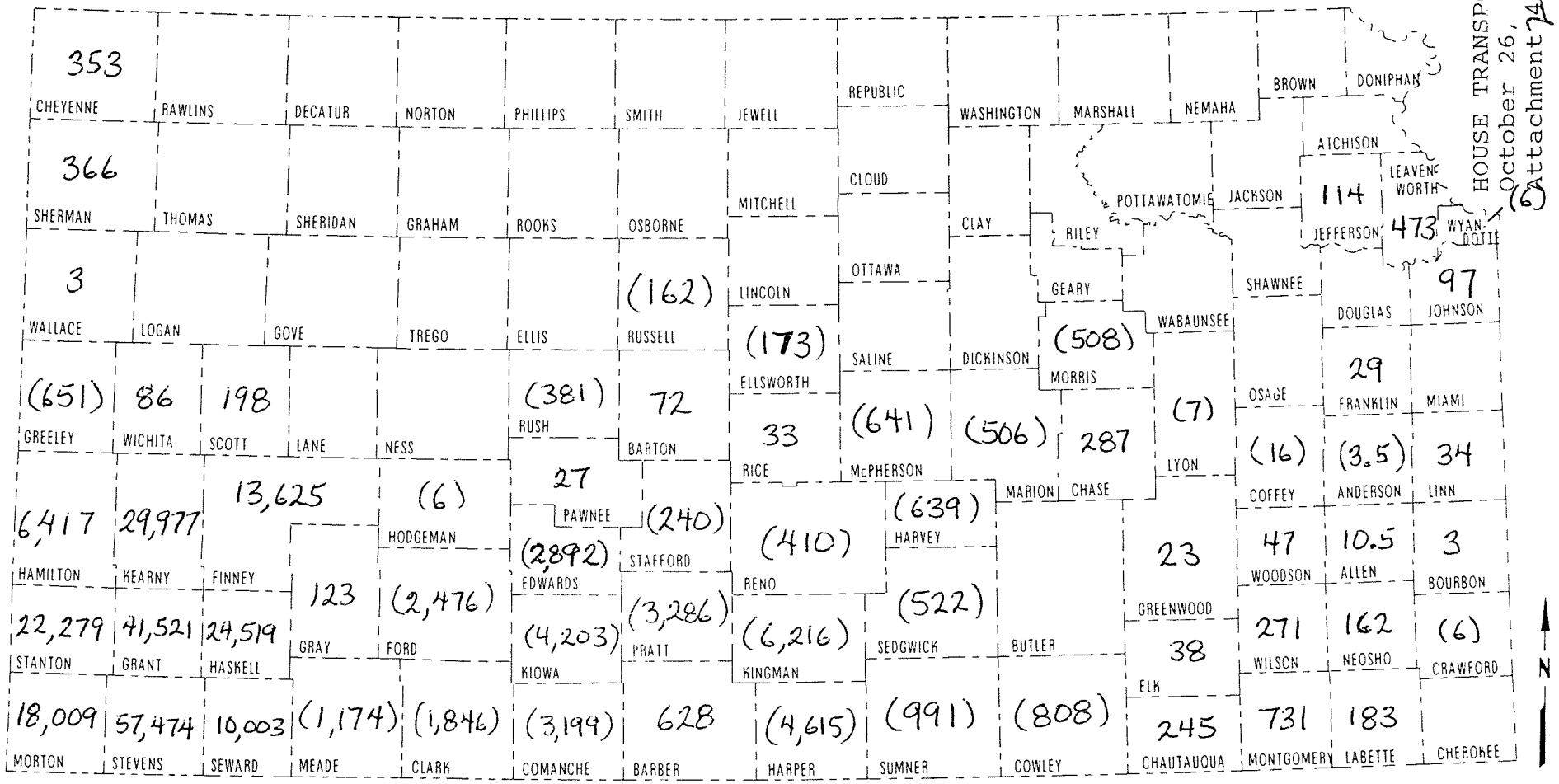
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HOUSE TRANSPORTATION
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Attachment 2-18

Kansas: Change in Annual Natural Gas Production, 1982 to 1992

INCREASE or (DECREASE) in million cubic feet



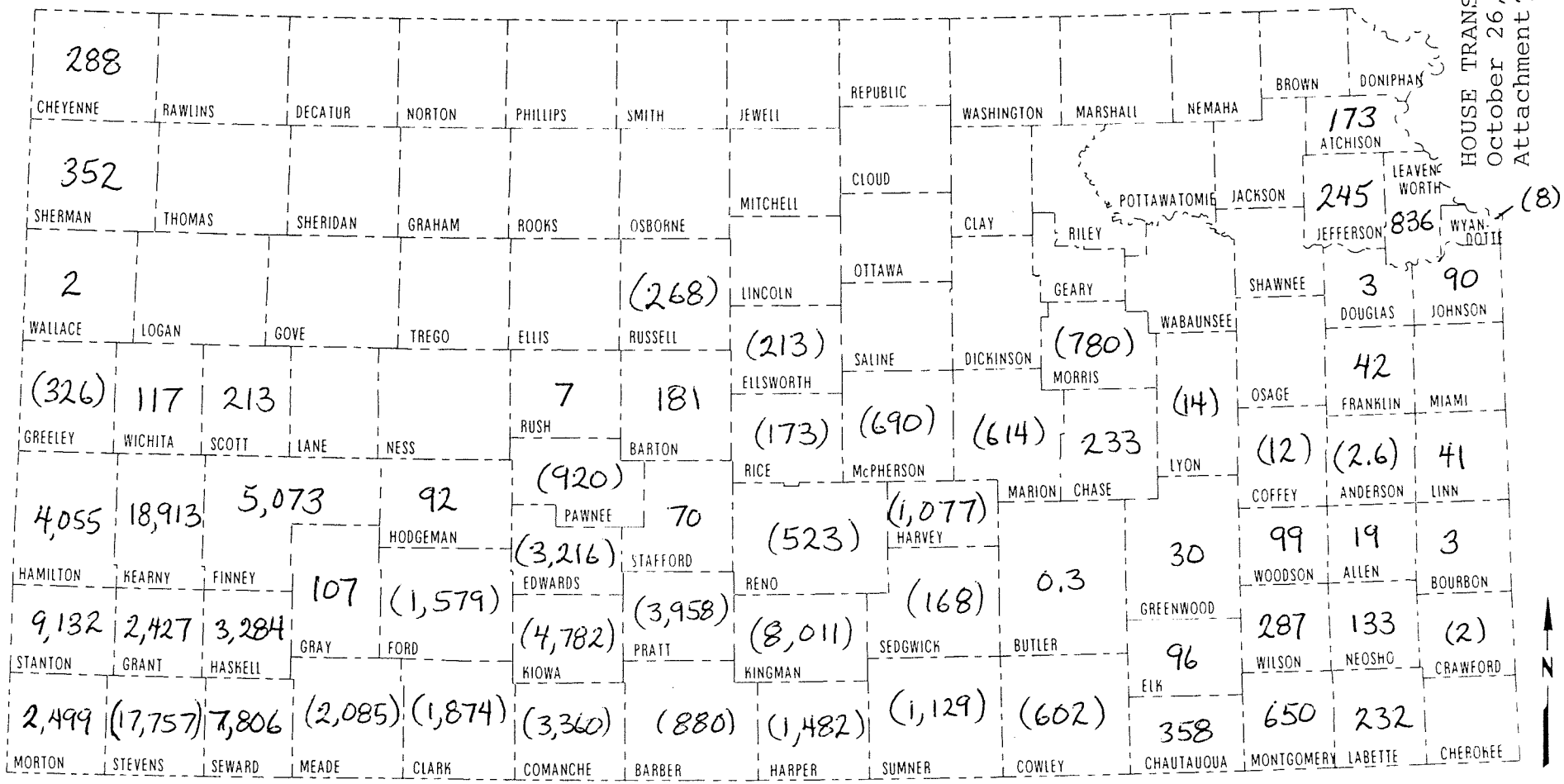
Total Change in Annual Production, 1982 to 1992:
191,965 million cubic feet

