

THE TOP 50 LIST OF Area Employers - Pages 24, 26

\$1.50 per copy

# Kansas City Business Journal



VOLUME 15, NUMBER 29 THE METRO AREA'S MOST COMPREHENSIVE BUSINESS COVERAGE APRIL 4-10, 1997

## Bartle's unconventional problem

Outgoing Bartle Hall director says he faced the dilemma of service vs. efficiency



Roy Inman photo  
Pictured here at home, former director Bill Beard reflects on problems at Bartle Hall.

BY TOM LINAFELT  
STAFF WRITER

The trash was overflowing, snow had not been shoveled and the bathrooms were dirty at Bartle Hall during Wal-Mart Stores' January convention.

Meanwhile, Bartle Hall director Bill Beard was saving money by not filling 64 positions within the city's Convention and Entertainment Centers Department.

"My direction, when I came here, was to improve the financial performance of the convention center, and I did that," said Beard, who resigned effective June 21. "My biggest failure was managing perception."

The perception among convention planners, hotel officials and others is that Bartle, only two years after a \$125 million expansion, is in disarray.

Beard's resignation raises yet again the question of how Kansas City should manage Bartle, which has an \$8 million budget and puts an estimated \$146 million into the community each year. The question turns on whether to run Bar-

tle as a profit-making business or as a government-funded community service.

City Council members and convention and hospitality officials disagree on the answer. One problem is that officials seemed to have different expectations of Beard, who is only the latest in a long line of directors whose tenures were short-lived. That lack of job security seems to reflect a lack of direction for the job.

"Given the position's history, you have to ask, 'Is it doable at all?'" said City Manager Larry Brown, who hired Beard more than two years ago.

Brown recently formed a task force to identify Bartle's problems and potential solutions in a report to the City Council next month.

A consultant's report on how well the city is managing its facilities is also due next month.

Meanwhile, William LaMette, the deputy administrator in the convention department, took over Beard's duties until the City council decides on a solution.

See BEARD, Page 44

## Less health care coverage for workers

BY SOUGATA MUKHERJEE  
WASHINGTON BUREAU CHIEF

WASHINGTON — American workers increasingly are finding their employers shying away from providing family health insurance coverage.

Approximately 29 million workers, or almost 25 percent of the work force, are employed by companies that do not offer group health insurance for employees' families, according to a General Accounting Office report released March 26. The report was prepared at the request of Sen. Christopher Dodd, D-Conn., and his subcommittee on children and families.

GAO also found that children are experiencing the greatest loss of private insurance. Between 1989 and 1995, the percentage of children under 18 with health insurance coverage dropped from 73 percent to 66 percent — a difference of 5 million children.

The cost to provide family coverage has increased more than 60 percent in the past six years from an average of \$268 in monthly premiums to \$449, according to the government watchdog agency. Following the increase, "some employers began to question the extent of their

See INSURANCE, Page 42

## Robotics company reaches out globally

BY DAN BALABAN  
STAFF WRITER

Along time ago in a galaxy far, far away, a droid named R2-D2 searches for Obi-wan Kenobi carrying the princess' plea for help in the rebellion against the evil Empire of Darth Vader.

Light years and millennia away on Earth, Artoo's distant cousin, M-5A, searches for leaking transformers, arcing fuse boxes and drifting sewer gas, helping to keep utility workers warm and dry in their trucks.

Given that the M-5A "Scout" does most of its work in cold, damp underground vaults, which are sometimes strewn with cigarette butts and discarded hypodermic needles, its creator, Kraft TeleRobotics Inc. of Overland Park, is in no hurry to hire a Hollywood agent.

But the radio-controlled robot, the latest creation of company founder Brett Kraft, could soon be a hit with electric utilities. The companies must regularly inspect thousands of vaults to make sure power continues to flow to high-rise office buildings and street lights.

"I think the thing is absolutely going to sell like hotcakes once they get the bugs

worked out," said Jim McKenna, former gas and electric operations manager for Pacific Gas and Electric Co. of San Francisco. The 11 million-customer utility has a Scout on order.

Kraft is a cutting-edge company far from the Silicon Valley entrepreneurs McKenna regularly rubs shoulders with in Northern California. But he said the local 20-employee outfit is poised to pounce on a large, untapped market.

That market is not just electrical vault inspection, but the safe and efficient repair and maintenance of high-power distribution lines and equipment strung above streets and highways of every city. Kraft may be making headway with a contract to supply hydraulically controlled robotic arms to Japan's largest maker of aerial lift trucks.

