

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Arlen Siegfroid at 1:30 P.M. on March 17, 2008, in Room 313-S of the Capitol.

All members were present except: Representative Michael Peterson - excused.

Committee staff present:

Dennis Hodgins, Kansas Legislative Research Department  
Mike Heim, Revisor of Statutes Office  
Jason Long, Revisor of Statutes Office  
Jeannie Dillon, Committee Assistant

Conferees:

Representative Judy Morrison  
David Stall, Texas Corridor  
Linda Stall, Texas Corridor  
Amanda Teagarden, OK Safe  
Senator Randy Brogdon, OK Safe  
Bill Morre, Teamsters  
Owen Delong, lawyer and private citizen  
Todd Spencer, Owner Operator Independent Drivers Association

Others attending:

See attached list.

The Chairman opened the meeting to bill introductions and recognized Representative Joe Patton who requested a bill similar to **HB 2822** which helps small businesses with health insurance. Moved by Chairman Siegfroid, seconded by Representative Brown, without objection, the bill was accepted.

Chairman Siegfroid opened the public hearing on **HCR 5033 - Concurrent resolution urging Congress to withdraw from Security and Prosperity Partnership and NAFTA.**

Mike Heim, Revisor of Statutes, submitted documents concerning the definition and goals of the Security and Prosperity Partnership of North America and stated that we would probably learn more from the conferrees in attendance today. (Attachment 1 and Attachment 2)

Representative Judy Morrison spoke as a proponent to **HCR 5033**. Representative Morrison stated that everything that we hold dear is being bargained away to establish a union with Canada and Mexico. She stated that Congressman Boyda and Congressman Moran have the same concern regarding this partnership. (Attachment 3)

Chairman Siegfroid welcomed Amanda Teagarden, OK-SAFE, Inc, who came forward as a proponent to **HCR 5033**. She explained that they formed this organization a few years ago to prevent the North American Super Corridor from coming into Oklahoma. She explained that the mission of NASCO is to create the world's first international, integrated and secure multi-model transportation system along the International Mid-continent Trade and Transportation Corridor and suggested that it has had many names to try to qualify for grant money. (Attachment 4)

A video of Senator Randy Brogdon, Oklahoma Safe, was presented to the Committee members by Ms. Teagarden. In the video Senator Brogdon discussed his concern with the International Highway System and the possibility of individual rights being jeopardized with the building of this project.

David Stall, speaking on behalf of Corridor Watch, spoke as a proponent to **HCR 5033**. He stated that while the organization expresses no opinion about the North American Free Trade Agreement, the TTC is considered by many to be the first of a new breed of NAFTA superhighways. It is not simply an

## CONTINUATION SHEET

MINUTES OF THE House Federal and State Affairs Committee at 1:30 P.M. on March 17, 2008, in Room 313-S of the Capitol.

expansion of existing highways, it is an entirely new corridor on a new alignment that bypasses every population center within the state. He stated that it is certainly by design and stated purpose a multinational corridor intended to provide a connection between Mexico and Canada. He stated that CorridorWatch has no objection to private investment or financing, however, they do have concerns about tolls that are driven to the highest rates by a contrived market valuation. He warned the Committee that the TTC model is headed your way. He opined that the highway may have a different name or be repackaged, but it will be proposed for Kansas. He urged the Committee to exercise the utmost caution to protect your state and its' citizens. ([Attachment 5](#))

Linda Stall, co-founder of Corridorwatch.org., stood as a proponent of **HCR 5033** and suggested that before any government agency or entity is authorized to enter into a binding agreement, in excess of a pre-determined dollar figure, the advantages and disadvantages of each proposal received from a qualified Private Partner and terms, length and benefit of the agreement should be evaluated by a designated state agency, using an established criteria, and be approved by the Legislature. ([Attachment 6](#))

William Moore, International Brotherhood of Teamsters, spoke as a proponent to **HCR 5033**. Mr. Moore was concerned that our government policies have opened up a can of worms which offers the chance for Mexican drivers to benefit from our economy without all the safeguards required of an American truck driver. He stated that grass roots Americans of all parties and economic classes rose up out of their political apathy a few months ago and forced President George Bush to reverse his administration's decision to allow a Middle East government to own America's major ports. But the push for foreign ownership continues. The next port scheduled to be taken over is Kansas City, Missouri. He stated his concern for the safety and health of Kansas citizens. ([Attachment 7](#))

Owen Delong gave testimony on behalf of Steve Boyda as a proponent to **HCR 5033**. He questioned the supervision and central authority of the "Superhighway". He stated the idea of a private vendor building a road removes the ability of city, county and state governments to determine the final word on where exits or entrances will be built. The eminent domain debate is also unresolved, because these contracts allow the state government to use its right as a sovereign entity to take one person's land and in turn give it to another private party to be used for profit. ([Attachment 8](#))

Mr. Owen Delong voiced his concern regarding highway safety, security issues and the ability to bolster corporate profits at the economic expense of American professional drivers and small businesses. He presented written testimony by Todd Spencer, Vice President of Owner-Operator Independent Drivers Association, Inc. ([Attachment 9](#)) (Other written testimony submitted by Owen Delong is on file in Room 161-W)

Rick Greeno on behalf of Wil Leiker, gave testimony supporting **HCR 5033**. Mr. Greeno stated that the success or failure of any future trade and investment agreements will hinge on government's willingness and ability to negotiate agreements that appropriately address all of the social, economic, and political dimensions of trade and investment, not just those of concern to corporations. ([Attachment 10 and Attachment 11](#))

Written testimony only:

Tom Thompson, Kansas Sierra Club ([Attachment 12](#))  
John Donley, Kansas Livestock Association ([Attachment 13](#))  
Brad Harrelson, Kansas Farm Bureau ([Attachment 14](#))  
James Schauf, private citizen ([Attachment 15](#))

After the Committee asked questions of the conferees, the Chair adjourned the meeting. The next meeting will be March 18, 2008 at 1:30 in room 313-S.



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### H. CON. RES. 40

**Title:** Expressing the sense of Congress that the United States should not engage in the construction of a North American Free Trade Agreement (NAFTA) Superhighway System or enter into a North American Union with Mexico and Canada.