HOUSE TRANSPORTATION
October 26, 1993, 1:30 pm
Attachment 24-19

HOUSE TRANSPORTATION
October 26, 1993, 1:30pm
Attachment 24-19

Kansas: Change in Annual Natural Gas Production, 1981 to 1991

INCREASE or (DECREASE) in million cubic feet



Total Change in Annual Production, 1981 to 1991:
1,685 million cubic feet

25

Propane Marketers Association of Kansas

STATEMENT
BY
LEE EISENHAUER

Presented Tuesday, October 26, 1993
to the
House Committee on Transportation
Representative Rex Crowell, Chairman

Mr. Chairman and Members of the Committee:

I am Lee Eisenhauer, executive vice-president of the Propane Marketers Association of Kansas. I want to thank you for allowing me this time, on behalf of the propane marketers in each of your districts and throughout the state.

We are here simply to ask that in your consideration of possible incentives for the use of natural gas as a clean-air transportation fuel, that propane, and all the alternative motor fuels listed in the federal Clear Air Act, be included. The use of each will accomplish the goals of improving the quality of our environment, utilizing our natural resources and enhancing the economy.

With your copy of this testimony, we've included some information regarding propane in general and its use in powering all types of vehicles throughout Kansas, the U.S. and the world. I'd like to just briefly touch upon some additional basic information and data for you.

Propane, also known as LP-gas, is not new in its use as a motor vehicle fuel. It's been used since the 1920's. Although it's always been low in emissions and good for the environment, most consumer usage has been due to the cost savings compared to gasoline, until the 1980's when gasoline prices lowered.

Prior to that time, there were a tremendous number of conversions to propane carburetion in the 1970's when, as you may recall, gasoline supply was limited and costly. Some fleets operating in Kansas converted during those times and continue to utilize propane because of the proven savings in the cost of the product, in vehicle maintenance and extended engine life. Some who come to mind are the City of Salina, the Oxford School District, U.S.D. #259 in Wichita, and the Haysville Police Department. Additionally, the Kansas City, Kansas school buses are propane-powered. Schwann's Food Sales trucks operating nationwide are all propane-powered, as are those of Tony's pizza and foods. These are just a few.

The State of Kansas-owned Ford pickup driven by an inspector in the Weights and Measures Division of the Board of Agriculture is propane-powered.

Propane is actually a by-product of both natural gas and oil. Approximately two-thirds of the supply comes from natural gas processing and the other one-third from oil refining. Kansas is a

leading propane producer and has the second largest amount of underground storage in the U.S. These businesses, along with over three hundred propane marketers in numerous communities, provide employment for thousands of Kansans, contributing to the economy of our state.

All types of vehicles may be modified to be powered by propane -from lawn-mowers to forklifts to automobiles to pickups to heavy-duty trucks. There are a number of individuals throughout the state trained to do these modifications, or conversions, including one in the State Motor Pool. The cost varies, determined by the type of engine, size of the fuel tank and labor charge, but normally will not exceed $1,700. Vehicles may be converted to run strictly on propane or may be modified to be dual-fueled, powered by both gasoline and propane, if desired.

New technology is also providing a method of combining propane and diesel fuel.

In most cases, miles-per-gallon will be a little less than with gasoline and is offset, generally, by the lower cost of propane in most areas of Kansas. Distance driven can be extended by the installation of larger capacity propane fuel tanks, particularly on pickups and trucks, and also on some automobiles.

Tanks are manufactured to meet stringent ASME codes and are tested to be extremely safe.

Engines last longer and time and money spent on maintenance is reduced because of propane's clean-burning qualities.

There is generally no difference in the power between propane and gasoline powered engines but can be more or less, depending upon the engine and the type of conversion.

Propane motor fuel may be acquired at most propane dealer businesses, which, as I mentioned previously, numbers upwards of three hundred in Kansas. Refueling requires the same amount of time as gasoline refueling. Most fleet owners prefer to install their own storage and refueling facilities which affords more savings with bulk purchases of propane and central refueling. A facility installed with all new equipment and tank would run approximately $4,000 to $5,000. Cost varies, depending upon the type of equipment and size of storage tank required. If used equipment and tank is installed, the cost is reduced. Some propane marketers may install refueling facilities on a lease basis.

Again, thank you for this time. We invite you to take a look at the vehicles outside and I would be happy to respond to questions.

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October 26, 1993, 1:30 pm
Attachment 15-4

Propane Marketers Association of Kansas

Lee Eisenhauer
Executive Vice-President

Propane

The Proof is in the Product!

A VIEW OF FACTS AND FIGURES ON PROPANE USE WILL PROVE THIS CLEAN-BURNING FUEL HAS A LOT TO OFFER!

Ever since 1912, when the first home was heated with propane, enterprising Americans have found a variety of uses for this abundant source of energy. The United States continues to be the world's leading consumer of propane, expending it to dry crops, brood chickens, power tractors, warm greenhouses, barbecue and, since 1938, to run vehicles.