Kraft automated arms have figured in an array of specialized operations. Kraft arms scooped up debris of the Challenger explosion in 1986. A couple of years earlier, crews used the arms at the Three Mile Island cleanup. Treasure hunters in the early 1990s took Kraft



Roy Inman photo  
Steve Harbur of Kraft TeleRobotics Inc. and "Scout."

See KRAFT, Page 42

## Insurers face liability for pollution cleanup costs

BY DAN MARGOLIES  
STAFF WRITER

In a major victory for companies ordered to pay pollution cleanup costs, the Missouri Supreme Court has decided that such costs are "damages" within the meaning of general liability and other insurance policies, payable by insurers.

The case marked the first time the court has addressed the question, which lawyers described as one of the hottest issues nationwide in the field of environmental law.

"The court said 'damages' should be inter-



CURRAN

preted in its ordinary meaning, which would cover (environmental) response costs," said Douglas Curran of Stinson Mag & Fizzell, local counsel for plaintiffs Farmland Industries and two of its affiliates.

Farmland's insurers may now have to pay for millions of dollars in cleanup costs that Farmland incurred under the federal Comprehensive Environmental Response Compensation Liability Act of 1980, better known as CERCLA.

See CERCLA, Page 44

### INDEX

CLASSIFIED .....	36-40
EDITORIAL .....	14, 15
FOR THE RECORD .....	30-32
INDEX OF COMPANIES .....	47
PEOPLE ON THE MOVE .....	33-36
REAL ESTATE RECORDS .....	28, 29
RECORD INDEX .....	28

Daily updates from the Business Journal  
www.amcity.com/kansascity



What else happened this week? See the news guide on page 3

# KRAFT

Continued from Page 1

equipment down 8,000 feet to gather millions of dollars worth of gold bars and coins spilled in the 150-year-old shipwreck of the "Central America" off the coast of South Carolina.

"You can control all those arm motions without any advanced training," boasted Steve Harbur, Kraft's director of product development. "Every motion you make with your own arm at the controller is mimicked and duplicated exactly, joint by joint by the hydraulic arm."

Harbur, a garrulous man of 52, formerly worked on missile guidance systems for the U.S. Army and the Raytheon Co. and served on one of the oil industry's first deep-sea diving vessels, deployed in the Red Sea in the mid-1970s. He has been Brett Kraft's right-hand man for 10 years, helping Kraft develop what the company calls its breakthrough technology: "forced feedback" sensitivity. Not only are the robotic arms almost as agile as a human's, they also can feel, Harbur said.

Using software nearly six years in the designing, the Kraft robotic arm electronically simulates the pressure an operator would feel picking up a nearly 100-pound cross bar for a utility pole or hitting a buried pipe with a gripper.

"I take this pen," said Harbur, holding a ballpoint above a conference table, then tapping it on the surface. "I can feel it when I touch the table. All those forces, joint by joint, at the wrist, at the elbow, at the shoulder of the robot, can be felt by the operator."

## Private parts

Harbur speaks from the company's bland 17,000-square-foot brick building at 11667 W. 90th St. There are no futuristic sculptures outside, no pieces of modern art on the walls. An electric type-

writer sits on a small reception desk near the entrance. Many of the neighboring business owners in the light industrial park have no idea what is going on at TeleRobotics.

Brett Kraft likes it that way — notwithstanding the occasional mornings he arrives for work in his helicopter, which he lands on a vacant lot next to the building.

The youngish-looking founder shuns press interviews, allowing Harbur to do the talking. Harbur is clearly uncomfortable giving out background on his boss, but he does allow that by 1974, Kraft, then in his early 20s, was intensely interested in undersea exploration using robotic technology. That year he built a miniature remote-controlled submarine in his garage in Kansas City. He attached a rudimentary robotic arm to the vessel. The rig worked, according to Harbur, although, he said he doesn't know where Kraft tested it.

Kraft is just as protective of his production process. That's why the company fabricates 90 percent

of its parts, even designing its own computer chips.

"It's just like, you can't build a space shuttle going down to Ace Hardware," Harbur pointed out. "You can't reverse-engineer one of the arms."

Kraft put his first seven-motion robotic arm on the market in 1981, when the company was called Kraft Ocean Systems. Its first contracts were with companies looking for oil offshore.

The company concluded one of its most important deals a few years ago when it entered a technology licensing agreement with the Aichi Corp., Japan's leading manufacturer of aerial lifts for the utility industry. Kraft has sent more

than a hundred arms, which list at \$175,000 apiece, to Aichi, which fits the manipulators to aerial pods. Linemen work on live distribution lines from inside the pod, in all kinds of weather, short of tornadoes and hurricanes. Since the arms have up to 10 times the strength and more than four more feet of reach than their human counterparts, workers don't tire as easily, Harbur said.

## At arm's length

Fire departments in Japan also are using the technology, as well as utilities in Europe and Canada.