**Sponsor:** [Rep Goode, Virgil H., Jr.](#) [VA-5] (introduced 1/22/2007) [Cosponsors](#) (46)

**Latest Major Action:** 1/23/2007 Referred to House subcommittee. Status: Referred to the Subcommittee on Highways and Transit.

### COSPONSORS(46), ALPHABETICAL [followed by Cosponsors withdrawn]: (Sort: [by date](#))

<a href="#">Rep Bachmann, Michele</a> [MN-6] - 3/14/2008	<a href="#">Rep Bachus, Spencer</a> [AL-6] - 9/7/2007
<a href="#">Rep Bishop, Rob</a> [UT-1] - 6/15/2007	<a href="#">Rep Boozman, John</a> [AR-3] - 5/15/2007
<b><a href="#">Rep Boyda, Nancy E.</a></b> [KS-2] - 9/7/2007	<a href="#">Rep Broun, Paul C.</a> [GA-10] - 9/19/2007
<a href="#">Rep Cubin, Barbara</a> [WY] - 2/16/2007	<a href="#">Rep Davis, David</a> [TN-1] - 3/1/2007
<a href="#">Rep Davis, Jo Ann</a> [VA-1] - 7/12/2007	<a href="#">Rep Davis, Lincoln</a> [TN-4] - 3/1/2007
<a href="#">Rep Duncan, John J., Jr.</a> [TN-2] - 1/22/2007	<a href="#">Rep Everett, Terry</a> [AL-2] - 9/19/2007
<a href="#">Rep Foxx, Virginia</a> [NC-5] - 1/22/2007	<a href="#">Rep Franks, Trent</a> [AZ-2] - 4/19/2007
<a href="#">Rep Garrett, Scott</a> [NJ-5] - 2/27/2007	<a href="#">Rep Gillibrand, Kirsten E.</a> [NY-20] - 10/10/2007
<a href="#">Rep Gingrey, Phil</a> [GA-11] - 5/9/2007	<a href="#">Rep Graves, Sam</a> [MO-6] - 6/6/2007
<a href="#">Rep Heller, Dean</a> [NV-2] - 6/20/2007	<a href="#">Rep Hunter, Duncan</a> [CA-52] - 4/19/2007
<a href="#">Rep Issa, Darrell E.</a> [CA-49] - 9/19/2007	<a href="#">Rep Jones, Walter B., Jr.</a> [NC-3] - 1/22/2007
<a href="#">Rep Kaptur, Marcy</a> [OH-9] - 9/7/2007	<a href="#">Rep LaTourette, Steven C.</a> [OH-14] - 4/19/2007
<a href="#">Rep Lucas, Frank D.</a> [OK-3] - 10/24/2007	<a href="#">Rep Marchant, Kenny</a> [TX-24] - 7/25/2007
<a href="#">Rep Marshall, Jim</a> [GA-8] - 4/19/2007	<a href="#">Rep McCotter, Thaddeus G.</a> [MI-11] - 2/27/2007
<a href="#">Rep Miller, Gary G.</a> [CA-42] - 9/7/2007	<a href="#">Rep Miller, Jeff</a> [FL-1] - 9/27/2007
<a href="#">Rep Moran, Jerry</a> [KS-1] - 10/4/2007	<a href="#">Rep Murphy, Tim</a> [PA-18] - 10/16/2007
<a href="#">Rep Myrick, Sue Wilkins</a> [NC-9] - 9/19/2007	<a href="#">Rep Norwood, Charles W.</a> [GA-10] - 1/30/2007
<a href="#">Rep Paul, Ron</a> [TX-14] - 1/22/2007	<a href="#">Rep Poe, Ted</a> [TX-2] - 9/19/2007
<a href="#">Rep Regula, Ralph</a> [OH-16] - 2/8/2007	<a href="#">Rep Saxton, Jim</a> [NJ-3] - 2/8/2007
<a href="#">Rep Shuler, Heath</a> [NC-11] - 9/7/2007	<a href="#">Rep Stearns, Cliff</a> [FL-6] - 1/22/2007
<a href="#">Rep Stupak, Bart</a> [MI-1] - 1/29/2008	<a href="#">Rep Sullivan, John</a> [OK-1] - 9/27/2007
<a href="#">Rep Tancredo, Thomas G.</a> [CO-6] - 2/16/2007	<a href="#">Rep Tiberi, Patrick J.</a> [OH-12] - 2/8/2007
<a href="#">Rep Wamp, Zach</a> [TN-3] - 1/22/2007	<a href="#">Rep Wittman, Robert J.</a> [VA-1] - 2/28/2008

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House Fed and State Committee  
March 17, 2008

# Security and Prosperity Partnership of North America

From Wikipedia, the free encyclopedia

The **Security and Prosperity Partnership of North America** is a region-level dialogue with the stated purpose of providing greater cooperation on security and economic issues.<sup>[1]</sup> The Partnership was founded in Waco, Texas on March 23, 2005 by Paul Martin, Prime Minister of Canada, Vicente Fox, President of Mexico, and George W. Bush, President of the United States.<sup>[1]</sup>

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## Organization

The initial SPP Working Groups are the Manufacture Goods and Sectoral and Regional Competitiveness Working Group, E-Commerce & ICT Working Group, Energy Working Group, Transportation Working Group, Food & Agriculture Working Group, Environment Working Group, Financial Services Working Group, Business Facilitation Working Group, Movement of Goods Working Group, Health, and Immigration. (Immigration is not currently listed as a working group on the SPP website.)<sup>[2]</sup>

These working groups are tasked with implementing the SPP as initiated by the North American Heads of State and of Government on March 23, 2005. They consult with stakeholders; set specific, measurable, and achievable goals and implementation dates; and issue semi-annual progress reports. A 24-month agenda is established to serve as a timeline milestone to have the initial framework fully developed.