Concern over air quality has resulted in the development of a set of environmental standards by the federal government that will help reduce air pollution. Fortunately, propane's characteristics will make compliance with these Environmental Protection Agency regulations easy. At the same time propane-powered vehicles help clean up the air, they provide a number of other measurable benefits.

One significant advantage propane has over other alternate fuels being explored for possible use as a motor fuel, is that propane is proven. It already has a track record, one the propane industry is proud of.

For more than *half a century* propane has proven itself to be a clean-burning, economic, and safe motor fuel. According to the Department of Energy, propane fuels about 10 percent of Holland's vehicles, and is also used in Italy and elsewhere in Europe. Propane has been promoted for use in taxis in Japan, South Korea, and Thailand. There are about 4 million propane-powered vehicles worldwide. Propane is also used extensively to fuel vehicles in Canada and about 425,000 vehicles in the United States.

Another critical advantage propane has over other trendy fuels being studied is that the infrastructure to dispense this practical fuel is already in place. Currently, there are numerous sites throughout Kansas and the United States capable of providing refueling services. It took *many years* of hard work and a *substantial capital investment* for the industry to set up this refueling network.

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October 26, 1993, 1:30 pm
Attachment 25-5

701 SW Jackson Street, Suite 200 • Topeka, Kansas 66603-3729 • Telephone 913/354-1749 • Fax 913/354-1740

Another factor fleet and vehicle owners must consider before they convert to an alternate fuel is whether or not trained labor is available to provide service. Because propane is proven, an able force of mechanics stands ready to meet service demands. Choosing a newer, fledgling motor fuel can put vehicle owners in a frustrating position when looking for reliable service personnel.

And propane is safe, which is one of the reasons many school districts and law enforcement agencies choose propane to fuel their buses and fleets. Tanks are manufactured in precise accordance with regulations developed by the American Society of Mechanical Engineers. Installations and systems are monitored by the Kansas Fire Marshal's Office to ensure strict compliance with regulations.

A study of the facts and figures of propane will prove that this efficient, economical, and clean-burning fuel is the most practical choice for environmentally and efficiency conscious Kansans!

A number of Kansas fleets utilize propane's advantages, such as:

* The Kansas City, Kansas Public Schools: 100 vehicles
* City of Salina: 90 vehicles ranging from pickups to heavy duty trucks-since 1979
* USD #259, Wichita: 65 vehicles - 1/2 Ton and 3/4 Ton pickups and larger trucks - since 1981
* Haysville Police Department: 14 police cars - since 1981
* Oxford School District: their buses - since early '80's.
* Kansas Department of Agriculture, Weights and Measures Division state sealer's pickup recently converted
* Schwan's Foods sales vehicles in Kansas and throughout the nation have been propane-powered for many years.

HOUSE TRANSPORTATION
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Attachment 25-6

Propane Powered Vehicles

Recent interest in reducing air pollution has sparked a surge in the number of people exploring the advantages of propane. It continues to gain world-wide recognition as increasing numbers of fleet vehicle owners see the advantages of using propane.

Clean Burning: Propane emits less carbon monoxide and fewer reactive hydrocarbons than gasoline and propane exhaust is lower in aldehyde.

High Octane: Propane's 100-plus octane rating means propane is all fuel. Propane is not augmented with additive boosters, which can cause "knocking". Drivers of propane-powered vehicles travel on an even flow of power.

Low Maintenance Costs: Propane leaves no lead, varnish or carbon deposits that cause premature wearing of pistons, rings, valves and spark plugs. It doesn't contaminate the crank case or combustion chambers of the engine. Oil and oil filters last three to four times longer than oil in gasoline or diesel vehicles because propane doesn't contaminate or dilute. Because propane is clean-burning, engines last approximately two to three times longer.

No Fuel Pump: Propane is self-pressurizing, so no fuel pump is needed.

Less Carburetor Expense: The carburetor on a propane fueled system is simple, with few moving parts. The carburetor in a gasoline engine functions to create a vapor of fuel and air. Since propane is already a vapor when it enters the motor, the carburetor does not have to perform this complex function.

Conversion Cost: $900 - $1600, depending upon type of vehicle.

Refueling Sites: Refueling sites located throughout the state of Kansas and the United States. Vehicle owners also have the option of setting up their own refueling facility with a minimal investment, cost dependent upon the number of vehicles.

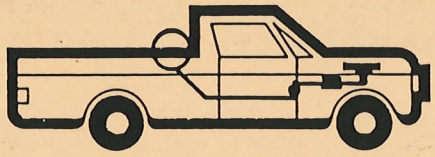
Driving Range: Propane motor fuel tanks range from 30 gallon capacity for cars to 116 gallons on a pick-up. Truck saddle tanks are also available. Filled at 80 percent capacity and calculated at 16 miles per gallon, the range on an 84 gallon motor fuel tank is 1,092 miles. It takes only minutes to refuel.

Service: There are 25,000 propane dealers in the United States, plus shops that specialize in carburetion conversion.

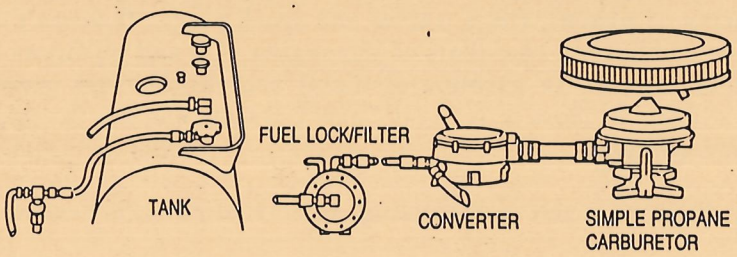
Safety: Propane motor fuel tanks must be constructed to codes and specifications established by the U.S. Department of Transportation and the American Society of Mechanical Engineers (ASME). Industry trade publication reports on high-impact collision tests support testimony of many that, when comparing the safety and integrity of the fuel systems, they would rather ride with a propane tank than with a thin sheet metal gasoline tank.

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Switch to Propane



Typical propane conversion for a pickup.



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Propane Profile

Propane is a by-product of natural gas and crude oil. Roughly two-thirds of the propane used in the United States comes from the processing of natural gas. Raw natural gas (gas that hasn't been processed yet) is about 90 percent methane, five percent propane, and five percent other gases. The propane is separated from the other gases at a gas processing plant.

