

## MINUTES

### SPECIAL COMMITTEE ON TRANSPORTATION

October 29, 2012  
Room 548-S—Statehouse

#### Members Present

Senator Dwayne Umbarger, Chairperson  
Representative Virgil Peck, Vice-chairperson  
Senator Kelly Kultala  
Senator Jeff Longbine  
Senator Bob Marshall  
Senator Roger Reitz  
Representative Tom Arpke  
Representative Sean Gatewood  
Representative Jerry Henry  
Representative Tom Phillips  
Representative Jo Ann Pottorff  
Representative Richard Proehl  
Representative Brian Weber

#### Staff Present

Jill Shelley, Kansas Legislative Research Department  
Chris Courtwright, Kansas Legislative Research Department  
Daniel Yoza, Office of the Revisor of Statutes  
Scott Wells, Office of the Revisor of Statutes  
Jane Wentz, Committee Assistant

#### Conferees

Shelby Smith  
Laura Kliwer, Director, Midwest Interstate Passenger Rail Commission, Council of State Governments  
Ray Lang, Chief, National State Relations, Government Affairs Department, Amtrak  
Jerry Younger, Deputy Secretary and State Transportation Engineer, Kansas Department of Transportation  
Matt Allen, City of Garden City  
Representative Reynaldo Mesa, representing the Garden City Area Chamber of Commerce  
Bob Tempel, WindRiver Grain  
Ken Strobel, City of Dodge City  
Barbara Burns, City of Newton  
Secretary Mike King, Kansas Department of Transportation  
Pete Meitzner, Wichita City Council  
Gary Schmitt, Executive Vice President, Intrust Bank  
Gary Oborny, CEO, Occidental Management

Jeff Fluhr, President, Wichita Downtown Development Corporation  
Deborah Fischer Stout, President, Northern Flyer Alliance

## Others Present

See attached list.

## Morning Session

The Chairperson opened the meeting and thanked everyone for their attendance. The Chairperson then recognized Representative Pottorff, who presented brief comments regarding light rail.

The Chairperson requested Jill Shelley, Kansas Legislative Research Department (KLRD), provide an overview. Ms. Shelley presented the history of legislation regarding passenger rail in Kansas 1999/2000 to present ([Attachment 1](#)) and referenced 2010 SB 409 ([Attachment 2](#)). She also reviewed recent developments in Colorado and New Mexico regarding passenger rail related to the route of the Southwest Chief ([Attachments 3 and 4](#)). A copy of a Kansas Department of Transportation (KDOT) map showing the current route and a possible alternative was provided ([Attachment 5](#)).

The Chairperson recognized Shelby Smith. Mr. Smith gave testimony supporting expanded passenger rail service in Kansas and noted economic impact analysis that projects significant economic growth for Kansas with expanded passenger rail ([Attachment 6](#)).

Laura Kliever, Director, Midwest Interstate Passenger Rail Commission (MIPRC), Council of State Governments, was recognized by the Chairperson. Ms. Kliever's presentation detailed the MIPRC's purposes to promote, coordinate, and support passenger rail service improvements. She also stated Kansas was the most recent state to join the MIPRC, thus bringing together the states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin ([Attachment 7](#)). Ms. Kliever stated ridership increases with increased train frequency and ridership does not cover all costs, but is expected to grow to cover operating costs. In response to a question, she said states fund passenger rail corridors due to consumer demand.

The Chairperson recognized Ray Lang, Chief, National State Relations, Government Affairs Department, Amtrak, to present information on issues Amtrak is facing on the *Southwest Chief* existing route and potential alternative route ([Attachment 8](#)). Mr. Lang stated Amtrak is a federally-owned corporation with stock held by the U.S. Department of Transportation; it has an independent board of directors. Fifteen states currently pay Amtrak to operate passenger trains, he said. He recognized Carey Maynard-Moody of Lawrence, a winner of Amtrak's 2012 national "Champion of the Rails" award. He presented data on the current routes in question and the affected communities along with the boardings and alightings from each respective city. Mr. Lang indicated Amtrak's preference would be to keep the *Southwest Chief's* current route. Since Amtrak is unable to absorb the costs to maintain the route, one solution was presented for cost-sharing among the five affected parties: Amtrak, BNSF Railway (BNSF), and the states of Kansas, Colorado, and New Mexico at approximately \$2 million per party per year with a 20-year commitment. In addition, \$100 million in one-time capital expense would be required within ten years in order to preserve the current route. He said multiple partners are needed because

the project would require an amount approximately equal to 25 percent of Amtrak's entire capital budget. He said Secretary King had met with Amtrak's president recently regarding this matter.

