

Approved: February 9, 1995
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MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on February 8, 1995 in Room 123-S of the Capitol.

Members present: Senators Salisbury, Burke, Downey, Feleciano, Gooch, Harris, Kerr, Petty, Ranson, Reynolds, Steffes and Vidricksen.

Committee staff present: Lynne Holt, Legislative Research Department
Jerry Donaldson, Legislative Research Department
Bob Nugent, Revisor of Statutes
Betty Bomar, Committee Secretary

Conferees appearing before the committee:

James W. Parmelee, Member, Export Loan Guarantee Review Committee
Deryl K. Schuster, Member, Kansas, Inc.
J. M. Vess, Member, Kansas Inc

Others attending: See attached list

Confirmation hearing on the appointment of James W. Parmelee, Member, Export Loan Guarantee Review Committee, term expiring June 30, 1996

James W. Parmelee, testified regarding his 10 years of financial experience with an organization that has a long history of export sales internationally. He further advised the committee that due to the inexperience of the banking industry in Kansas, it is incumbent on the new director of the Export Loan Guarantee Review Committee to educate and assist both banks and Chamber of Commerces in the process of obtaining letters of credit and loans so they can assist local businesses engage in global markets. Mr. Parmelee reported the Committee has a new director who has been in place a couple of months. It appears one of his priorities is to make such contacts as referenced above. He responded to questioning that he was first appointed in 1990 when the Committee consisted of three members and served until 1993. When the Committee was expanded to five members, he was reappointed, and appears today for confirmation of that appointment. Mr. Parmelee indicated that he would have no reservations about working with the present administration.

Senator Feleciano opined that the Committee should do everything it can to get the banking industry more involved; if the Committee is not accomplishing the role intended by the legislature, he would propose it be repealed. Mr. Parmelee responded that he has suggested to the Director that the role be expanded to include its role as a conduit to available resources in the export market field. Senator Kerr asked where an individual would go for assistance regarding information to enter the global market if this Committee did not exist. Mr. Parmelee responded that he would go to a bank in Kansas City, Missouri, and also go to the Kansas Department of Commerce. He further explained that the Kansas banking industry is too conservative and has limited experience in the global economy. See attachment 1

Confirmation hearing on the appointment of Deryl K. Schuster, Member, Kansas Inc., term expiring June 30, 1998.

Deryl Schuster testified as to his years of experience in both banking and economic development in the State of Kansas. He further advised as to his appointment to the Small Business Administration and his long involvement, at both the State and Federal level on various commissions and task forces that deal directly with small businesses. Mr. Schuster remarked that small businesses are the backbone of this state and the economy of any city, either large or small. In response to a question posed by Senator Gooch, Mr. Schuster advised that his appointment would meet the statutory requirement for a member with experience in the area of "high-risk venture investments". He further responded that as a member of Kansas Inc., he would foster the inclusion of all Kansas residents.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE, Room 123-S Statehouse, at 8:00 a.m. on February 8, 1995.

Mr. Schuster also responded that although he was appointed by Governor Finney, he had no hesitancy in working with the current administration.

Confirmation of J. M. "Mike" Vess, member, Kansas, Inc., term expiring June 30, 1998.

J. M. "Mike" Vess, testified regarding his experience in establishing an oil and gas company in 1980, which now has operations in 28 counties and offices in both Wichita and Great Bend. Mr. Vess advised that his appointment to fill the position of a representative of the oil and gas sector. He remarked that he felt that he brought certain expertise from the perspective of a small businessman. Mr. Vess further advised that he had worked with Governor Finney on a couple of issues and undoubtedly his appointment was a result of that association. The Chair asked his position on the severance tax. He responded that he had favored lowering the tax on natural gas, and felt the present 4.33% was an appropriate tax.

Upon motion by Senator Ranson, seconded by Senator Harris, the Minutes of the February 7, 1995 meeting were unanimously adopted.

The meeting adjourned at 9:00 a.m.

The next meeting is scheduled for February 9, 1995.

SENATE COMMERCE COMMITTEE GUEST LIST

DATE: Feb. 8, 1995

NAME	REPRESENTING
Jim Parmelee	Self

JAMES W PARMELEE

21800 W 230TH STREET
SPRING HILL, KS 68083

QUALIFICATIONS FOR: MEMBER, KANSAS EXPORT LOAN GUARANTEE REVIEW COMMITTEE

CHIEF FINANCIAL OFFICER
TAYLOR FORGE ENGINEERED SYSTEMS, INC.
1ST AND IRON STREETS
PAOLA, KS 68071

I HAVE BEEN IN THIS POSITION FOR 10 OF 19 YEARS WITH THE ORGANIZATION. TAYLOR FORGE ENGINEERED SYSTEMS WHICH PRODUCES METAL FABRICATED EQUIPMENT FOR THE AEROSPACE, POWER, GAS AND OIL RELATED INDUSTRIES HAS THREE LOCATIONS IN KANSAS, EMPLOYING ABOUT 200 PEOPLE. WE HAVE A LONG HISTORY OF EXPORT SALES TO ALL THE OIL AND GAS PRODUCING AREAS OF THE WORLD EXCEPT THE OLD SOVIET UNION.

IN 1994 WE EXPORTED OVER \$8 MILLION WITH THE LARGEST SHIPMENT GOING TO CHINA. IN 1995 WE ALREADY HAVE ORDERS TO EXPORT IN EXCESS OF \$9.5 MILLION. MOST OF THESE TRANSACTIONS UTILIZE LETTERS OF CREDIT, BUT WE DO HAVE OPEN ACCOUNTS AND CASH IN ADVANCE SALES.

OTHER ACTIVITIES AND ORGANIZATIONS

CHAIRMAN OF KANSAS INDUSTRIAL COUNCIL
BOARD OF DIRECTORS OF KCCI
MEMBER, KCCI TAXATION COMMITTEE
MEMBER, KCCI HUMAN RESOURCES COMMITTEE
MEMBER, NATIONAL FEDERATION OF INDEPENDENT BUSINESSES
SPONSOR OF FOREIGN STUDENTS THROUGH GREATER KANSAS CITY CHAPTER OF PEOPLE TO PEOPLE
U S ARMY RESERVE

*February 8, 1995
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Attachment 1*