## Goals

The stated goals of the SPP are cooperation and information sharing, improving productivity, reducing the costs of trade, enhancing the joint stewardship of the environment, facilitating agricultural trade while creating a safer and more reliable food supply, and protecting people from disease

### Security and Prosperity Partnership of North America



Location map:



Member countries:

- Canada
- Mexico
- United States

House Fed and State Committee  
March 17, 2008

The SPP is based on the belief that prosperity is dependent on security, and claims that the three nations are bound by a shared belief in freedom, economic opportunity, and strong democratic institutions. It is intended to assist, rather than replace, existing bilateral and trilateral institutions like NAFTA and claims to work towards the three North American countries working cooperatively in the face of common risks and economic competition from low cost comulti-modal transportation system along the International Mid-Continent Trade and Transportation Corridor to improve both the trade competitiveness and quality of life in North America.

*North American Facilitation of Transportation, Trade, Reduced Congestion & Security (NAFTRACS)* is a three phase pilot project designed to focus on business processes and information as freight is transported from buyers to sellers. The project is intended to create a partnership between businesses and local, state, and federal governments, while claiming to foster cooperation among the same entities.

## Announced funding

On 26 February 2008, Canada's Minister of Finance, Jim Flaherty, announced his Conservative government's 2008 Budget, which includes "\$29 million over two years to meet priorities under the Security and Prosperity Partnership of North America."<sup>[3]</sup>

## North American Competitiveness Council

The North American Competitiveness Council (NACC) is an official tri-national working group of the Security and Prosperity Partnership of North America (SPP). It was created at the second summit of the SPP in Cancún, Quintana Roo, Mexico, in March 2006. Composed of 30 corporate representatives from some of North America's largest companies, the North American Competitiveness Council has been mandated to set priorities for the SPP and to act as a stable driver of the integration process through changes in government in all three countries.

## Trilateral summit meetings

To date, the following summits have occurred:

- **March 23, 2005** - Baylor University, Waco, Texas<sup>[1]</sup>

A video of the Waco SPP Trilateral Summit News Conference is available online. <sup>[4]</sup>

- **March 31, 2006** - Cancún, Quintana Roo, Mexico

Meeting between U.S. President Bush, Mexican President Fox and Canadian Prime Minister Harper. A U.S. White House press release regarding the Cancun SPP Trilateral Summit is available online. <sup>[5]</sup>

- **February 23, 2007** - Ottawa, Ontario, Canada

The meeting went almost unpublicized by local and national media outlet, and its narrow timeframe of announcement meant it was ignored by a vast majority of the public. It did, however,

attract protesters who were concerned about excessive secrecy surrounding the event. Redacted meeting minutes of the meeting have been obtained and posted online. <sup>[6]</sup>

- **August 20 - August 21, 2007** - Montebello, Quebec, Canada

The leaders of the U.S., Canada and Mexico had a major trilateral summit meeting, in relation to the SPP, at the Château Montebello, in Montebello, Quebec. This conference was described as a public relations event with the purpose of promoting the SPP among investors and to reassure the public about the consequences of the plan. <sup>[7]</sup> A protest occurring during the event led to controversy, when labour leaders accused police of disguising themselves as demonstrators in order to incite violence. <sup>[8]</sup> The Quebec Provincial Police have admitted to the claims of police disguising themselves as demonstrators but denied any attempts to incite violence. <sup>[9]</sup>

In his State of the Union address, President George W. Bush announced a summit on the SPP will be held from April 21 - April 22, 2008 in New Orleans, Louisiana. <sup>[10]</sup>

## Criticism

Some critics, such as CNN anchor Lou Dobbs, argue that the SPP is part of a plan to merge the United States, Canada, and Mexico in a North American Union similar to the European Union, <sup>[11]</sup> which has been referred to in other news reports as "mythical" and a "conspiracy theory". <sup>[11]</sup>

The Council of Canadians claims that the SPP extends the controversial "no fly list" of the USA (which still contains Canadian citizen Maher Arar) to Canada and Mexico, makes Canadian water a communal resource, and forced Canada and Mexico to adopt the USA's security policies. <sup>[12]</sup>

On May 10, 2007, Conservative MP Leon Benoit, chair of the Canadian House of Commons Standing Committee on International Trade, prevented University of Alberta professor Gordon Laxer from testifying that SPP would leave Canadians "to freeze in the dark" because "Canada itself – unlike most industrialized nations – has no national plan or reserves to protect its own supplies" by saying Laxer's testimony was not relevant, defying a majority vote to overrule his motion, shutting down the Committee meeting, and leaving with the other three out of four Conservative members; the meeting later continued presided by the Liberal vice-chair. <sup>[13]</sup> After these disruptions, the National Post reported on a Conservative party manual to, among other things, usurp Parliamentary committees and cause chaos in unfavorable committees. <sup>[14]</sup> <sup>[15]</sup> The New Democratic Party has also criticized SPP for being undemocratic, not open to Parliament, and opaque <sup>[16]</sup>; New Democratic Party leader Jack Layton described the process as not simply unconstitutional, but "non-constitutional," held completely outside the usual mechanisms of oversight. <sup>[17]</sup>

## See also

- North American Free Trade Agreement
- Independent Task Force on North America
- North American currency union (sometimes called the "Amero")
- North American Competitiveness Council
- North American Aerospace Defense Command
- North American Union

- Robert Pastor

#### *Related infrastructure projects:*

- North American SuperCorridor Coalition - Connecting Mexico City, Central United States, and Several Canadian Provinces
- Trans-Texas Corridor - Connecting Mexico City and Northern Mexico and Texas

