

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on March 14, 2003 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: April Holman, Legislative Research
Deb Hollon, Legislative Research
Mitch Rice, Revisor of Statutes
Jodie Anspaugh, Secretary

Conferees appearing before the committee: Ed McKechnie, Watch Companies, Inc.
Julie Hein, Kansas Restaurant and Hospitality Association

Others attending: See attached list.

Chairperson Brownlee opened the hearing on HB 2191 regarding port authorities. Ed McKechnie, Watco Companies, Inc., testified in support of the bill. (Attachment 1) The intention of the bill is to allow port authorities greater flexibility in seeking financing options to preserve Kansas' railroad infrastructure. Currently, Kansas law only allows borrowing from the state, the federal government, and from financial institutions. HB 2191 allows the port to have the additional financing options of a private person or entity, such as another railroad.

Chairperson Brownlee closed the hearing on HB 2191. There was no discussion. Senator Kerr made a motion to move the bill out favorably for passage. Senator Emler seconded. The motion carried.

Chairperson Brownlee opened the hearing on HB 2106, regarding tourism. (Attachment 2) Julie Hein, representing the Kansas Restaurant and Hospitality Association, testified in support of the bill. This is a simple bill that updates and corrects names of organizations which make nominations for membership on the Tourism Council, which is an advisory council to the Secretary of Commerce and Housing. This bill only makes small technical changes in current law.

Chairperson Brownlee closed the hearing on HB 2106. There was no discussion. Senator Jordan made a motion to move the bill out favorably for passage. Senator Steineger seconded. The motion carried.

Chairperson Brownlee announced that the workers compensation subcommittee may meet at the rail today to move Sub SB 181 out of the subcommittee.

The meeting was adjourned at 8:51 a.m.

The next meeting will be March 18, 2003 at 8:30 a.m. in Room 123-S.

SENATE COMMERCE COMMITTEE

GUEST LIST

DATE: Friday, March 14, 2003

NAME	REPRESENTING
Martin Hauver	Hauver's Capitol Report
Ron Seebur	KIZHA
Julie Hein	KRHA
Bill Brady	KS Gov't Consulting
Megan Chalfant	Burgess and Associates
Barb Coant	KTLA
Ernie Kutaley	AARP
RaetAnne Davis	RDOCAH
Tom Whitaker	KS Motor Carriers Assn
Mike Huttles	KS Gov't. Consulting



WATCO
COMPANIES, INC.
"Your Transportation Specialists"

March 14, 2003

Senator Karin Brownlee
Chair, Senate Commerce Committee
The Statehouse
Topeka, KS 66612

Madam Chairman and members of the Committee:

My name is Ed McKechnie, and I appear today on behalf of Watco Companies, Inc., and the Port Authority of the City of Pittsburg, Kansas. Watco Companies is the holding company for Kansas' largest shortline railroad family, the South Kansas & Oklahoma Railroad and the Kansas & Oklahoma Railroad. The good news today is that I do not appear before you asking for money, merely the authority to seek greater flexibility in financing.

This is the intention of HB 2191: To allow Port Authorities greater flexibility in seeking financing options to preserve Kansas' railroad infrastructure. Currently, Kansas law only allows borrowing from the State, the Federal Government, and from Financial Institutions. H.B. 2191 allows the Port to have the additional options of a private person or entity, such as another railroad.

There are also some small changes made to make it clear to any interested party that Port Authorities have the ability to borrow under an instrument other than a bond.

As we look to preserve Kansas' railroad infrastructure, we believe the City of Pittsburg Kansas Port Authority should have the broadest possible opportunities to finance branch lines.

Thank you for the opportunity to appear before you and we ask for your support of this bill.