But for a pilot project at Pacific Gas & Electric, no American utility or fire department has bought any of the arms. They also are being ignored by major hazardous waste cleanup contractors and govern-

ment labs.

An excavator prototype targeted for the construction industry (with a telerobotic arm and digging bucket that can roll, pitch and yaw) has idled for years in a warehouse building.

"It seems there's a certain mentality in America, they're (corporations) only interested in what the next quarterly report will be," Harbur complained. "I could have an anti-gravity device and I could be hovering above his (an executive's) desk. If he was not exploring anti-gravity devices at that time, he wouldn't be interested in it."

Harbur charges that Energy Department officials don't want the arm because it intrudes on their turf.

"The last thing government scientists want to hear is that some little company

in Kansas has built the thing that they just got a 10-year budget to develop," he said.

However, the M-5A Scout could be the company's entree into corporate and government procurement offices.

The three-and-a-half-foot tall robot is lowered into a 10-foot-long by eight-foot-wide vault with a small crane. Workers above ground in a van or truck steer it with a joystick while watching a video monitor. If the worker thinks he sees a crack on the ceiling, he can focus in with an eight-factor zoom lens and a mast that extends

more than six feet. Everything the robot sees is recorded on videotape. But M-5A also listens and smells.

"You can hear a mouse chewing away at insulation, or electrical arcing or transformer oil boiling," Harbur said.

An infrared beam instantly displays the temperature of the transformers or any other piece of equipment in the vault. If a man needs to go in, Scout can tell him if toxic fumes have seeped into the room or oxygen is low.

Harbur, however, sees other callings for the robot, for example, as a security guard that needs no coffee breaks.

"We're working on a model now, you can download the floor plan of this building and the robot will move around all by itself and look at things."

That's not as glamorous as helping the Rebel Alliance destroy the terrible Death Star, but, after all, companies here have more earthly concerns.

As Harbur points out, the M-5A will: "work for 10 years, he won't sue you and plus this is a capital investment, you can write it off; you can't do that with a person."



# INSURANCE

Continued from Page 1

responsibility to finance the coverage for families," wrote GAO inspectors.

"The GAO study provides evidence of a significant problem that is present in

the workplace," said Carmela Coyle, vice president of policy for the Washington-based American Health Association. "The problem is going to get worse, not better, if this trend is not tackled immediately."

Congress will soon have to step in and offer guidance to employers and

employees, Coyle added. Among some of AHA's suggestions are expansion of the Medicaid program for children and tiered tax incentives for families and employers that provide family based coverage.

Some employee benefit firms, which track benefits packages offered by employers, said the GAO study is deceiving because it is based on surveys of large and small companies — two sectors that have a wide coverage gap. Small businesses in recent years have cut off health benefits for families much faster than large businesses.

Large companies in 1996 paid an average of 32 percent of the total premiums for family coverage, down just 1 percent from 1993, noted John Erb, a principal at New York-based Foster Higgins' Miami office.

"That by no means is alarming," Erb said. "In fact, large businesses have better coverage today because premium costs have stabilized over the past three years."

Erb's benefits consulting firm conducts a variety of research for its clients, which consist mainly of large firms.

KPMG Peat Marwick's research unit is set to release its annual survey of health insurance coverage this summer. The study's findings are similar to

GAO's.

"We are trying to figure out why the coverage has decreased at a time of prosperity," said John Gabel, director for the Center for Survey Research at KPMG in Washington. "There's no doubt we're living in a time where employees' benefits are going down along with their job security. It's a much harsher workplace."

One explanation expected in the KPMG report is that out-of-pocket expenses for employees have skyrocketed since 1988, enough for employees to drop coverage for their families. Another explanation is that eligibility standards are much more restrictive than in previous years.

Following the GAO findings, industry watchers predict Congress will be forced to tackle the issues of uninsured children and the increasing costs of family coverage.

Senate Minority Leader Tom Daschle, D-S.D., has introduced legislation that would provide federal subsidies for health premiums for children in families with incomes under \$75,000. And Sen. Arlen Specter, R-Pa., may schedule hearings in May relating to his health care bill, which would provide states with federal money to offer health insurance vouchers for children under 18.

**Kansas City Business Journal**  
 THE METRO AREA'S MOST COMPREHENSIVE BUSINESS COVERAGE

**Plane Sense**  
 Smaller companies team up to buy jets to ground costs

**Fraud on public projects alleged by builders group**  
 BY BRIAN KAMRINE

**NEWS GUIDE**  
 BLACK & VEATCH'S PAT

**( Try it for FREE )**

**Kansas City Business Journal**  
 Call 421-5900 today for a trial subscription.