

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE

The meeting was called to order by Chairman Lana Gordon at 3:30 P.M. on March 17, 2008 in Room 519-S of the Capitol.

All members were present except:
Geraldine Flaharty- excused

Committee staff present:
Ryan Hoffman, Kansas Legislative Research Department
Jason Long, Office of the Revisor of Statutes
Matt Todd, Office of the Revisor of Statutes
Ann Deitcher, Committee Assistant

Conferees appearing before the committee:
Representative Owen Donohoe
Representative Judy Morrison
Owen deLong - ABD/PhD in Government, Harvard University
David K. Stall, CorridorWatch.org
Linda A. Stall, Co-founder, CorridorWatch.org
Amanda Teegarden, OK-SAFE, Inc.

The Chair introduced Representative Donohoe who showed the Committee a picture of the Flint Hills calling it “nighttime vision in the sky of a satellite transitioning to sunset” saying he was asking for a point of privilege in requesting a new motto for Kansas of “Aerospace to Open Space”. (Attachment 1).

HB 5033 - Concurrent resolution urging Congress to withdraw from Security and Prosperity Partnership and NAFTA.

Appearing next before the Committee was Representative Morrison who explained **Resolution 5033** saying that it regards the NAFTA Highway, the TCC and the North American Union. At this time there are 24 states that are working on it or have resolutions with six of those states having passed it and she’s hoping the rest of the states will follow suit. Congresswoman Nancy Boyda and Congressman Jerry Moran have both signed on to **Resolution 40**. (Copies of notebooks have been provided with documented information and are available in the office of the Economic Development/Tourism Committee Assistant, Room 142W.)

Copies of NASCO Frequently Asked Questions were distributed. (Attachment 2).

Owen deLong spoke to the Committee regarding milestones and documentation supporting the existence and development of what was initially called the “NAFTA SUPERHIGHWAY” by USDOT Secretary Mineta. Calling it a “project of opportunity” he said they’ll build it wherever they can find it.”

Mr.deLong told of the development of the program and how it is incremental and opportunistic in the sense that the location for the various intramodal hubs and rail lines depends upon evolving opportunities for acquisition of land, including approvals by affected governmental entities. (Attachment 3).

Saying that it was crucial to have an overview to what is happening because there are fundamentally two railroad lines at present competing for the East Asian trade. One runs through the Southern California Ports of Long Beach and L.A. across the western U.S. via Burlington Northern Santa Fe rail lines to its old Kansas City terminus, formerly ending in Kansas City , Kansas, but soon to be replaced by a new hub in Gardner, Kansas.

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The second major route, only in its developmental infancy, runs from two ports on the Mexican Pacific Ocean and the Mexican border at Laredo, Texas, or some other border juncture, and then proceeds via the Kansas City Southern Rail Lines to the new inland port via either Oklahoma and Southeast Kansas or Arkansas and Southwest Missouri. The Trans-Texas Corridor is the first-built U.S. phase of either Kansas City Southern route.

Next to offer testimony before the Committee, was Amanda Teegarden who offered an overview of NASCO and AFTRACS. ([Attachment 4](#)).

Ms. Teegarden spoke of how the Information Technology Systems (ITS) that led to “Total Domain Awareness” had been likened to an “Orwellian” surveillance system and a government control nightmare, of mammoth proportions. It is a technological system that could ultimately be used to track, record and control all modes of transportation, both commercial and private. She said that NASCO, utilizing Public/Private partnership arrangements, promotes such a system.

A brief film was shown of Oklahoma State Senator Randy Brogden who is working to withdraw his state from NASCO. He said that the state, since the I-35 goes through it, belongs to NASCO and they pay \$25,000 a year for the “privilege.” The effort to get Oklahoma out of NASCO is expected to get some traction early next year.

Next to appear as an opponent was David Stall who said that the focus of his organization was primarily on the Trans Texas Corridor and the considerable impact it is having on a wide range of transportation and related public policy issues. ([Attachment 5](#)).

Mr. Stall said that chief among their concerns were the private profit motive and the tremendous abuse of condemnation and taking through the use of eminent domain. He used the Kansas Turnpike as an example of highways operated by public turnpike authorities and how they serve the public interest while private turnpike operators serve different interests. He felt there should be serious concern about toll agreements that limit future opportunities to protect a private partner’s profits.

Saying that the TTC model was headed our way, Mr. Stall said that it may have a different name or be repackaged, but it will be proposed for Kansas. He urged the Legislature to exercise utmost caution to protect their state and their citizens.

Addressing the Committee next in opposition of NASCO, Linda Stall explained that the goal of her organization ([CorridorWatch.org](#)) that all citizens educate themselves about the corridor will have on their community physically and economically and then convey their opinions and concerns to their State Representatives, State Senators, Federal and local elected officials. ([Attachment 6](#)).

She pointed out that while the use and type of Public Private Partnerships are being expanded and explored, their long term impact is largely unknown. The advantages often touted include transferring the financial risk to the private partner, up-front payments, different bonding requirements and more flexibility with bond proceeds. But government entities utilizing these PPP agreements should be aware of certain risks. Recent reports raise concerns about unreasonable toll increases, long term contracts in excess of 50 years, loss of revenue and “non-compete”, or “competition limiting” clauses which limit future public development of infrastructure.

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Appearing next before the Committee, William Moore offered documentation providing support of the reality of the existence of planning of the Corridor from both a trucking and rail perspective. This documentation is part of a file of 100 articles that demonstrate the NAFTA CORRIDOR. (Attachment 7).

Mr. Moore told the Committee that if you've ever traveled I Mexico you'll remember that a very large majority of the cars and trucks they drive are decades old vehicles that would not be driven in the United States. To the professional truck driver these vehicles represent the trucks that are taken off the road in the U.S. by their respective companies for a loss of cost effectiveness in maintaining their roadworthiness. The trucks have no sleeping quarters for the driver at the end of his driving hours. Instead he either sleeps on the ground or curls up in the seat of the truck. Neither provides a quality rest required by our DOT rules.

Saying that fuel costs between the countries is another aspect of this debacle, Mr. Moore said that these vehicles carry large volumes of fuel, usually around 300 gallons. Mexico is charging \$2.04 a gallon while in the U.S. at this time, the average Diesel is nearing \$3.90. If the trip to drop the freight and return is less than 1800 miles for the Mexican driver, they will buy no fuel in the United States so we're not even receiving any taxes from them

Mr. Moore finished his testimony by asking the Committee to take a stand. He asked them to tell the citizens of Kansas that they care about their financial future, their health and safety and their environment. And he asked them to tell the Federal Government to protect Americans first.

A brief questions and answer period followed.

The meeting was adjourned at 5:30 p.m. The next meeting is scheduled for Tuesday, March 18, 2008.

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