Approved: 2/21/07
Date

#### MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on February 13, 2007 in Room 423-S of the Capitol.

All members were present except:

Janis Lee- excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research Art Griggs, Office of Revisor of Statutes Judy Seitz, Committee Assistant

Conferees appearing before the Committee:

Duane Simpson, Vice President of Governmental Affairs, Kansas Association of Ethanol Processors (KAEP)

Jere White, Kansas Corn Growers Association,/Kansas Grain Sorghum Producers Association Jesse Romo, Assistant Office Chief, Planning and Research, Kansas Department of Transportation Gavin Young, Director of Public Affairs, Department of Administration Chris Howe, Director, Division of Purchases, Department of Administration

Others attending:

See attached list.

Chairman Taddiken opened the hearing on SB 262 - Motor vehicle purchases by state agencies; E85 fuel.

Raney Gilliland, Legislative Research, reviewed <u>SB 262.</u> This bill would require state agencies to purchase vehicles using E85 fuel. There are two exceptions: the manufacturer of the vehicle model to be purchased does not offer that vehicle in an E85 model or if the cost of the vehicle is \$250 or more than the cost of the vehicle which does not use E85 fuels.

Mr. Gilliland offered to stand for questions.

Duane Simpson, Vice President of Governmental Affairs, Kansas Association of Ethanol Processors (KAEP), appeared in support of <u>SB 262</u> (<u>Attachment 1</u>). He said that by creating a demand for E85 through state vehicle purchases, motor fuel retailers will have more of an incentive to install E85 pumps which will make it more beneficial for private consumers to purchase flexible fuel vehicles (FFV)s. He also suggested future legislation which would require state employees to purchase E85 fuel when driving a state owned vehicle.

Mr. Simpson took questions from the Committee.

Jere White, Executive Director, Kansas Corn Growers Association/Kansas Grain Sorghum Producers Association, offered testimony in support of <u>SB 262 (Attachment 2</u>). He said there are more than 6 million flexible fuel vehicles on the road today. The availability of E85 fuel is on the increase. A list of E85 stations in Kansas (<u>see Attachment 2-2</u>) was in his handout. He also said that with the growing availability of E85 fuel, those vehicles in the state fleet can operate on a Kansas-made, high octane and clean burning fuel.

Mr. White answered questions from the Committee.

Jesse Romo, Assistant Office Chief, Planning and Research, Kansas Department of Transportation (KDOT) spoke in opposition to <u>SB 262</u>. He did not provide written testimony. He said that KDOT has a couple of concerns with the bill. There is no definition of a motor vehicle in the bill. Another concern is that the flexible fuel vehicles cost up to more than \$2,000 per vehicle. KDOT also has some heavy duty and maintenance vehicles which use diesel fuel.

Mr. Romo stood for questions. He said he will get a definition for motor vehicles as used by the Department of Energy for the Committee.

#### CONTINUATION SHEET

MINUTES OF THE Senate Agriculture Committee at 8:30 a.m. on February 13, 2007 in Room 423-S of the Capitol.

Gavin Young, Director of Public Affairs, Department of Administration, spoke regarding the purchase of state vehicles with a listing of current vehicle contract prices (<u>Attachment 3</u>). He suggested language in the bill that the Department of Administration could use discretion above \$250 for the purchase of a FFV.

Mr. Young answered questions from the Committee.

Chris Howe, Director, Division of Purchasing, Department of Administration, also took questions from the Committee regarding the purchase of state vehicles.

Committee requested the staff to look at the Governor's Executive Directive regarding the purchasing of state vehicles.

The hearing on **SB 262** was closed.

Meeting was adjourned at 9:20 a.m.

### SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: 2-13-07

NAME	REPRESENTING
Vesse Romo	KDOT
Carole Jordan	KDA
Duane Simpson	KAEP
Leslie Kaufman	Ks Co-op Council
Jere White Corey Mohn Bran Harrelson	KC64-K65P
Corey Mohn	KDOC
	KFB
Bobyn Horton	KMCA
U	



# Association Of Ethanol Processors

Statement in Support of SB 262 Senate Agriculture Committee Mark Taddiken, Chair February 13, 2007

Thank you, Mr. Chairman and Members of the Senate Agriculture Committee, for this opportunity to testify in support of SB 262. My name is Duane Simpson; I am the Vice President of Government Affairs for the Kansas Association of Ethanol Processors. KAEP is the trade association that represents ethanol plants and their affiliated industries in the state.