In response to a question from a Committee member, he said Amtrak charges no fee for a passenger's first two bags and a personal item such as a backpack and that many Boy Scouts use this rail service to access Philmont Scout Ranch in New Mexico. It also was noted that a passenger is not subject to security clearance like that in airports; thus an individual could potentially arrive at an Amtrak station ten minutes prior to boarding. Mr. Lang also noted that Amtrak now accepts either a printed electronic ticket or can scan a passenger ticket from a smart phone. He answered Committee questions regarding potential support from Congress for passenger rail.

The Chairperson announced that Speaker Mike O'Neal had appointed Representative Pottorff to replace Representative Gary Hayzlett on the Committee, effective immediately.

The Chairperson recognized Jerry Younger, Deputy Secretary and State Transportation Engineer, KDOT, who provided the Committee with an update on *Southwest Chief* and a copy of a letter sent from the department of transportation heads from Kansas, Colorado, and New Mexico to Mr. Lang in July 2012 regarding Amtrak's request for funds ([Attachment 9](#)).

Matt Allen, City of Garden City, was recognized by the Chairperson and spoke regarding the *Southwest Chief* Rural Rail Partnership ([Attachment 10](#)). Mr. Allen stated the Partnership is exploring federal options for solutions through the Kansas congressional delegation, working with congressional delegations from Colorado and New Mexico, and working with Amtrak to determine and prioritize critical repairs and upgrades. He said there also is a partnership around passenger air transportation for the region.

The Chairperson recognized Reynaldo Mesa, Garden City Area Chamber of Commerce, who said passenger rail is a vital means of transportation to many rural communities and cited examples. Representative Mesa also corrected a statement in his written testimony to clarify that he is a representative in the Kansas Legislature until January 2013 ([Attachment 11](#)).

Bob Tempel, WindRiver Grain, was recognized by the Chairperson. He provided testimony regarding the impact of rail and its importance to competitiveness in a global market. He said his area was able to attract a distribution center in the past year because of the train. Mr. Tempel supports the *Southwest Chief* being retained on its current route. ([Attachment 12](#))

The Chairperson recognized Ken Strobel, City Manager, City of Dodge City. Mr Strobel presented a brief history of the rail service and its importance to Dodge City since the late 1800s. He stated KDOT's continued support is necessary and noted the agency's collaboration in the past ([Attachment 13](#)). He also stated Kansas needs to protect its investment in economic development such as Rural Opportunity Zones and STAR (Sales Tax Revenue) Bond financing programs by continuing this route through rural Kansas.

Barbara Burns, Community Advancement Coordinator, City of Newton, was recognized by the Chairperson. Ms. Burns asked the Committee members to consider key points regarding Amtrak's *Southwest Chief* line that connects Kansas communities with the rest of the nation ([Attachment 14](#)). She further stated Newton is a railroad town and the future of Newton depends on the railroad.

Written testimony was provided by John J. Deardoff, City Manager, Hutchinson ([Attachment 15](#)), and Richard Klemp, Director of Government Relations, Kansas Star Casino ([Attachment 16](#)).

The Committee recessed for lunch.

### **Afternoon Session**

The Chairperson called the afternoon session to order at 1:30 p.m. and asked Ms. Shelley to review information previously presented to legislators regarding the possible extension into Kansas of the *Heartland Flyer*. Ms. Shelley provided summaries of cost estimates ([Attachment 17](#)), ridership estimates ([Attachment 18](#)), and benefit-cost ratios ([Attachment 19](#)). She also reviewed developments in Oklahoma regarding the *Flyer* and other railroad initiatives ([Attachment 20](#)).

KDOT Secretary Mike King was recognized by the Chairperson. Secretary King provided an update on the *Heartland Flyer* extension project. A colored route map showing daylight service between Kansas City, Oklahoma City, and Fort Worth; the proposed *Heartland Flyer* extension; and the existing *Heartland Flyer* route was provided ([Attachment 21](#)). He noted the findings of the Service Development Plan (SDP) that analyzed extending the current state-sponsored *Heartland Flyer* service from Oklahoma City to Newton were presented to legislators during the 2012 Legislative Session. Secretary King stated agreements would need to be reached with Oklahoma and other impacted states in order to continue developing services ([Attachment 22](#)). A copy of a May 7, 2012, memorandum was provided on economic impacts of passenger rail scenarios, from Dennis R. Slimmer, Chief of Transportation Planning, KDOT, to several groups of legislators ([Attachment 23](#)).