Senate Commerce Committee

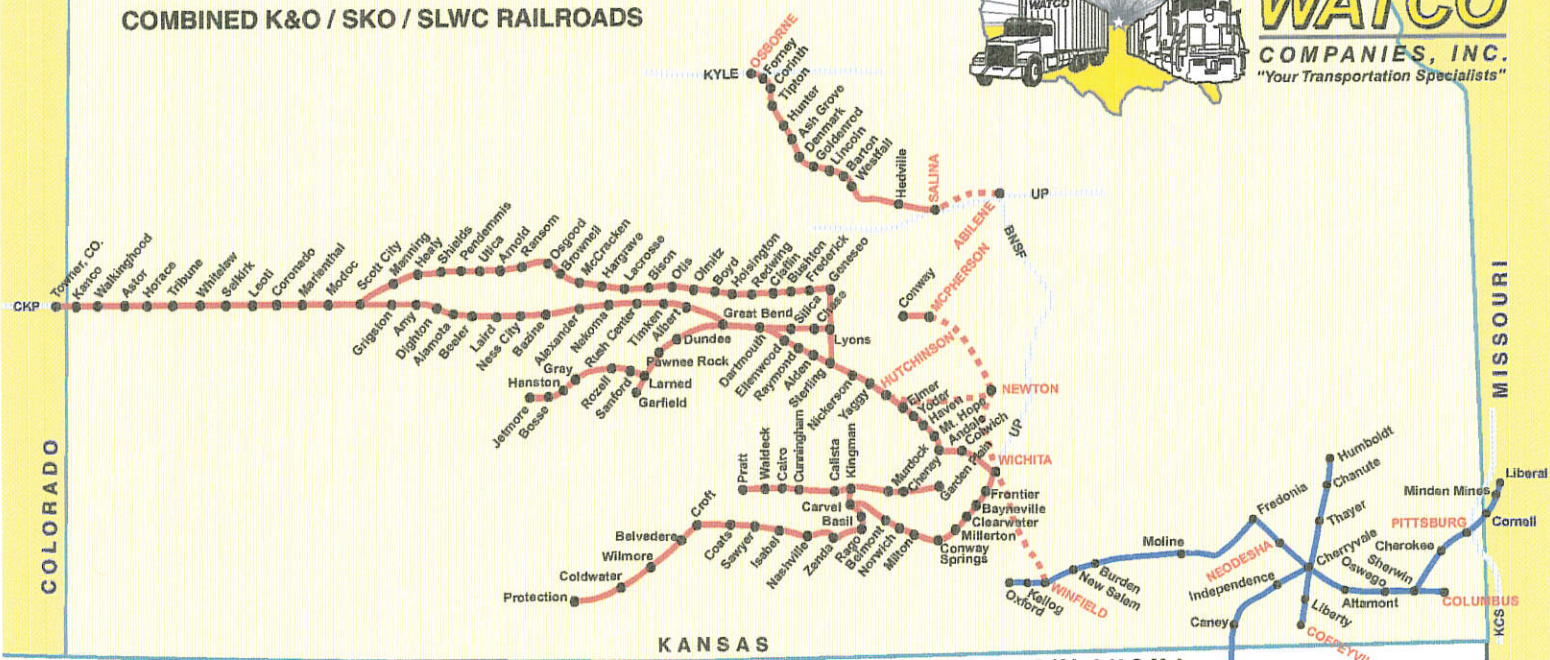
3-14-03

Attachment 1-1

COMBINED K&O / SKO / SLWC RAILROADS



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TEXAS

LEGEND:

- Kansas & Oklahoma RR (K&O) —
- South Kansas & Oklahoma RR (SKO) —
- Stillwater Central RR (SLWC) —
- Trackage Rights - - - - -
- Interchanges

- UP - HUTCHINSON, MCPHERSON, SALINA, WICHITA, COFFEYVILLE, WINFIELD, TULSA, NEODESHA, OKLAHOMA CITY, CHICKASHA
- BNSF - ABILENE, HUTCHINSON, NEWTON, OKLAHOMA CITY, WICHITA, WINFIELD, COLUMBUS, TULSA, PAWNEE, SAPULPA, SNYDER
- KYLE - OSBORNE
- KCS - PITTSBURG
- GNBC - SNYDER



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**Testimony Re: HB 2106
Senate Commerce Committee
Presented by Ronald R. Hein
on behalf of
Kansas Restaurant and Hospitality Association
March 14, 2003**

Madame Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for the Kansas Restaurant and Hospitality Association. The KRHA is the Kansas professional association for restaurant, hotel, lodging and hospitality businesses in Kansas.

HB 2106 is a simple bill that updates and corrects names of organizations which make nominations for membership on the Tourism Council, which is an advisory council to the Secretary of Commerce and Housing.

The Kansas Lodging Association no longer exists, as it has merged into the Kansas Restaurant and Hospitality Association. So the KRHA will, in this bill, make nominations for both the lodging industry and the restaurant industry.

The Kansas Oil Marketers Association is now named the Petroleum Marketers and Convenience Store Association of Kansas.

Those are the only changes in the bill, which we consider to be technical only, and not substantive.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.

Senate Commerce Committee
3-14-03
Attachment 2