## References

1. <sup>^</sup> <sup>*a b c d*</sup> Bennett, Drake (2007-11-25), "The amero conspiracy", *International Herald Tribune*, <<http://www.iht.com/articles/2007/11/25/america/25Amero.php>>
2. <sup>^</sup> SPP: Prosperity Working Groups
3. <sup>^</sup> Ministry of Finance (2008-02-26). "Budget 2008 - Budget in Brief". Press release. Retrieved on 2008-02-27.
4. <sup>^</sup> Trilateral Summit News Conference
5. <sup>^</sup> *President Bush Meets with President Fox in Cancun, Mexico*
6. <sup>^</sup> February 23, 2007 Meeting minutes
7. <sup>^</sup> *Showdown Montebello! People versus the SPP*
8. <sup>^</sup> *Evidence of Deployment of Provocateurs Mounts*
9. <sup>^</sup> *Quebec police admit they went undercover at Montebello protest*
10. <sup>^</sup> Office of the Press Secretary (2008-01-31). "President Bush to Host North American Leaders' Summit". Press release. Retrieved on 2008-02-22.
11. <sup>^</sup> "North American Union?", CNN, 2006-06-21. Retrieved on 2008-02-27.
12. <sup>^</sup> Behind Closed Doors: What they're not telling us about the Security and Prosperity Partnership
13. <sup>^</sup> Patterson, Kelly. "Tory chair storms out of SPP hearing", *The Ottawa Citizen*, 2007-05-11. Retrieved on 2007-08-03.
14. <sup>^</sup> Martin, Don. "Tories have the book on political wrangling", *National Post*, 2007-05-18. Retrieved on 2007-08-03.
15. <sup>^</sup> "Tories blasted for handbook on paralyzing Parliament", *Canadian Press*, CTV, 2007-05-18. Retrieved on 2007-08-03.
16. <sup>^</sup> "US Congress demands transparency in SPP agenda - Canadians also deserve to know what Americans will know about continental integration plan: NDP MP Peter Julian", NDP, 2007-07-26. Retrieved on 2007-08-03.
17. <sup>^</sup> "Popping the lid off the SPP", Hour Magazine, 2007-08-16.

## External links

- Security and Prosperity Partnership Of North America: SPP Home
- Security and Prosperity Partnership of North America, Canada
- Alianza para la Seguridad y la Prosperidad en América del Norte
- Goode: no union on continent
- US Government Agency SPP Documents
- Global Research
- Update on Hearings at Trade Committee re SPP from NDP MP Peter Julian
- Integrate This! SPP watch
- Stop the Security and Prosperity Partnership
- New Union With Canada And Mexico: Open Borders For US
- From NAFTA to the SPP from Dollars & Sense magazine
- Caribbean/United States - Partnership for Prosperity and Security in the Caribbean - Text document of the closely titled agreement signed between the United States and Caribbean region at Bridgetown, Barbados on 10 May 1997.



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Categories: 2005 in Canada | 2007 in Canada | 2005 in Mexico | Economy of Canada | Economic geography | Economy of Mexico | Economy of the United States | Foreign relations of Mexico | Foreign relations of Canada | International organizations | United States-North American relations | Terrorism  
Hidden categories: NPOV disputes from December 2007 | Cleanup from August 2007 | All pages needing cleanup

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## Security and Prosperity Partnership Of North America

### **Joint Statement by Ministers Responsible for the Security and Prosperity of North America**

Los Cabos, Mexico  
February 28, 2008

Carlos Gutierrez, Secretary of Commerce, United States  
Michael Chertoff, Secretary of Homeland Security, United States  
Eduardo Sojo, Secretary of Economy, Mexico  
Juan Mouriño, Secretary of Interior, Mexico  
Jim Prentice, Minister of Industry, Canada  
Stockwell Day, Minister of Public Safety, Canada

### **Joint Statement**

Prime Minister Harper, President Bush and President Calderón  
North American Leaders' Summit  
August 21, 2007

### **Security and Prosperity Partnership of North America (SPP) Intellectual Property Action Strategy**

Fact Sheet  
Full Document

### **Canada/United States/Mexico**

#### **SPP Regulatory Cooperation Framework**

Fact Sheet  
Full Document  
Regulatory Cooperation in the Area of Chemicals

### **North American Plan For Avian & Pandemic Influenza**

Fact Sheet  
Full Document

### **Agreement for Cooperation in Energy Science and Technology**

Fact Sheet  
Full Document

### **SPP Background**

The Security and Prosperity Partnership of North America (SPP) was launched in March of 2005 as a trilateral effort to increase security and enhance prosperity among the United States, Canada and Mexico through greater cooperation and information sharing.

This trilateral initiative is premised on our security and our economic prosperity being mutually reinforcing. The SPP recognizes that our three great nations are bound by a shared belief in freedom, economic opportunity, and strong democratic institutions.

The SPP provides the framework to ensure that North America is the safest and best place to live and do business. It includes ambitious security and prosperity programs to keep our borders closed to terrorism yet open to trade.

The SPP builds upon, but is separate from, our long-standing trade and economic relationships. It energizes other aspects of our cooperative relations, such as the protection of our environment, our food supply, and our public health.

United States Library of Congress

HCON 40  
Introduced in House  
January 22, 2007

H. CON. RES. 40

Expressing the sense of Congress that the United States should not engage in the construction of a North American Free Trade Agreement (NAFTA) Superhighway System or enter into a North American Union with Mexico and Canada.

IN THE HOUSE OF REPRESENTATIVES  
January 22, 2007

Mr. Goode (for himself, Mr. Wamp, Mr. Jones of North Carolina, Mr. Paul, Mr. Stearns, Mr. Duncan, and Ms. Foxx) submitted the following concurrent resolution; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

CONCURRENT RESOLUTION

Expressing the sense of Congress that the United States should not engage in the construction of a North American Free Trade Agreement (NAFTA) Superhighway System or enter into a North American Union with Mexico and Canada.

Whereas the United States Departments of State, Commerce, and Homeland **Security** participated in the formation of the **Security and Prosperity Partnership** on March 23, 2005, representing a tri-lateral agreement between the United States, Canada, and Mexico designed, among other things, to facilitate common regulatory schemes between these countries;

Whereas reports issued by the SPP indicate that it has implemented regulatory changes among the three countries that circumvent United States trade, transportation, homeland security, and border security functions and that the SPP will continue to do so in the future;

Whereas the actions taken by the SPP to coordinate border security by eliminating obstacles to migration between Mexico and the United States actually makes the United States-Mexico border less secure because Mexico is the primary source country of illegal immigrants into the United States;

Whereas according to the Department of Commerce, United States trade deficits with Mexico and Canada have significantly increased since the implementation of the North American Free Trade Agreement (NAFTA);

Whereas the economic and physical security of the United States is impaired by the potential loss of control of its borders attendant to the full operation of NAFTA and the SPP;

Whereas the regulatory and border security changes implemented and proposed by the SPP violate and threaten United States sovereignty;