The remaining one third of the propane used in this country comes from the refining of petroleum. During the refining process, petroleum is separated into its various parts - producing gasoline, home heating oil, jet fuel, propane, and other petroleum products.

A propane gas molecule contains three carbon atoms bonded to eight hydrogen atoms, thus its chemical formula, C3H8. Propane is non-toxic. It is also colorless and odorless. For this reason, an odorant is added to the fuel (as it is to natural gas) to serve as a warning agent for escaping gas.

Propane changes from a gas to a liquid two ways: 1) when it reaches -43.8 degrees Fahrenheit; and 2) when it is placed under a moderate amount of pressure. Propane is 270 times more compact as a liquid than as a gas, thus enabling concentration of a great amount of energy in a small space - 91,500 BTU's of heat energy per gallon.

In any size tank, propane exists as both a liquid and a gas. As the gas is removed, the escaping propane gas molecules lower the pressure inside the tank. The lower pressure causes some of the liquid propane to boil, replacing some of the gas that has been extracted.

This highly efficient, clean, and safe fuel can be easily stored in tanks of all sizes from the smaller size attached to a barbecue grill to bulk storage tanks with more than 30,000 gallons.

Propane Safety

Safe storage and handling of propane is a primary concern to the propane industry. Without safe practices the propane industry could not exist. Assisting the industry in its continuing efforts to safeguard people and property, the National Fire Protection Association (NFPA) prepares detailed standards published in NFPA Pamphlet No. 58, "Storage and Handling of Liquefied Petroleum Gases".

NFPA 58, first issued in the 1930's, reflects the combined thinking of experienced people in regulatory, insurance, and industry fields. It was recognized by the American National Standards Institute in the 1960's.

As an American National Standard, NFPA 58 is referenced in federal regulations such as the Federal Highway Motor Carrier Safety Regulations, the Hazardous Material Regulations, and the Occupational Safety and Health Administration Regulations. Propane Marketers Association of Kansas dealers must abide by these safety rules adopted and enforced by the State Fire Marshal.

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Transportation of Propane

Propane has been routinely transported within the U.S. for nearly 75 years. Long distance domestic movement is primarily by pipelines, whereas local distribution and customer deliveries almost always require shipment by tank truck or rail car.

Propane is normally shipped from the oil refinery or natural gas processing plant by pipeline. Most propane is shipped in two stages; from the refinery or processing plant to an intermediate terminal; and from there to the local marketer for delivery to the end user.

Trucks have been shipping propane since 1926. Two types of trucks are used for transporting: the highway transport and the small bulk delivery truck called a "bobtail".

Highway transports are used for most movements to and from distribution terminals to bulk plants, large end users, and otherwise as needed in the propane production and distribution system. Transports generally have between 7,000 and 12,000 gallons capacity and are constructed of high strength steel.

Bobtails are primarily used for movements from bulk plants to individual residential, commercial and agricultural users. The capacity of a bobtail is typically between 2,000 and 3,000 gallons water capacity.

Both bobtails and transports must comply with the DOT Hazardous Materials Regulations. The cargo tank is constructed in accordance with the Pressure Vessel Code of the American Society of Mechanical Engineers.

Rail tank cars are used to supply distribution terminals that are not served by a pipeline. Tank cars are also used for deliveries to some local marketers and certain large volume costumers.

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Attachment 15-10

STATE OF KANSAS

KANSAS DEPARTMENT OF TRANSPORTATION
Docking State Office Building
Topeka 66612-1568
(913) 296-3566
FAX - (913) 296-1095

Michael L. Johnston
Secretary of Transportation

Joan Finney
Governor of Kansas

26

TESTIMONY BEFORE THE
HOUSE TRANSPORTATION COMMITTEE
REGARDING
MOTOR FUEL TAX EXEMPTION
FOR NATURAL GAS
October 26, 1993

Mr. Chairman and members of the Committee:

My name is Robert Haley and I am Director of Administration for the Kansas Department of Transportation. I appreciate the opportunity to appear before the Committee, on behalf of the Department, to express concern with legislation which would exempt any fuel from motor fuel taxes when used as a motor vehicle fuel. This should not be interpreted as opposition to the use of alternative fuels as motor vehicle fuels. The Department's opposition only reflects concern with the financing of highways.

The State of Kansas currently applies a highway user's tax, in the form of motor fuel taxes, on all fuels, except electricity, used to power vehicles on the state's roads and highways. As the use of alternative fuels increases, the state should not expect revenues to decline. The Department is very concerned with any decline in the revenues currently projected to be available for the Comprehensive Highway Program.

When the Department asked that the rating agencies assign a rating to the Department's bonds, one of the key concerns was the stability of the projected motor fuel revenues over the 20-year life of the bonds. The fact that Kansas had the taxes in place to accommodate a shift to almost all alternative fuels was a consideration in the credibility of the revenue projections and the favorable "double A" rating assigned to the bonds.

The Department would be concerned with this an exemption for any alternative fuel even if a cap was provided on the loss to the Highway Program. The Secretary has expressed concern that any cap tends to come under a great deal of pressure to be expanded or extended.

In conclusion, the Department is concerned with any legislation which would encourage the use of alternative fuels by exempting their use from motor vehicle taxes.

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Attachment 26

MEMORANDUM

27

Kansas Legislative Research Department

300 S.W. 10th Avenue
Room 545-N – Statehouse
Topeka, Kansas 66612-1504
Telephone (913) 296-3181 FAX (913) 296-3824

October 25, 1993

To: House Transportation Committee

From: Hank Avila, Research Analyst

Re: Interim Topic -- Corporate Average Fuel Economy (CAFE) Standards

This memorandum summarizes the legislative history and issues pertaining to the study.

Background*

In an effort to cut oil consumption, Congress in 1975 mandated that automakers' fleets, on average, achieve certain minimum mileage standards known as Corporate Average Fuel Economy, or CAFE. Environmentalists and their allies in 1991 set out to raise that above the existing 27.5 miles per gallon, noting that transportation fuels accounted for a large portion of oil imports and the gasses believed to create global warming.

A recent attempt was made in 1991 to raise the CAFE standards by Senator Richard Bryan of Nevada. Senator Bryan's bill would have increased gas mileage mandates by 40 percent by the year 2001. The proposed legislation passed the Commerce, Science and Transportation Committee but lost its momentum thereafter, victim to a broader debate on energy policy. In addition, the Bush administration threatened to veto new mileage standards.

