



Kansas Cooperative Council

Kansas Agribusiness Retailers Association



House Committee on Energy & Utilities

Mar. 7, 2012

RE: SB 406 — Underground Fuel Storage.

816 SW Tyler
Topeka, Kansas 66612

(785) 234-0461
Fax (785) 234-2930
www.KansasAg.org

(785) 233-4085
Fax (785) 233-1038
www.kansasco-op.coop

Chairman Holmes and members of the House Committee on Energy & Utilities, the Kansas Cooperative Council and the Kansas Agribusiness Retailers Association appreciate the opportunity to provide comment in support of SB 406. I am Leslie Kaufman, Pres./CEO of the Kansas Cooperative Council and I submit these comments on behalf of the members of both organizations noted above.

The Kansas Cooperative Association (KCC) is a state-wide trade association representing cooperative business interests. A significant portion of our membership is comprised of agricultural co-ops. Many of these enterprises sell motor fuels as a part of their regular course of business. The Kansas Agribusiness Retailers Association is a voluntary state association with a membership encompassing retail facilities which supply fertilizers, crop protection chemicals, seed, petroleum products and provide agronomic expertise to Kansas farmers. The KARA membership includes over 700 agribusiness firms.

Senate Bill 406 will extend the Kansas Underground and Aboveground Storage Tank Trust Fund. Currently, that fund is due to sunset on July 1, 2014. This proposal will continue the fund another 10 years until 2024.

This fund is important to our members who distribute motor fuels. The program essentially offers an insurance policy for petroleum marketers. Where the private market is often excluding coverage for these types of incidences, the fund can offer reimbursement. Reimbursement is allowed up to 90 percent of their remediation costs up to \$25,000. This has been a successful program that has a reputation for being well managed. We believe the existence of this program has aided in environmental improvements in many locations across the state.

The bill also establishes the UST Redevelopment Fund that will be used to facilitate the removal of abandoned underground storage tanks. A mechanism is incorporated into the funding program to address tanks for which owners cannot be found, or if located, have inadequate resources to remove tanks and/or remediate conditions, if necessary. Our members understand the importance of mitigation activities under such circumstances and we are supportive of a fund structure that helps facilitate addressing these sites.

We appreciate the opportunity to share our support for SB 406. We hope the Committee will look favorably on this bill and advance this proposal. Thank you.