Whereas a NAFTA Superhighway System from the west coast of Mexico through the United States and into Canada has been suggested as part of a North American Union to facilitate trade between the SPP countries;

Whereas the State of Texas has already begun planning of the Trans-Texas Corridor, a major multi-modal transportation project beginning at the United States-Mexico border, which would serve as an initial section of a NAFTA Superhighway System;

Whereas it could be particularly difficult for Americans to collect insurance from Mexican companies which employ Mexican drivers involved in accidents in the United States, which would likely increase the insurance rates for American drivers;

Whereas future unrestricted foreign trucking into the United States can pose a safety hazard due to inadequate maintenance and inspection, and can act collaterally as a conduit for the entry into the United States of illegal drugs, illegal human smuggling, and terrorist activities; and

Whereas a NAFTA Superhighway System would likely include funds from foreign consortiums and be controlled by foreign management, which threatens the sovereignty of the United States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That--

(1) the United States should not engage in the construction of a North American Free Trade Agreement (NAFTA) Superhighway System;

(2) the United States should not allow the **Security and Prosperity Partnership** (SPP) to implement further regulations that would create a North American Union with Mexico and Canada; and

(3) the President of the United States should indicate strong opposition to these acts or any other proposals that threaten the sovereignty of the United States.

2007 CONG US HCON 40

END OF DOCUMENT

STATE OF KANSAS

JUDY MORRISON  
REPRESENTATIVE, 23RD DISTRICT  
REPRESENTING MERRIAM  
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TOPEKA  
HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
ECONOMIC DEVELOPMENT AND TOURISM  
FEDERAL & STATE AFFAIRS  
UTILITIES

Mr. Chairman and fellow members of the Federal and State Affairs Committee. I thank you for the opportunity to appear before you this afternoon. I wish to enlighten you to a matter that is very dear to my heart and is of extreme importance to the well-being of all Kansans and to the survival of these United States as we know it. After the presentations today it is my sincere hope that you will become as alarmed as I to a "clear and present danger" that is facing us here in our beloved United States.

Patrick Henry once said that liberty is never secure as long as government does business in secret. Please keep this in mind as you listen to the conferees today.

The second paragraph of the Declaration of Independence starts out with: "**We hold these truths to be self-evident that all men are created equal, that they are endowed by their Creator with certain unalienable rights that among these are life, liberty and the pursuit of happiness.**" The great premise upon which our nation was founded was freedom, liberty, equality and justice. The right to overthrow the rule of the English monarchy was the unalienable right of freedom endowed to mankind by their Creator.

Fifty-six courageous men signed the Declaration of Independence and closed the document with these words, "**With firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor.**" They fulfilled their pledge. They paid the price and eventually freedom was won. Freedom has been won for our nation down through the years, from Concord to Gettysburg, from World War I to World

House Fed and State Committee  
March 17, 2008

Attachment **3**

War II, from Korea to Desert Storm, with the blood, sweat and tears of thousands upon thousands of our ancestors, our sons, spouses, and fathers. We have been living under the greatest gift ever afforded mankind and that is the gift of freedom. What has been granted us through the sacrifice of countless men and women with the divine blessing of God Almighty we esteem too lightly. Freedom is something to be honored, respected and hallowed. Because we in America abound in freedom and liberty, I fear it is something we tend to take very lightly and for granted. Sad to say, in many instances we are losing it bit by bit. In fact, in many instances, facts that will be mentioned in succeeding testimony, we are giving it away. Through incrementalism, apathy and inattention, our national sovereignty is being sacrificed on a cross of greed, socialism and globalism. Proponents say that it is for our own economic good and security. Remember this later when I quote Senator Bob Dole.

In 1776 Thomas Payne stated, **“What we obtain too cheaply, we esteem too lightly; it is dearness only that gives everything its value.”** Members of this committee, I hold dear to my heart the Declaration of Independence. I hold dear to my heart the Constitution of the United States, the Bill of Rights and our form of government. I hold dear to my heart our judicial system, all that we hold dear and have fought and died for through the centuries, is being bargained away to establish a union with Canada and Mexico. If you look at the Boyda Tab you will see that Congresswoman has the same concern. The next Tab you will find Rep. Jerry Moran voicing similar concern.

In closing, concentrate deeply on what Sen. Bob Dole said, **“A government that seizes control of the economy for the good of the people, ends up seizing control of the people for the good of the economy.”** Now don't you think that applies to giving up our sovereignty for a union with Canada and Mexico?

I read somewhere that, **“To be born free is a privilege; to die free is an awesome responsibility.”**

TESTIMONY

March 17, 2008  
Kansas State Legislature

Amanda Teegarden  
OK-SAFE, Inc.  
[www.ok-safe.com](http://www.ok-safe.com)

Subject: NASCO  
(North America's SuperCorridor Coalition, Inc.)

House Fed and State Committee  
March 17, 2008

Attachment

4



# Overview of NASCO & NAFTRACS - Global Tracking System

OK-SAFE, Inc. - [www.ok-safe.com](http://www.ok-safe.com) - March 2008

Information Technology Systems (ITS) leading to "Total Domain Awareness" have 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.

NASCO, utilizing Public/Private partnership arrangements, promotes such a system.

## 1. NASCO:

North America's SuperCorridor Coalition, Inc., headquartered in Dallas, TX

Website: <http://www.nascocorridor.com>

## 2. Mission: To create the world's first *international, integrated, and secure multi-modal* transportation system along the *International Mid-continent Trade and Transportation Corridor*.

Note: Security is used as a marketing tool to garner federal money.