Although the proposed legislation languished on the Senate calendar, the bill generated a furious lobbying campaign. Campaigning in its behalf was a coalition of environmental and consumer groups. Opposing any mandated increase was the Coalition for Vehicle Choice, a lobbying group that was created by the auto industry but also included such groups as the American Farm Bureau and the National Campground Owners Association. The United Auto Workers also opposed the legislation.

Below are some of the chief arguments presented for and against new fuel efficiency mandates by these groups:

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* Information was taken from the *1991 Congressional Quarterly Almanac*, page 199.

Oil Imports. An estimated 40 percent of oil is consumed by the transportation sector, making automobile fuel economy one of the prime areas for gaining real cuts in oil consumption. Advocates of these views noted that the Bryan bill would save 2.5 million barrels of oil daily. Opponents countered that it was impossible to know what oil savings would result, since consumers might react by driving more frequently or longer distances.

Emissions. Automobiles are a major source of carbon dioxide emissions believed to help cause global warming. By reducing the amount of gas a car needed to burn, efficiency technologies could cut carbon dioxide emissions. Critics argued that there were trade offs as well; for example, they said that some pollution control devices had added weight to new cars, which cut into fuel efficiency.

Safety. Opponents of the Bryan legislation argued that to meet Bryan's targets, manufacturers would have to build smaller, less safe cars. Advocates of higher efficiency standards disputed these claims, saying that smart engineering could yield better mileage without sacrificing safety.

Consumers. Critics said new mileage mandates would force manufacturers to phase out some of their larger cars and light trucks to meet new fleetwide efficiency goals, thus depriving consumers of certain showroom choices and curtailing the best-selling portion of the U.S. fleets. Adding fuel efficiency and safety technologies would also drive up the price of a new car, they said. Environmentalist countered that Americans wanted more fuel efficient cars, provided they were well-designed, and were willing to pay more for them.

Automakers. The failing economic health of the Detroit automakers had prompted some lawmakers to question whether automakers could afford heavy investments in efficiency technologies, especially for cars the public might not want. Both the auto manufacturers and United Auto Workers lobbied against new mandates. Supporters of the legislation said that this view was short-sighted and that prodding Detroit to build better cars would ultimately enhance its competitiveness.

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Kansas Coalition For Vehicle Choice

PETE McGILL & ASSOCIATES, Inc.

412 CAPITOL TOWER • 400 WEST EIGHTH • TOPEKA, KANSAS 66603 • 913-233-4512 • FAX 913-233-2206

Testimony presented to the

House Committee on Transportation

on

Corporate Average Fuel Economy Standards

by

Whitney Damron

of

Pete McGill & Associates

on behalf of

Kansas Coalition for Vehicle Choice

October 26, 1993

HOUSE TRANSPORTATION
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Attachment 28-1

Good afternoon Chairman Crowell and members of the House Committee on Transportation. My name is Whitney Damron of Pete McGill & Associates appearing before you today on behalf of Kansas Coalition for Vehicle Choice to address a few comments to you on federal Corporate Average Fuel Economy (CAFE) standards and their effects in Kansas on manufacturing enterprises, consumers, the agriculture sector, and the environment.

Nationally, CVC is a coalition of more than 4,300 automotive, insurance and other business, farm, recreation, consumer and safety organizations concerned about the impact of increased corporate average fuel economy standards. You will find a listing of our Kansas and national CVC membership included with my testimony.

Committee members may recall our testimony during the 1993 legislative session when we appeared in support of SCR 1615 which urged the federal government to reject efforts to drastically increase CAFE standards on motor vehicles. We testified then, as we do now that increased fuel economy is important. However we believe that other factors should also be considered when setting CAFE standards, including:

- Safety;
- Freedom of choice for the consumer; and,
- Striking a reasonable balance between public policy goals such as fuel economy, safety and environmental quality.

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American automobile manufacturers achieved significant advances in fuel economy during the years following the Arab Oil Embargo in the early 1970's. Improvements were due to a number of technological advances including aerodynamics, smaller engines, front wheel drive cars, improved radial tires, fuel injection systems and motor fuel improvements. However, the single most significant factor in improving fuel economy was the reduction of the size and weight of automobiles. Today's full-size automobile is about 1,000 pounds lighter than its 1975 counterpart.

The Committee's review of CAFE issues is broken down into four main points which I will briefly comment upon:

MANUFACTURING ENTERPRISES:

Business and industry rely upon pickup trucks and vans to carry out their work. Compact cars, mini-vans and down-sized trucks that handle smaller payloads simply cannot efficiently replace larger vehicles, regardless of fuel economy. A reduction in size and engines of full-sized trucks and vans will necessarily reduce towing and cargo capacity which business and industry depend upon.

CONSUMERS:

Automobile consumers simply do not want sub-compact automobiles. In the latest fuel economy ratings released by the Environmental Protection Agency, the ten automobile models with the highest ratings (43 mpg - 58 mpg highway)

represent less than two percent of all passenger cars sold. Sales through August '93 of these vehicles was 99,283 compared to a total of 5,766,319 for all passenger cars sold.

Features on new cars that are important to the consumer often times run counter to fuel economy standards. Consumers overwhelmingly prefer mid- to full-sized vehicles with features such as automatic transmissions, air conditioning, adequate cargo space and heavy towing & hauling capacity. These options are not found on the highest fuel-efficient cars.

AGRICULTURE:

Pickup trucks are of particular importance to Kansas farmers and ranchers. One can hardly imagine a farmer who could not operate without a pickup truck. While we are not claiming that higher CAFE will result in the discontinuance of manufacturing full-sized pickup trucks, it will make them more expensive. The National Academy of Sciences estimates the cost of a pickup truck could increase by as much as $2,750.00 if CAFE standards were increased by 40 percent or more, as called for by some members of Congress.

ENVIRONMENT:

Tailpipe Emissions.

There is a misconception that increases in fuel economy standards would reduce harmful tailpipe emissions and lead to cleaner air. In fact, fuel economy has

little or no effect on tailpipe emissions, as all cars are required to meet the same environmental standards regardless of fuel economy.

Global Warming.

Certain environmental groups argue that raising CAFE will reduce or prevent global warming. There are two greenhouse gases associated with cars - carbon dioxide (CO2) and chlorofluorocarbons (CFC's). The latter is found in air conditioning units and is presently being phased out by the industry. The Office of Technology Assessment has determined that if proposed legislation to require a 40 percent increase in CAFE standards is enacted into law, the reduction in the car and light truck portion of global greenhouse gases would be virtually undetectable - only 4 tenths of 1 percentage point by the year 2010.