SB 262 requires the state to purchase Flex Fuel Vehicles if the model of vehicle the state is purchasing is available as an FFV and is not more than \$250 above the standard vehicle price. We believe this is a good policy for the state to implement in order to help solve the "Chicken and the Egg" dilemma that currently exists in the FFV market. Currently, consumers see little benefit in purchasing an FFV because of the limited number of places to purchase E-85. Likewise, low demand for E-85 has limited the number of gas stations willing to install the pumps. While tax incentives both to purchase FFVs and to install E-85 pumps have had limited success, we believe that SB 262 will help break the supply and demand problem that currently exists for FFVs and E-85. By creating a demand for E-85 through state vehicle purchases, motor fuel retailers will have more of an incentive to install E-85 pumps which will make it more beneficial for private consumers to purchase FFVs.

The only suggestion we would make is considering a requirement for state employees who drive FFVs to purchase E-85 when it is available. I urge this committee to support SB 262 and will stand for questions at the appropriate time.

Senate Agriculture Committee 2-13-07 Attachment 1





#### Testimony of Jere White on Senate Bill 262 Senate Agriculture Committee Feb. 13, 2007

I appear before you today on behalf of the Kansas Corn Growers Association and Kansas Grain Sorghum Producers Association in support of Senate Bill 262 which would require state agencies to purchase flexible fuel vehicles when that option is available and affordable.

Flexible fuel vehicles have the capability of operating on any combination of ethanol and gasoline up to 85 percent ethanol. Often, this feature is offered at no cost or minimal cost to the purchaser. There are more that 6 million flexible fuel vehicles on the road today and auto manufacturers have committed to increase production of flexible fuel vehicles substantially. In Kansas and throughout the nation, the availability of E85 fuel is also on the increase. In the past 18 months, E85 availability in Kansas has grown from four stations to 16 stations across the state. I am happy to report that you can now drive from Kansas City to the Colorado border and beyond using only E85fuel.

This bill simply seeks to increase the number of flexible fuel vehicles in the state fleet. And with the growing availability of E85 fuel, those vehicles in state fleet can operate on a Kansas-made, high octane and clean burning fuel.

Senate Agriculture Committee 2-13-07 Attachment 2

P.O. BOX 446, GARNETT, KS 66032-0446 • PHONE (785) 448-6922 • FAX: (785) 448-6932 www.ksgrains.com • jwhite@ksgrains.com





## E S Kansas E85 Stations

E85 fuel is 85 percent ethanol fuel with 105 octane for use in Flexible Fuel Vehicles that can operate on any combination of gas and ethanol up to 85 percent ethanol. E85 is available at 16 stations in Kansas, and many more will add E85 soon.

#### **COFFEYVILLE**

For Your Convenience 1401 West 11th Coffeyville, KS 67337

#### **OLATHE**

Everyday Store 800 North Ridgeview Road

#### **WICHITA**

CSC #42 3810 North Woodlawn

#### **OFFERLE**

Offerle Country Store US Highway 50 & Elm

#### SALINA

Bosselman Travel Center 1944 N. 9th

#### **SUBLETTE**

Cenex 500 West Lalande (Highway 56)

#### **EMPORIA**

S & S Oil Cardlock #1 711 Anderson Street

#### **GIRARD**

Producers Coop 300 E. St. John

#### **BIRD CITY**

Frontier Equity Exchange 209 West Highway 36

#### GREAT BEND—Two Stations!

Golden Belt 66 1000 Main Street

Moeder Oil Company, Inc. 2302 Rail Road Avenue

#### **TOPEKA**

Capital City Oil--Cardtrol Station 4141 NW Lower Silver Lake Road

#### MAIZE

Maize Kwik Shop #728 5340 N. Maize Rd.

#### **GARNETT**

Petro Plus 120 S Maple Street (Highway 59)

#### **BREWSTER**

Frontier Equity 428 Kansas Avenue

#### GOODLAND

Cenex 1202 West Highway 24

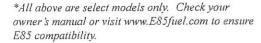
For more information, visit the Kansas Ethanol Information website at www.ksgrains.com