## 3. Mission (Rev. for 2008): To enhance economic development and security along the NASCO Corridor

## 4. NASCO Corridor Focus: I-35, I-29, I-94, and connecting highways, plus connecting transportations systems in Canada and Mexico

## 5. Membership: Tri-national, mid-continent trade and transportation corridor, from Canada, United States, and Mexico, including government agencies and private sector

## 6. NASCO PAID Staff:

- Tiffany Melvin, Executive Director
- Rachel Connell
- Francisco Conde

## 7. NASCO Board President: George Blackwood, attorney

## 8. NASCO Nine Member 501c3: Handles the IMTTC NAFTRACS Project, Chaired by Jim

## 9. NASCO Five Member Business Finance Plan Committee: Representatives from Cadre, Lockheed Martin, and others

## 10. Founded: 1994/1995 after passage of NAFTA

## 11. NASCO: Progressively known as:

- IH-35 Coalition
- I-35 Corridor Coalition
- North America's Superhighway Coalition, Inc. (NASCO)
- North America's SuperCorridor Coalition, Inc. (NASCO)

## 12. NASCO Corridor is also called:

- The NAFTA Superhighway, (As designated by legislation SJR 22, 1995 Oklahoma)
- International Mid-continent Trade and Transportation Corridor (IMTTC) - for the NAFTRACS Project
- Mid-continent Trade Corridor
- Mid-continent Trade and Transportation Corridor
- Interstate 35 International Trade Corridor

## 13. Special Project: NAFTRACS, (North American Facilitation of Transportation, Trade, Reduced Congestion, and Security), formerly STRAP3, funded via earmarks and grants.

## 14. NAFTRACS Project: NASCO's integration project; a global tracking system, utilizing the SaviNetworks system, to create Total Domain Awareness, compared to an "Orwellian" big-brother surveillance and control nightmare. [RFID, GPS, Radar AIS, CCTV, Intel, Open Source, NOAA sources of data]

## 15. SaviNetworks/Savi: A joint venture of Lockheed Martin and Hutchison Port Holdings (HPH). HPH is a wholly owned subsidiary of China's Hutchison Whampoa, Ltd. Lockheed 51%/HPH 49%.

## 16. NASCO Goal: 200 Savi sites along the corridor

## 17. Trans-Texas Corridor 35 (TTC-35) - NASCO joined forces with TxDOT in January 2006 to ensure development of the TTC-35.

## 18. NASCO Board Member Coby Chase considered "one of the architects of the Trans-Texas Corridor"

## 19. NASCO's mission in Mexico - July 2006, USTDA awarded to Mexico s grant to develop Mexico's multimodal infrastructure.

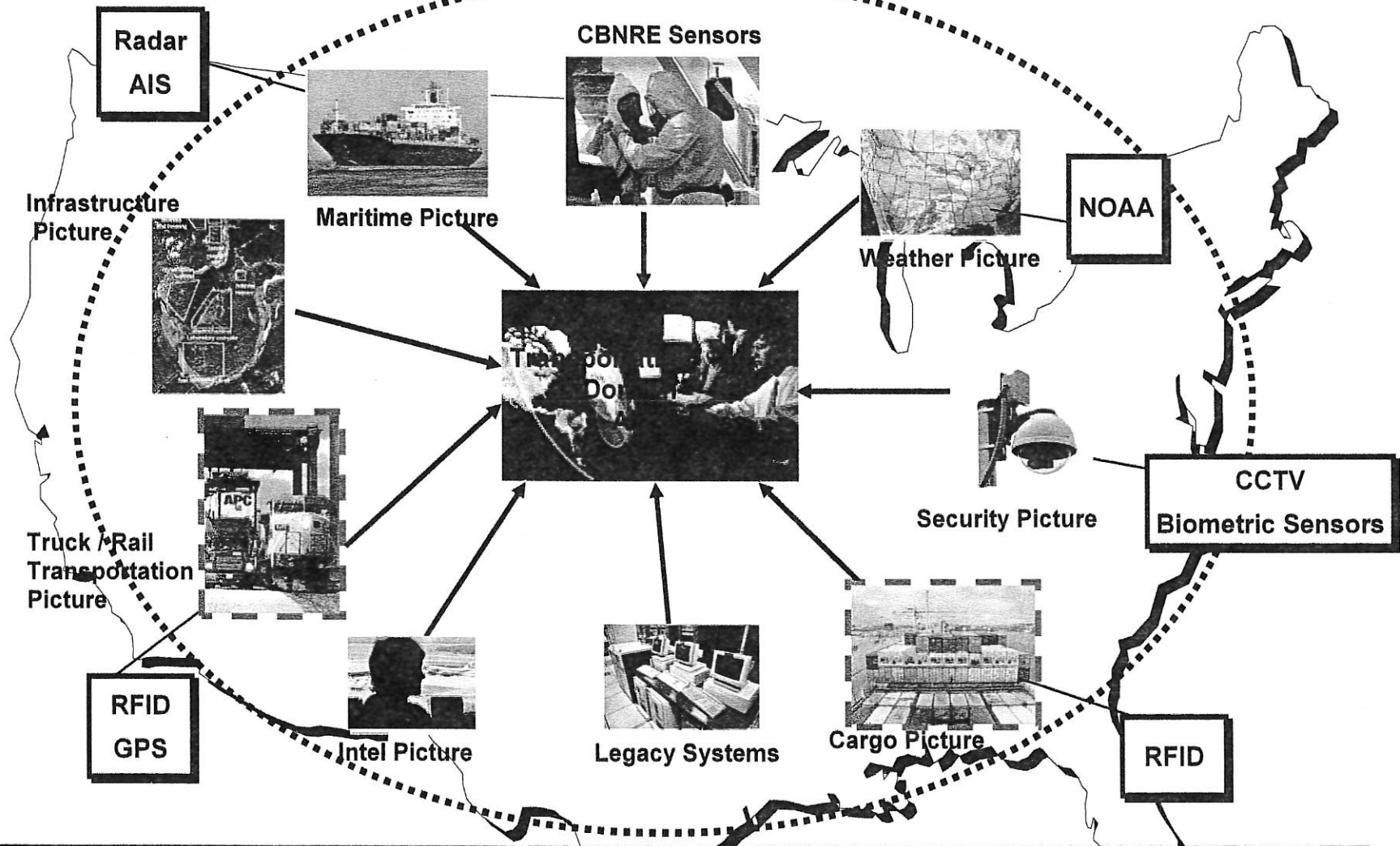
## 20. NASCO June '07 Coordinated the MOU between Texas and Nuevo Leon, MX for the INVITE Program, a regional integration plan for 4 Northern Mexican states and Texas.