Reliance Upon Foreign Oil.

1974 - Average new car fuel economy was 14.2 miles per gallon, and the United States imported 35 percent of its oil.

1990 - Fuel economy levels have doubled for passenger cars to 28.2 miles per gallon, but the United States now imports 42 percent of its oil.

The United States imports more oil when costs are lower and it is cheaper to import rather than to use domestic oil.

In 1974, an 85 percent increase in CAFE for new cars to 26 miles per gallon was projected to reduce U. S. oil consumption in 1985 by 3 million barrels per day, but the actual net reduction was only 370,000 barrels per day. By 1990, new car CAFE had doubled to over 28 miles per gallon, but estimated passenger car fuel consumption only decreased by about 280,000 barrels per day from 1974.

SUMMARY

In conclusion, we believe the market best decides what automobiles the consumers should drive. Dramatically increased CAFE would have a seriously negative impact upon all Kansans - much more so than in highly urbanized states and communities. Coalition for Vehicle Choice believes that the consumer should have the right to make automobile purchases based upon safety, personal needs and individual choice rather than have those decisions made by the federal government.

On behalf of Coalition for Vehicle Choice, we would request this Committee to adopt SCR 1615 and send it to the full House for consideration in the 1994 legislative session.

We appreciate the opportunity to address few comments to you this afternoon of Corporate Average Fuel Economy Standards and would be pleased to stand for any questions.

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Session of 1993

Senate Concurrent Resolution No. 1615

By Committee on Transportation and Utilities

3-8

A CONCURRENT RESOLUTION urging the United States Congress, the United States Secretary of Transportation, the United States Secretary of Energy and the United States Secretary of Agriculture to reject efforts to impose unrealistic government-mandated fuel economy standards on motor vehicles.

WHEREAS, That efforts have been made in Congress in recent years to impose drastic government-mandated increases in the corporate average fuel economy (CAFE) standards in the automotive industry for cars and light trucks, calling for a 40% or more increase to be achieved by the year 2001; and

WHEREAS, That Kansas is an agriculture-based economy with the livelihood of its citizens heavily dependent upon pickup trucks and vans; and

WHEREAS, That the National Academy of Sciences and other independent safety/research organizations have concluded that there are major safety trade-offs involved with mandated improved fuel economy standards; and

WHEREAS, That the General Motors Fairfax automobile manufacturing plant in Wyandotte County, Kansas, employs approximately 2,500 people and these American jobs could be jeopardized by a drastically increased mandatory CAFE requirement; and

WHEREAS, That the American consumer has always enjoyed the freedom of choice to choose a vehicle that meets the consumer's needs: Now, therefore,

Be it resolved by the Senate of the State of Kansas, the House of Representatives concurring therein: That the increased mandatory CAFE standards initiative do not adequately take into consideration the potentially devastating impact upon agriculture-based economies, safety concerns of the driving public, the negative impact upon American automobile manufacturing jobs and the basic freedom of choice of the American automobile consumer and such efforts to increase the CAFE standards should be rejected; and

Be it further resolved: That the Secretary of State transmit copies of this resolution to the President of the Senate and Speaker of the House of Representatives of the United States Congress, the United States Secretary of Transportation, the United States Secretary of Energy, the United States Secretary of Agriculture and the Kansas Congressional Delegation.

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Attachment 8-7

COMMENT

Government policies will shape vehicle use, future prosperity

WHITNEY DAMRON
GUEST COLUMN

Looking back at the growth and prosperity in America this century, it is impossible not to acknowledge the importance of the automobile. Although the car was considered a luxury in the early 1950s, today 81.5 million of Americans' 92 million households have at least one. Motor vehicles have afforded Americans the freedom to travel and to move goods that have engendered an almost endless list of social and economic gains in our country. Personal mobility has been central to our progress.

This mobility is especially important to rural areas like Kansas. Unlike urban centers where residents have a multitude of mass-transit options, Kansans and others living in rural areas depend on their personal vehicles for nearly every facet of their lives. This is growing even more important as populations continue to decline in rural areas, forcing Kansans to drive even longer distances for goods and services.

Today some government proposals are at odds with the increased need for personal mobility. These include arbitrarily higher fuel economy standards, requirements for alternative-fuel and zero-emission vehicles and steep gas-guzzler taxes.

Although the environmental and conservation goals of these measures are commendable, they may, in practice, impose real costs and hardships on consumers while providing few, if any, of their intended benefits.

Recently, President Clinton and the U.S. auto industry launched a joint venture to develop automobiles that would get up to triple current gas mileage. It is important to remember that there is currently no known technology that will enable a family-sized car to get 40 miles per gallon, and still be affordable.

In Kansas, and throughout most of America, our lives are shaped nearly entirely by our freedom to travel. As such, those freedoms and safety standards must be protected as we address the environmental and energy challenges of the future.

Whitney Damron is director of the Topeka-based Kansas Coalition for Vehicle Choice.

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Attachment 18-8

Kansas Coalition For Vehicle Choice

PETE McGILL & ASSOCIATES, Inc.

412 CAPITOL TOWER • 400 WEST EIGHTH • TOPEKA, KANSAS 66603 • 913-233-4512 • FAX 913-233-2206

KANSAS/CVC MEMBERSHIP

106 Members As of October 18, 1993

AAA Kansas
A Total Image
ABC Rentals, Inc.
ABZ Manufacturing, Inc.
Acme Foundry, Inc.
Alliance Insurance Companies
Apico Corporation of Girard
Aristocrat Motor Company, Inc.
Baker Roofing Co., Inc.
Bank of Commerce - Chanute
Bayer Construction Co., Inc.
Big Top Popcorn Company
Breckenridge Place
Brown's Shotgun Ammo & Reloading
C.J.S. Industries
Capital Limo
Catalytic Industrial Group
Cellular One - Topeka
City of Pittsburg, Ks.
Community Paging
Corvette Club of Kansas City
Creative Marketing Unlimited, Inc.
Darrell's Texaco Service
Dennis Hagemann Remodeling & Repair
Dustrol, Inc.
Easton's LTD Mens Store
Feight Consulting
Hygienic Dry Cleaners, Inc.
Garden City Area Chamber of Commerce
Gerlach Builders
Goodart Construction
Greater Topeka Chamber of Commerce
Griggs Construction
The Heavy Constructors Association of the Greater K.C. Area
Highway Users Federation for Safety & Mobility
Horsemen's Benevelant & Protective Association - Kansas Affiliate
Humbolt Hardware & Sporting Goods
Hutchinson, Kansas Police Department
J. Aurelius Photography
James Lincoln-Mercury GMC, Inc.
Joe Conroy Contractor, Inc.
K.C. Bobcat, Inc.
Kansans for Highway Safety