Sponsored by the Kansas Corn Commission and Kansas Grain Sorghum Commission



### Flexible Fuel Vehicles\*

Daimler Chrysler	4.7L Chrysler Aspen 4.7L Jeep Commander 4.7L Jeep Grand Cherokee 4.7L Dodge Dakota 3.3L Dodge Caravan, Grand Caravan & Caravan Cargo 2.7L Chrysler Sebring Sedan 2006 - 2007 4.7L Dodge Durango 3.3L Caravan & Grand Caravan SE	2005 - 2006 4.7L Dodge Ram Pickup 1500 Series 2.7L Dodge Stratus Sedan 2.7L Chrysler Sebring Sedan 2004 - 2005 4.7L Dodge Ram Pickup 1500 Series 2.7L Dodge Stratus Sedan 2.7L Chrysler Sebring Sedan 2003 - 2004 2.7L Dodge Stratus Sedan 2.7L Chrysler Sebring Sedan 2.7L Chrysler Sebring Sedan	3.3L Dodge Cargo Minivan 2.7L Chrysler Sebring Conv. & Sedan 2000 - 2003 3.3L Chrysler Voyager minivan 3.3L Dodge Caravan minivan 3.3L Chrysler Town & Country minivan 1998 - 1999 3.3L Dodge Caravan minivan 3.3L Plymouth Voyager minivan 3.3L Chrysler Town & Country minivan	
Ford/Lincoln	2006 - 2007  4.6L Ford Crown Victoria (2-valve, excluding taxi and police units)  5.4L Ford F-150  4.6L Lincoln Town Car (2-valve)  2006  3.0L Taurus sedan and wagon  2005  4.0L Explorer Sport Trac  4.0L Explorer  3.0L Taurus sedan and wagon	2004 4.0L Explorer Sport Trac 2002 - 2004 4.0L Explorer (4-door) 1999 - 2004 3.0L Taurus LX, SE & SES sedan 2001 - 2003 3.0L Supercab Ranger pickup 2WD 1999 - 2000 3.0L Ranger pickup 4WD & 2WD 3.0L Taurus LX, SE & SES sedan	Many 1995-98 Taurus 3.0L Sedans are also FFVs	
General Motors	2007 3.9L Buick Terrazza 5.3L Chevrolet Avalanche SUVs 3.9L Chevrolet Express 5.3L Suburban, Tahoe, Yukon, Yukon XL 3.9L Chevrolet Uplander 3.9L Saturn Relay 3.9L GMC Savana	3.9L Pontiac Montana SV6 (Canada Only) 5.3L Sierra & Silverado truck 2006 - 2007 3.5L Chevrolet Impala & Chevrolet Monte Carlo 2005 - 2006 5.3L Sierra & Silverado truck 5.3L Vortec-engine Chevrolet Avalance, Suburban, Tahoe, GMC Yukon & Yukon XL	2002 - 2004 5.3LSierra & Silverado truck 5.3L Vortec-engine Suburban, Tahoe, Yukon & Yukon XLs 2000 - 2002 2.2L Chevrolet S-10 pickup 2WD 2.2L Sonoma GMC pickup 2WD	
27 27 27 27 27 27 27 27 27 27 27 27 27 2	2000, 2001 2.2L Hombre pickup 2WD			
Mazda	1999, 2001 - 2002 3.0L Selected B3000 pickups			
Mercedes- Benz	2007 2.5L C230 Sedan automatic AND manual tran 2005 3.2L C320 luxury & sport sedan & sport coupe	an, wagon & sport coupe an		
Mercury	2006 - 2007 4.6L Mercury Grand Marquis (2-valve 2002 - 2005 4.0L Selected Mountaineers	) 2001 - 2005 3.0L Selected Sables (look for "Road & Lea		
Nissan	2007 2007 5.6L Armada 5.6L Titan King Cab & Crew Cab			





#### Kansas Department of Administration Duane Goossen, Secretary

1000 SW Jackson, Suite 500 Topeka, Kansas 66612-1368 (785) 296-3011

#### Senate Agriculture Committee SB 262 – Motor vehicle purchases by state agencies Listing of Current Vehicle Contract Prices