## 21. NASCO promotes the controversial Kansas City SmartPort.

## 22. SPP: Board President George Blackwood participated in the Security and Prosperity Partnership conference in Louisville, KY 2006. NASCO distributed SPP Report to Leaders book at North America Works II Conference; Jim Bergfalk's power point listed SPP/NASCO goals.

# Information Integration

4-3



Automatically gather, correlate, and interpret fragments of multi-source ( Radar, AIS, & GPS tracks, Open Source , Intelligence, Watch list & Law Enforcement Report, CCTV, Bioterrorism sensors) data together into one collaborative portal-based environment

# TESTIMONY

Before the Kansas State  
House Committee on Federal and State Affairs

March 17, 2008  
Topeka, Kansas

David K. Stall  
CorridorWatch.org

Chairman Siegfried and committee members, thank you for the opportunity to address you today.

My name is David Stall and I am speaking on behalf of CorridorWatch, a national grassroots citizen's organization based in Texas that represents tens of thousands of members in forty-four states including Kansas. Our focus is primarily on the Trans Texas Corridor and the considerable impact it is having on a wide range of transportation and related public policy issues.

You might wonder why citizens in forty-three states beyond Texas are concerned about the Trans Texas Corridor or as we call it, the TTC. The answer to that question is that the TTC is being widely promoted as a *model* for the nation by Texas officials and more significantly by the Federal Highway Administration and the US Department of Transportation. While we as an organization express no opinion about the North American Free Trade Agreement, the TTC is considered by many to be the first of new breed of NAFTA superhighways. It is not simply an expansion of existing highways, it is an entirely new corridor on a new alignment that bypasses every population center within the state. It is certainly by design and stated purpose a multinational multimodal corridor intended to provide a connection between Mexico and Canada.

Our major concerns center on the process that created the Trans Texas Corridor and certain very specific details of the TTC model. Chief among our concerns are the private profit motive and the tremendous abuse of condemnation and taking through use of eminent domain.

The overarching objective of improving transportation has merit. Of course we need better, safer, and more efficient transportation. And we must come to terms with the limited revenue available to maintain, expand and enhance our transportation systems. But we seriously question that the Trans Texas Corridor is the answer for Texas, or for the rest of the nation.

From the beginning the TTC was designed to produce revenue first and serve the public transportation needs second.

The TTC is a flawed project that has grown out of a flawed process. The TTC is not the product of open debate and collaboration aimed at addressing transportation needs. The TTC is the product of a mandate to generate revenue, albeit transportation revenue.

The TTC does not solve the significant issue of urban congestion. The TTC does not provide increased capacity between where people live and where they work, shop and recreate.

Monetization is a buzzword increasingly used in the context of transportation facilities. In that usage, monetization is extracting a cash value from public assets. We note that state highway lands are in deed public assets and that the state acquired them with resources provided by taxpayers. Extracting additional revenue by tolling highways built with tax dollars is to tax the public twice.

Government should be the steward of public assets, not the mechanism by which public assets are used to extract a profit from the citizens as if government were private industry whose interests are independent of public interest.

Public turnpike authorities operate highways to serve the public interest. The Kansas Turnpike is a good example. Private turnpike operators on the other hand

serve different interests. We should all have serious concerns about toll agreements that limit future opportunities to protect a private partners profits.

Our transportation policy should promote flexibility and expand opportunities not foreclose on them.

CorridorWatch has no objection to private investment or financing. We do however have concerns about tolls that are driven to the highest rates by a contrived market valuation. We say contrived because the facility is in fact a public owned monopoly and not subject to market forces. Placing a market value fee on public roadways is no more appropriate than market value fees on our public libraries or local police services.

We have concerns about creating a commitment to tolling where the toll mechanism is driven by a cost index that insures that tolls will compound the burden on taxpayers and motorists as other consumer costs rise.

We have serious concerns about the non-compete and compete penalty clauses that are being routinely included in public-private partnership agreements. These provisions often limit the expansion of existing free facilities, and as is the case in one Texas agreement trigger a reduction of speed limits on the existing free facilities thus diminishing their current capacity and forcing traffic to the private toll alternative. These agreements serve the interest of the private investor at the expense of the public interest.

Non-compete clauses together with buy-out provisions can, and have, forced government to pay several times over the original value to regain control of leased highway facilities. Such was the case with State Highway 91 in California.

Beyond non-compete and compete penalties there are other issues. By their very nature these contracts remove flexibility as they create long term commitments to

sustain private toll based transportation in the face of changing needs, technology, and funding systems.

As you know transportation financing today is in a state of flux. The system of fuel tax and registration fees may eventually be transitioned to a mileage based tax or some other yet undefined funding system. Any funding transition will certainly be more difficult if private operators have a toll based profit to protect.

We have serious concerns about eminent domain abuse and an assault on private property rights.

At 1200 feet in width the TTC will consume 146 acres per lane mile. That's a tremendous amount of real estate being converted from private land to state land without reasonable justification.

Recent court rulings at the federal level provide little protection to private property owners. In Texas property owners are no longer guaranteed market value for property condemned nor will they be compensation for land rendered inaccessible or usable in the wake of the TTC.

Beyond the initial 4-lane toll road as in the case of TTC-35, the balance of land use is all speculative. The proposed phased construction or development of elements that are not needed today may never be required.

The TTC 50-year plan calls for 10 vehicle lanes provided in four sets, six rail lines, and a two hundred foot utility zone. Using the recognized engineering criteria for all of those elements including safety buffers and drainage, the entire project can safely be built inside an 800-foot wide corridor. Why then is the TTC corridor width 1,200-feet?

One reason the TTC is so wide and is authorized to take even additional land is so that the state and their concessionaire can expand the development of business directly accessible only by the corridor. In this manner the concessionaire is given control over economic development and is given the opportunity to provide an endless range of on-corridor services. With the addition of hotels, full-service restaurants and shopping opportunities the corridor will effectively nationalize economic development and tourism at the expense of communities, large and small, across the entire nation.

With the new pressure of a private developer, land acquisition will certainly be more aggressive than it has been for any road project of the past. Provisions like "quick-take," the ability to immediately take possession of property for construction during the conclusion of the condemnation proceeding, will likely be used for the first time. Lease back provisions could quickly make the state a landlord collecting rent payments from citizens who previously owned the land they work and live on.