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Kansas Association of Wheat Growers
Kansas B.A.S.S. Chapter Federation, Inc.
Kansas Chamber of Commerce & Industry
Kansas City, Kansas Area Chamber of Commerce
Kansas Engineering Society
Kansas Farm Bureau
Kansas Fertilizer & Chemical Association
Kansas Grain & Feed Association
Kansas Hearing Aid Association, Inc.
Kansas Highway Users Federation
Kansas Livestock Association
Kansas Lawn & Garden, Inc.
Kansas Motor Car Dealers Association
Kansas Motor Carriers Association
Kansas Railroad Association
Kansas Skeet Shooting Association, Inc.
Kansas Soybean Association
Krieghoff by Jolly
The Land Company
Larry Devine
Lewis Auto Salvage
Life and Safety Products, Inc.
Magic Pools, Inc.
Marche' Associates, Inc.
Martin K. Eby Construction Co., Inc.
McDonalds of Hutchinson
McElroys, Inc.
Merck Human Health Division
Mid-America Lumbermens Association - Kansas
Midwest Communication Group
Mid-West Line Contractors
Mr. Goodcent's Subs & Pasta - Topeka
Mr. Goodcent's Subs & Pasta - Manhattan
Northside Boats
Pak Mail #159, Inc.
Patio Pool & Fireside
Quail Unlimited, Inc.
Ravenwood Hunting Preserve
Reber's Fine Jewelry
Reno Construction Co.
Ruben's Rod & Reel
Ruddick's, Inc.
Sayers Ace Hardware, Inc.
Shearpoint Hairstylers
Special "T" Company
Speier Coachworks
Stan Boos Auto Sales, Inc.
St. Francis Area Chamber of Commerce
Steinlage & Associates
Stella's Design & Alteration
Sunglo Feeds
Target Park
Tilden Corporation

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Topeka Harley-Davidson
Universal Companies, Inc.
Utility Contractors, Inc.
Venture Capital
Victory Housing, Inc.
Village Cleaners
Westridge Automatic Car Wash
Wichita Area Chamber of Commerce
Wilcox RV & Boat Center
W. M. White Graphics
Works, Works & Works, P.A.

Kansas Coalition For Vehicle Choice

PETE McGILL & ASSOCIATES, Inc.

412 CAPITOL TOWER • 400 WEST EIGHTH • TOPEKA, KANSAS 66603 • 913-233-4512 • FAX 913-233-2206

CVC NATIONAL MEMBERS

Air Serv Dealers Association
Allied-Signal Automotive
American Automobile Manufacturers Association
American Automotive Leasing Association
American Bison Association
American Car Rental Association
American Coalition for Traffic Safety
American Driver and Traffic Safety Association
American Farm Bureau Federation
American Federation of Small Business
American Goat Society, Inc.
American Horse Council
American International Automobile Dealers Association
American Iron and Steel Institute
American Legislative Exchange Council
American Meat Institute
American Miniature Horse Association
American Motorcyclist Association
American Potash & Phosphate Institute
American Recovery Association
American Recreation Coalition
American Red Brangus Association
American Road and Transportation Builders Association
American Soybean Association
Armco
Arvin Industries, Incorporated
Ashland Chemical
Associated Builders & Contractors
Associated General Contractors
Association of American Railroads
Atchison, Topeka & Santa Fe Railway Company
Auto/Steel Partnership Program
B.A.S.S., Incorporated
Beefmaster Breeders International
Bethlehem Steel Corporation
BOAT/U.S.
Bridgestone/Firestone, Inc.
Brunswick Marine
Chrysler Corporation
Citizens for a Sound Economy
Coalitions for America
Competitive Enterprise Institute
Conrail
Consumer Alert
Contract Services Association of America
Courier Magazine
CSX Corporation
Dana Corporation
E.I. du Pont de Nemours
Eaton Corporation
Emergency Nurses CARE, Inc.
Ford Motor Company
General Motors Corporation
Glaxo, Inc.
Goodyear Tire and Rubber Company
Highway Users Federation for Safety and Mobility
Independent Electrical Contractors, Inc.
International Association of Chiefs of Police, Highway Safety Committee
International Drivers' & Enthusiasts' Auto League
International Federation of Sleddog Sports
International Professional Rodeo Association
International Snowmobile Industry Association
ITT Corporation

(over)

HOUSE TRANSPORTATION
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Attachment 18-12

CVC NATIONAL MEMBERS

Kampground Owners of America
Land Improvement Contractors Association
Limousine Industry Manufacturers Organization
Livestock Marketing Association
LTV Steel Company
Marine Retailers Association of America
Mechanical Contractors Association of America, Inc.
Michelin North America, Inc.
Motorcycle Industry Council
Motorola, Incorporated
National Alliance of Senior Citizens, Inc.
National Association of RV, Parks and Campgrounds
National Association of Canoe and Livery Outfitters
National Association of Manufacturers
National Association of Plumbing, Heating, Cooling Contractors
National Auto Auction Association
National Auto Dealers Association
National Cattlemen's Association
National Center for Handicapped Rights
National Concrete Masonry Association
National Grange
National Highway 50 Federation
National Lumber and Building Material Dealers Association
National Motorists Association
National Parking Association
National Pork Producers Council
National Roofing Contractors Association
National Traffic Safety Institute
National Truck Equipment Association
National Vehicle Conversion Association, Inc.
Norfolk Southern
Outboard Marine, Inc.
Outdoor Amusement Business Association
PPG Industries, Inc.
R.J. Reynolds Tobacco Co.
Recreation Vehicle Dealers Association
Recreation Vehicle Industry Association
Reynolds Metals Company
Rubber Manufacturers Association
Santa Gertrudis Breeders International
Southern Pacific Transportation, Inc.
Specialty Equipment Market Association
The Good Sam Club
The Irrigation Association
The Mustang Club of America, Inc.
The Seniors Coalition
Tire Industry Safety Council
TRW, Incorporated
Union Pacific Corporation
United Seniors Association
United States Chamber of Commerce
United States Hispanic Chamber of Commerce
United Technologies Corporation
USX Corporation
Wally Byam Caravan Club International
World Organization of Automobile Hobbyists

Total Membership 4,300

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Attachment 8-13

29

SIERRA CLUB

Kansas Chapter

Testimony of William Craven
Legislative Coordinator, Kansas Sierra Club

Interim Transportation Committee
October 26, 1993

Resolution on CAFE Standards

Thank you for providing an opportunity for the Kansas Sierra Club to testify on the important issue of national standards for automobile fuel efficiency. My understanding is that you are considering a resolution opposing an increase in the CAFE (Corporate Average Fuel Economy) standards. The Sierra Club believes that is precisely the wrong direction to go. My hope is that you will consider a resolution asking for an increase in the CAFE standards. In the few minutes available to me, I will try to explain why. By the way, if any members of the committee would like my sources for what is included in this statement, please ask, and I will provide them to you.

