

## MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairman David Wysong at 8:30 a.m. on February 3, 2009, in Room 545-N of the Capitol.

All members were present.

Committee staff present:

Ms. Margaret Cianciarulo, Committee Assistant  
Mr. Ken Wilke, Office of the Revisor of Statutes  
Mr. Reed Holwegner, Kansas Legislative Research Department

Conferees appearing before the Committee:

Mr. John Pilla, Senior VP & Chief Technology Office, Spirit Aerosystems  
Ms. Karyn Page, President & CEO, World Trade Center

Others attending:

Please see an attached list.

### **Minutes for Approval**

Upon calling the meeting to order Chairman Wysong announced that the Minutes of January 27, both the 8:30 a.m. Commerce meeting and 11:30 a.m. Joint Committee Meeting with the House Eco Devo-Tourism Committee and the Minutes of January 29, 2008 had been mailed to the Committee on Friday, February 1 with a due date for responses of Friday, February 6, 2009 and if no responses the Minutes will stand approved.

### **Presentation on the Spirit of Aviation**

The Chair then recognized Mr. John Pilla, Senior Vice President and Chief Technology Officer for Spirit Aerosystems who offered an update of the current situation of the Kansas Aviation Industry saying it is a major contributor to the economic vitality of Kansas. He offered charts on:

- their products
- economic impact to Kansas including .31,475 direct jobs at 76 companies with a payroll of \$2 billion
- the potential aviation scenarios (both baseline and conservative)
- aircraft production from 1998 through 2017 with a chart indicating the first civil/military upturn in 25 years
- the industry themes and trends for example, outsourcing, LSI, and privatization are here to stay
- orders, deliveries and backlog charts including
  - delivery history and forecast on large commercial aircraft
  - the history of business jets for example, retail Bizjet deliveries by region
  - the outlook for business jet deliveries
- the crises of aerospace fallout offering what NOT to worry about, things to consider worrying about and watch and worry items
- defense spending for example, the Georgian crises

In conclusion he stated that more than 20,000 new employees will be needed through 2019 to accommodate the growth, retirement, and turnover and we need to prepare for the next up-cycle and the next generation of new technologies and products. A copy of his testimony is ([Attachment 1](#)) attached hereto and incorporated into the Minutes as referenced.

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The Chair thanked Mr. Pilla and asked for questions or comments from the Committee which came from Senators Holland, Reitz, Wysong, Emler, and Lynn including what drives' commercial airlines to purchase jets and were spikes driven by fuel efficiency or an explosion in routes? Ellis County is mentioned as a player in aviation, what is going on there? When the aviation industry testified before Ways and Means they saying recovering the first quarter of 2010, has that changed? Regarding engineers and engineers needs, are these important to you (didn't hear mentioned in testimony)? Asked to talk more about refueling aircrafts, what is holding this up and where is the hang up regarding Airbus? Regarding the map on page 4, aren't their aviation jobs still in Saline County? And, is there any effort with aviation to work with technical schools?

### **Overview of the World Trade Center of Wichita**

The next order of business was an overview of the World Trade Center of Wichita. The Chair then called on Ms. Karyn Page, President & CEO, World Trade Center who began testimony with the mission of the Kansas World Trade Center is to promote and facilitate trade in the state of Kansas through education, communication and research. They are a private corporation with an independent board of directors, a staff of four and a member of the World Trade Centers Association, which is a global network of more than 300 World Trade Centers in more than 80 countries.

She went on to explain:

- how they provide support to Kansas businesses and play a role in attracting new investment 1by offering professional international training seminars (A copy of their 2009 training schedule has been provided.).

- the impact of international trade by selecting three cities from across Kansas for which export data is available in alpha order,

1) Kansas City ranking #34 of the 500 largest metro areas in the nation, exported \$4.91 bil in 2005 and \$5.68 bil in 2006 for a 15.9% increase

2) Topeka companies exported \$283.8 million in 2005 and \$366.1 million in 2006 for a 29% increase

3) Wichita ranked #13 in the nation for a percentage share of the State's total exports in 2006 exporting 53% of the State's total exports. She then went on to cover Kansas's total exports and then specifically, the ag exports.

- some of the programs they offer or are developing for example, recently forming a partnership with the Agri-Business Council of Wichita and they are also a main subcontractor for the Wichita International Trade Study or IntelliPort.

In conclusion she talked about how they determine priorities, make decisions on which resources to buy, which relationships to develop, and what programs to build.

Copies of Ms. Page's testimony and attachment of the planned schedule of events for 2009 are (Attachment 2) attached hereto and incorporated into the Minutes as referenced.

As there were no questions from the Committee, Chairman Wysong thanked Ms. Page and asked regarding the list of industry indices indicating manufacturing was fifth, what is the largest manufacturing exporting company in Kansas?

### **Adjournment**

As there was no further discussion the Chair adjourned the meeting. The time was 9:30 a.m.

The next meeting is scheduled for Wednesday, February 4, 2009.

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