

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Julia Lynn at 8:30 am on Thursday, February 11, 2016, 548-S of the Capitol.

All members were present except:

Senator Jeff Melcher – Excused

Senator Susan Wagle – Excused

Committee staff present:

Debbie Bartuccio, Kansas Legislative Committee Assistant

Reed Holwegner, Legislative Research Department

Edward Penner, Legislative Research Department

Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:

Canadian Consul-General Marcy Grossman

Others in attendance:

[See Attached List](#)

Presentation on:

Chairperson Lynn welcomed Canadian Consul-General Marcy Grossman, who made a presentation entitled Partners in Prosperity: The Kansas-Canadian Relationship. ([Attachment 1](#))

Consul-General Grossman said Canada is proud to count the United States as its number one partner, friend and ally. She stated the Canada-Kansas trade relationship is worth \$4.2 billion, and more than 84,000 jobs in Kansas rely upon trade with Canada. She said Canada is also a significant investor in Kansas, with Bombardier, Great West Financial, BMO Harris Bank and 74 other Canadian companies contributing to the economic well-being of the state.

As an example of the partnership, Kansas imports aircraft parts and engines from Canada, assembles them in Kansas with local workers, and then sells back complete airplanes (Bombardier, Boeing and Beechcraft) to Canada and the world. For every \$1 the U.S. buys from Canada, \$0.25 worth of that product originated in America. Consul-General Grossman said her office works to create the most productive and seamless environment for making trade possible.

Chairperson Lynn inquired as to how long the Canadian-Kansas relationship has been in place and how it has evolved over the years. Consul-General Grossman replied it has been a long term relationship, and her office is always seeking opportunities to deepen and grow the connections between Canada and Kansas.

Senator Wilborn, referring to the successes with the relationship, inquired as to whether there were any

CONTINUATION SHEET

MINUTES of the Committee on Commerce at 8:30 am on Thursday, February 11, 2016 in Room 548-S of the Capitol.

current issues which need attention. Consul-General Grossman responded it is quiet on the home front at this time. She said Buy America provisions can put onerous barriers on businesses and hinder the exchange of goods. She stated Kansas is one of the few states that enjoys a trade surplus with Canada, and they look forward to building on the relationship.

Senator Denning questioned the effect of the low price of fuel on the Canadian economy. Consul-General Grossman replied one of the priorities of the Canadian federal government is to diversify, with a focus on investments in infrastructure and clean technology.

Consul-General Grossman reviewed a few of the trading relationships in Senator Faust-Goudeau's district in Wichita.

Senator Holland inquired if there were any emerging industries which Kansas should become familiar with as a trading opportunity. Consul-General Grossman discussed opportunities for relationships between the private and public sectors for infrastructure projects, which results in minimal economic risk to the government.

Senator Olson questioned the effect on trade as the value of the dollar has increased. Consul-General Grossman responded that, overall, trade between the two countries has generally remained stable during these periods of fluctuation.

Senator Longbine expressed appreciation for the trade relationship and stated between 30 percent and 40 percent of the vehicles he sells at his auto dealership are manufactured in Canada.

Chairperson Lynn inquired as to how trade relationships are initiated. Consul-General Grossman responded they often stem from local chamber involvement and university research projects.

At the conclusion of the question and answer session, Chairperson Lynn adjourned the meeting at 9:16 a.m. The next meeting is scheduled for February 16, 2016.