We live in a time when scientists are debating the effects of global warming. We are also living in a time when there is what Newsweek recently called a well-funded "backlash" against the evidence about global warming. The propaganda is funded for the most part by the coal industry and its allies. The unrestrained burning of cheap fossil fuels has some fierce defenders. What I want to impress upon each of you is that there is broad scientific consensus about the fundamental physics behind global warming, and that increasing greenhouse gases will increase the prospects for more warming.

The earth's temperature cycles are maintained by a blanket of gases in the atmosphere. This gas "blanket" traps heat close to the surface, and warms the atmosphere. Normally, this blanket allows sunlight to reach the surface, but keeps heat from escaping--much like glass in a greenhouse.

But now, because of emissions from cars, power plants, and other sources, the "greenhouse blanket" is getting thicker. In fewer than 50 years, we will double the amount of carbon dioxide, a chief greenhouse gas, in the atmosphere compared to when this century began. Average global temperatures are already nearly one degree higher than they

were a century ago. All but one of the 10 hottest years on record worldwide have occurred in the last twelve years.

I'll mention some more about global warming later. But however you view that debate, it is clear that automobile emissions are a significant factor in that issue, and one of the most easy to control, according to President Clinton's statement late last month. In addition, it is obvious that fuel efficient cars are the best way to save oil, and reduce our dependence on foreign oil supplies. According to a recent national Sierra Club news release, more pollution comes out of the tailpipes of America's cars than all sources in Japan and France combined. The single step which would have the biggest impact is to enact CAFE standards of 45 mpg for cars, and 34 mpg for light trucks.

On Sept. 29th, the Clinton Administration and the Big 3 auto makers agreed on an initiative to build "clean" cars—a total of three of them. The federal government is expected to provide financial and technical assistance. In exchange, over the next 10 years, each manufacturer will build a production-ready prototype vehicle that meets applicable safety and emission standards and is "up to" 200% more efficient than today's cars.

While this event generated considerable headlines, the agreement does not require the companies to mass produce the cars. Most importantly, the agreement does not reach the question of how to reduce automobile emissions now. However, the agreement tacitly admits that substantial fuel economy gains are possible in the near future--something Detroit has denied vehemently for decades. If they can make one model 200% more efficient over 10 years, they can surely make the fleet more efficient by 60% over the same time. Technology is not the issue. It is the companies refusal to build fuel efficient cars which has to be overcome. It is time to require Detroit to manufacture fleets which average 45 mpg, which has long been a goal of the Sierra Club.

According to the EPA, Detroit hasn't made much progress in improving mileage since the mid-1980's. In other words, 1987's fleet average of 28.1 mpg hasn't significantly improved.

The Sierra Club considers President Clinton's announcement with Detroit to be a flip-flop from his campaign, when he sided with those supporting higher CAFE standards. In November of 1991 he told the League of Conservation Voters that he would support higher CAFE standards. In his Earth Day speech in April of 1992 at Drexel University, he said he would support a CAFE standard of 40 by the year 2000, and 45 by the year 2020. However, during the third presidential debate, he denied making those statements.

HOUSE TRANSPORTATION
October 26, 1993, 1:30 pm
Attachment 99-2

Twenty years after the OPEC oil embargo, President Clinton on Oct. 19th announced a voluntary, seven-year energy efficiency program designed to head off what he called "the serious threat of global warming." The plan is designed to stabilize greenhouse gas emissions at 1990 levels by the year 2000. It includes 50 separate initiatives such as planting trees, encouraging the use of hydroelectric power, and raising the standards for household appliances. It will be funded by $1.9 billion in federal funds, and, if it is implemented, voluntary compliance from industry should cost $60 billion. If business does not comply, the president's plan holds out the prospect for tougher regulations. This plan is expected to reduce greenhouse gas emissions by 100 million metric tons each year. We currently emit 1.367 billion metric tons, so the plan, if successful, means an eight percent reduction.

Today we are importing about 8 million barrels of oil a day from the Mideast. At the time of the OPEC embargo, we were importing about 6 million barrels daily. Cars are responsible for about half the oil consumption in the nation. Fuel efficiency measures imposed in 1976 reduced oil consumption by about 2.5 million barrels per day. The time has come to duplicate that initiative.

Most environmental groups with strong programs in energy efficiency said the President's program was mediocre. Some said it was a valid first step. There is very little to encourage industries to participate, and nothing to punish those who don't. These groups include the Environmental Defense Fund, the Natural Resources Defense Council, the Sierra Club, the Worldwatch Institute, and the U.S. Public Interest Research Group.

The glimmer of good news in the plan is that CAFE standards may be re-opened over the course of the next year, when emissions from transportation sources are again considered by the administration.

I'll close with the very latest federal government and United Nations scientific data on what we now know about global warming, which as we all know, is caused by human activity.

The latest word from the federal government's top scientists—which I take from a report of their meeting with environmental groups--is that within a 90 percent certainty factor, the planet is likely to see an increase in global surface temperatures of 3-9 degrees Fahrenheit, increased precipitation, warmer Arctic winters, and sea level rises by the middle of the next century. Arctic ice melting has already begun. There are 67% odds that global warming will cause droughts in the American Great Plains. The best estimate is that these events should be clearly emerging

within the next 100 years. I don't want to be a "Chicken Little-type" predicting exactly when this will occur. As we all know, weather patterns are cyclical. But even though there is some uncertainty about the timing, the ethical question remains whether we have the right to force a profound and disruptive change in the entire global climate.

I am also not here saying that automobiles are the only cause of global warming. But I am asking you to take the initiative with this issue, and recommending an increase in the CAFE standards is one way--an important way--to begin. I realize that this is "only" a resolution, but Kansas should not be viewed nationally as a state afraid to tackle the hard questions about energy use and environmental consequences.

I appreciate the opportunity to appear before the committee.