

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 P.M. on February 13, 2006 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Hank Avila, Kansas Legislative Research
Bruce Kinzie, Revisor of Statutes Office
Betty Boaz, Committee Secretary

Conferees appearing before the committee:

Ken Gudenkauf, Legislative Liaison, KS Department of Transportation
Ed McKechnie, Chief Commercial Officer, Watco Companies
Bob Alderson, representing Kyle Railroad Co. and Mid-States Port Authority
Duane Simpson, KS Grain and Feed
Pat Hubbell, representing railroads
Leslie Kaufman, Exec. Director, KS Cooperation Council
Bob Totten, KS Contractors Association

Others attending:

See attached list.

Representative Hayzlett opened the hearings on **HB 2709**.

HB 2709 - Rail service improvement program, funding

The Chairman recognized Ken Gudenkauf, Legislative Liaison, for KDOT. According to Mr. Gudenkauf (Attachment #1) in December 2005 a study was completed for KDOT that examined program expenditures and uses of the Rail Service Improvement Fund component of the CTP and examined the economic impacts of the program. The study concluded that the program has been a good investment of state dollars; there have been significant benefits to both the public and private sectors, healthy short-line railroads are vital to the Class I railroads and provided improved customer service. The study indicated the program should be funded beyond fiscal year 2007. KDOT agreed with the study.

The second proponent was Ed McKechnie, Chief Commercial Officer of Watco Companies, owners of two shortline railroads in Kansas. (Attachment #2) Mr. McKechnie said this bill continues the commitment made in 1999 by the Kansas Legislature to invest in our transportation system. He said Kansas harvest creates great demand for four months, moderate to light demand for four months and low to no demand for four months and that it is very hard for the railroad to shoulder the burden of these cars in low volume months. He urged the Committee's support for **HB 2709**.

The next proponent was Bob Alderson. (Attachment #3) He said shortline railroads represent an important and growing segment of the North America rail network. As the Class I railroads have withdrawn from the branch lines they formerly operated and moved towards long haul, unit train type operations, both they and the shippers are becoming more and more dependent on shortlines to provide service to and from the lighter density branch lines. Mr. Alderson also urged the Committee's support of **HB 2709**.

Duane Simpson was the next proponent appearing in support of **HB 2709**. (Attachment #4) According to Mr. Simpson, **HB 2709** removes the sunset on the Rail Service Improvement Fund. He said the \$3 million a year fund is used to facilitate the financing, acquisition and rehabilitation of railroads in the state and that losing the fund would be devastating to their industry.

The Chairman recognized Pat Hubbell, representing Burlington Northern Santa Fe Railroad, Kansas Railroads and Union Pacific Railroad. Mr. Hubbell provided information (Attachment #5) from the Association of American Railroads. Mr. Hubbell also spoke in support of **HB 2709**.

Chairman Hayzlett drew the Committee's attention to written testimony provided by Leslie Kaufman,

CONTINUATION SHEET

MINUTES OF THE House Transportation Committee at 1:30 P.M. on February 13, 2005 in Room 519-S of the Capitol.

Executive Director of the Kansas Cooperative Council. (Attachment #6) She asked the Committee to act favorably on **HB 2709**.

After all questions were answered the Chairman called for opponents to this bill.

The Chairman recognized Bob Totten, Public Affairs Director for the Kansas Contractors Association. (Attachment #7) Mr. Totten said they must oppose **HB 2709** because they are greatly concerned the Comprehensive Transportation Program needs all the funding available to finish all the projects proposed in 1999.

There were no other opponents. After all questions were answered Chairman Hayzlett closed the hearing.

It was the Chairman's desire to work this bill so he opened it up to the Committee for discussion, comments and motions. Representative Menghini made a motion to pass **HB 2709** favorably out of Committee, Representative O'Malley seconded the motion and the motion carried..

Chairman Hayzlett asked for a motion on the Minutes of the January 31, 2006, Committee Minutes. Representative Olson made a motion to approve the Minutes as submitted, Representative Ruiz seconded the motion and the motion carried.

There being no further business before the Committee Chairman Hayzlett adjourned the meeting. The next meeting will be on February 14, 2006 at 1:30 p.m. in Room 519-S.