The Chairperson recognized Pete Meitzner, Wichita City Council Member, to testify on. Mr. Meitzner noted the gap in passenger rail service between Oklahoma City and Wichita. He stated the Interstate 35 corridor has been identified as one of ten "megapolitan" areas in the U.S. and discussed the importance of this area in future growth and development; he said the Wichita area is responsible for more than 50 percent of exports from Kansas. He also stated the city had invested \$3 million in the new downtown arena, which has resulted in \$60 million in economic benefits ([Attachments 24 and 25](#)). Gary Schmitt, Executive Vice President, Intrust Bank, testified on the economic impact of recent investments in downtown Wichita and the economic impact of integrated transportation options, including rail, buses, and air. He said the community wants to ensure its assets are connected to those of the rest of the state ([Attachment 26](#)).

Gary Oborny, CEO, Occidental Management, spoke regarding the possible renovation of Wichita's Union Station as an Amtrak terminal ([Attachment 27](#)).

Jeff Fluhr, President, Wichita Downtown Development Corporation, spoke of the potential economic impact passenger rail could create in Wichita. Mr. Fluhr stated different levels of service should be available to suit different travel needs and wants.

Janis Hellard, Director of Sumner County Economic Development, provided written testimony urging a passenger rail stop in Sumner County ([Attachment 28](#)).

Deborah Fischer Stout, President, Northern Flyer Alliance, was recognized by the Chairperson, to present recommended next steps to move passenger rail forward in Kansas.

Ms. Fischer Stout said she believes the State of Kansas must commit to fund certain federally required environmental studies, identify the stakeholders, direct KDOT to fund the study, and then select a firm to perform that study. She also recommended that the State of Kansas create a State Passenger Rail Task Force. She said Kansas will be bypassed in national rail corridors if it does not act soon; she noted a decision will be made on the route of the *Southwest Chief* in 2014 (Attachment 29). Responding to a question from a Committee member, she stated the rail improvements necessary would cost many millions of dollars, but the amounts are comparable to or less than the costs of certain single highway interchanges.

Lindsey Douglas, Chief, Government Relations, KDOT, stated the current estimate for the environmental studies is \$5.3 million, with a recommendation that the Kansas share of that be \$3 million and Oklahoma's share be \$2.3 million.

Senator Reitz stated legislators need to consider what is best for the State; governments all over the world fund passenger rail; and some members of the public truly need this transportation option.

Representative Weber asked about prospects for federal funding; Ms. Douglas replied there will be opportunities to include passenger rail provisions in upcoming federal transportation authorization bills.

In response to a question from Representative Phillips, Ms. Fischer Stout said Wichita's mayor is working with the mayor of Oklahoma City and with officials from other cities in Oklahoma to encourage support in Oklahoma for the extension of the *Heartland Flyer*.

Patrick Hubbell, lobbyist, BNSF, stated Kansas City is the second largest train hub in the nation, with Chicago being the largest, and said Congress must take action on passenger rail. He also noted the route of the *Southwest Chief* includes Raton Pass, through which freight trains must go very slowly, making the route unattractive for freight uses.

Mr. Lang noted the legislation creating Amtrak gives passenger rail access to freight lines at incremental cost; essentially Amtrak buys capacity on the infrastructure sufficient to allow trains to meet their schedules.

Mr. Smith noted Governor Brownback has not clearly indicated his position on passenger rail in Kansas.

Representative Arpke noted shipping for agriculture is very important in Kansas, and counties where rail has been abandoned are paying a penalty in additional costs for roads and bridges.

During discussion on the Committee report, several Committee members stated they would recommend the Legislature support passenger rail in Kansas and find funds to preserve the current route of the *Southwest Chief*. Several commented they would like to see the report commend the various communities for their efforts regarding passenger rail and in working across state lines on the issue.

The Committee members discussed a resolution to Congress in support of federal funding for passenger rail. The Chairperson reminded the Committee that it does not have the authority to draft a resolution; a Committee Report will be the official record. Several Committee members stated the report needed to contain strong and positive support for passenger rail

retention, development, and maintenance in the State. The Chairperson noted Committee members will have an opportunity to review language in the draft report.

The meeting was adjourned at 3:32 p.m.

Prepared by Jane Wentz  
Edited by Jill Shelley

Approved by the Committee on:

December 14, 2012  
(Date)