GROUP 1	COMPACT 4 DOOR SEDAN	Ford Focus SE	\$11,038.00
GROUP II GROUP III	MIDSIZE 4 DOOR SEDAN, MIDSIZE 4 DOOR SEDAN (FLEXIBLE FUEL E-85)	Chevy Malibu 1Z569 No Bids Received	\$14,113.00 SEE GROUP V
GROUP IV GROUP V	INTERMEDIATE 4 DOOR SEDAN INTERMEDIATE 4 DOOR SEDAN (FLEXIBLE FUEL E-85)	No Bids Received Chevrolet Impala IWB19	SEE GROUP V \$14,725.00
GROUP VI	PASSENGER MINI-VANS, REGULAR LENGTH	Chevy CU11416	\$15,271.00
GROUP VII GROUP IX	PASSENGER MINI VANS, REGULAR LENGTH (FLEXIBLE FUEL E-85)		SEE
GROUP VIII	PASSENGER MINI VANS EXTENDED LENGTH	Ford Freestar	\$15,424.00
GROUP IX	PASSENGER MINI VANS EXTENDED LENGTH (FLEXIBLE FUEL E-85)	Chevrolet Uplander CU12216	\$16,370.00
GROUP XI	CARGO MINI VAN CARGO MINI VAN	Ford Freestar Ford Freestar	\$12,401,00 \$12,401,00
GROUP XII	8 PASSENGER VANS (FLEXIBLE FUEL E-85)	Chevy CG13406 Express	\$15,564.00
GROUP XIII	12 PASSENGER VANS	Chevy CG23406 Express	\$17,209.00
GROUP XIV	15 PASSENGER VANS	Chevy CG33706 Express	\$19,227.00
GROUP XV	3/4 TON CARGO VAN	Chevy CG23405 Express Cargo	\$13.787.00
GROUP XVI GROUP XVII	COMPACT SPORT UTILITY VEHICLE 4 DOOR 4 X 2 COMPACT SPORT UTILITY VEHICLE 4 DOOR 4 X 4	Chevy Trailblazer C515506 Chevrolet Trailblazer CT15506	\$18,191.00 \$20,279.00
GROUP XVIII-	A FULL SIZE 4-DOOR SPORT UTILITY VEHICLE 4 X 2	Ford Expedition EL.	\$26,060.00

Sonte Agriculture Commission 213-07
213-07
Attachment 3

	FULL SIZE 4-DOOR SPORT UTILITY VEHICLE 4 X 2 – (E-85) FULL SIZE 4-DOOR SPORT UTILITY VEHICLE 4 X 2 – (8,600 $\# {\rm GVW})$		Chevrolet Suburban CC10906 Chevrolet Suburban CC20906		\$28,367,00 \$29,406,00
GROUP XIX	FULL SIZE 4-DOOR SPORT UTILITY VEHICLE 4 X 4		Chevrolet Suburban CK20906		\$31,775.00
GROUP XX GROUP XXI	COMPACT PICKUPS 4 X 2 STANDARD CAB COMPACT PICKUPS 4 X 4 STANDARD CAB		Ford Ranger Ford Ranger		\$9,799,00 \$13,409.00
GROUP XXII	1/2 TON PICKUP 4 X 2 STANDARD CAB		Ford F-150 Regular Cab 4x2 NL		\$12,488.00
GROUP XXIII GROUP XXIV	1/2 TON PICKUP 4 X 2 STANDARD CAB (Flexible Fuel E-85) 1/2 TON PICKUP 4 X 4 STANDARD CAB	Ford F-L	50 Regular Cab 4x2 FFV XL - \$14,651.0 Ford F-150 Regular Cab 4x4 XL	)()	\$15,604.00
\$743.00	E-85 compatible engine		99V		Add
GROUP XXV	1/2 TON PICKUP 4 X 2 EXTENDED CAB E-85 compatible engine (Short wheelbase Model only)	995	Ford F-150 SUPERCAB 4X2	\$16.821. Add \$73	
GROUP XXVI GROUP XXVII GROUP XXVIII	1/2 TON PICKUP 4 X 4 EXTENDED CAB 1/2 TON PICKUP 4 X 4 EXTENDED CAB SWB (Flexible Fuel E-85) 1/2 TON PICKUP 4 X 4 CREW CAB	Ford F-1	Ford F-150 SUPERCAB 4X4 Ford F-150 SUPERCAB 4X4 50 4x4 Crew Cab XLT	\$19,459. \$22,276.	\$18,180.00
GROUP XXIX GROUP XXX	3/4 TON PICKUP 4 X 2 STANDARD CAB 3/4 TON PICKUP 4 X 4 STANDARD CAB		Ford 2008 F-250 Regular Cab 4x2 XL Ford F-250 Regular Cab 4x4 XL	\$15.692.	00 \$18.294,00
GROUP XXXI GROUP XXXII	3/4 TON PICKUP 4 X 4 EXTENDED CAB 3/4 TON HEAVY DUTY PICKUP 4 X 4 EXTENDED CAB		Ford F-250 SUPERCAB 4x4 XL LWB Ford F-250 SUPERCAB 4X4 XL LW		00 \$20,207.00
	HYBRID MIDSIZE 4 DOOR SEDAN/HATCHBACK HYBRID INTERMEDIATE 4 DOOR SEDAN		Toyota Prius Toyota Camry		\$22,795,00 \$26,520.00