We are concerned about land banking, a practice of acquiring private property not in the path of the transportation project, as a set aside for future potential environmental mitigation. Most troubling is recent authorization to utilize eminent domain to seize property for land banking purposes.

We are concerned about the basic design of a corridor that put so many critical facilities in close proximity. Doing so increases the vulnerability of our critical infrastructure to accidental disruption and intentional attack.

Mostly however, we are concerned about a public policy that is absent substantive public input or participation.

During the last legislative session in Texas it was made abundantly clear that the citizens of Texas want to slow down and examine the TTC before rushing forward. Thousands of citizens appeared at hearings and on the steps of the Capitol. The



Legislature heard them and introduced no less than seven bills that included a moratorium on the development of the TTC. Two of those bills passed both houses.

The TTC model is headed your way. It may have a different name or be repackaged, but it will be proposed for Kansas. We urge you to exercise utmost caution to protect your state and its citizens.

Thank you for your time and attention this afternoon.

## David K. Stall

David Stall is a career public servant with more than thirty years experience in local government holding both elected and appointed positions. His career includes law enforcement, fire service, emergency management, public administration, and serving as a city councilman. He has been appointed to numerous municipal, county, and federal boards and commissions. He has been a leader in the fields of economic development, tourism, flood control and emergency management.

Currently Stall serves as City Administrator for the City of Shoreacres in Harris County, a suburb of Houston. Previously he served as City Manager in Columbus and Nassau Bay, Texas. Other positions held include Chief Fire Marshal, Assistant Chief of Police, City Treasurer, Emergency Management Coordinator, and Houston Fire Academy instructor.

During his career he has attained many professional designations including Credentialed City Manager, Master Peace Officer, Law Enforcement Instructor, Fire Service Instructor and Emergency Management Instructor. He is a graduate of the Career Development Program of the Defense Civil Preparedness Agency (now FEMA) and a participant in the Texas Law Enforcement Management Institute.

Stall has significant experience in transportation planning that includes serving on a county airport advisory board, regional transportation planning organization, and coordinating a multi-jurisdictional transportation project with the Texas Department of Transportation.

David Stall together with his wife Linda Stall created CorridorWatch.org in 2004. Since then David and his wife have worked diligently to increase public awareness and understanding of the Trans-Texas Corridor. Through CorridorWatch they provide a statewide network of communication for citizens and local government officials with shared concerns. CorridorWatch provides access to valuable resources useful to identify and address a wide range of potential economic, social, political and environmental impacts related to the proposed Corridor projects. Today CorridorWatch.org has members in 43 states. CorridorWatch has provided legislative and informational assistance to legislators in six states.

**TESTIMONY**  
**BEFORE THE**  
**STATE OF KANSAS HOUSE COMMITTEE**  
**ON**  
**FEDERAL AND STATE AFFAIRS**  
**MARCH 17, 2008**  
**LINDA A. STALL**  
**CO-FOUNDER, CORRIDORWATCH.ORG**

House Fed and State Committee  
March 17, 2008

Attachment **6**

## **Public Private Partnerships**

There is a lot of debate and discussion in Washington and our state capitols, about new applications for old tool long used by government entities. Public Private Partnerships are designed to allow a government entity working together with a private partner to provide a service to its citizens more efficiently. For example, many communities privatize their trash collection, or the operation of their hospitals, saving the community from large overhead costs. These are common uses of the Public Private Partnership tool.

### **Long Term, High Dollar**

Customarily, such public private partnerships are re-bid every two years or so. Recently, long term, high dollar agreements have been executed for the sale of transportation infrastructure in Indiana (75 years), Illinois (99 years) and Ontario, Canada. Enticed by large up-front payments from the private concessionaire, state agencies have entered into long term lease agreements for the operation of existing toll facilities, all with the same Spanish firm, Cintra. Subsequent evaluation of these agreements reveals that those government entities may have sold themselves, and their citizens, short. In the case of the Indiana Toll Road, the concessionaire will see a return of their initial \$3.85 billion dollar investment earlier than originally thought, The initial up-front payment will address only 11 years of needs in Indiana, after that they will have to develop another source of revenue. The years of toll revenue stream which would have previously been utilized by State and local elected officials, will instead be the profit of a private concessionaire. Contract oversights cost citizens money. The State of Indiana failed to include a discount for toll tag users, and when the citizens lost their 40% discount, the State was forced to forgo \$250 million dollars in concession payments to reinstate it. In the Country of Wales in the United Kingdom, the public private partner negotiated a "shadow toll" system underwhich the government pays the concessionaire a per car fee on the 21 mile road for a thirty year term. They were outsmarted by the private partner. In the first three years the private partner has been paid 45.8 million pounds, for a road that cost only 100 million pounds to build.

### **Not Just for Transportation**

Public Private Partnerships are not limited to transportation assets. All classes of public assets are under consideration: ports, penal systems, hospitals, educational facilities, airports parking facilities, water treatment facilities and waterways, to name a few. In a list recently provided to New Jersey Governor John Corzine, UBS identified several investment opportunities worthy of consideration including the lottery, development rights at state transit stations, the state fiber-optic network and, surprisingly, naming rights to public facilities!

### **Pros and Cons**

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. In an article appearing in the New York Times, the author states: "without a public debate or formal policy decision, contractors have become a virtual fourth branch of government". NJPIRG, commenting on the potential privatization of New Jersey Turnpikes says: "The turnpike must be managed for public, not private benefit", and cautions that

New Jersey's infrastructure decisions should be based on public needs, not protection of investor profits".

### **Private Money?**

Public Private Partnerships are often touted as "transferring the risk" of the project to the private partner. In order to determine if the private partner is actually assuming that risk, we must look at the source of their funding. Cintra, it was revealed this week, is borrowing \$430 million in taxpayer dollars, as part of the funding necessary for SH 130 in Texas.

### **Oversight and Peer Agency Review**

All major Public Private Partnership agreements, exceeding an established dollar figure, should be evaluated by a designated agency, other than the entity entering into the agreement. For example, the recent Texas State Auditor's report on the Trans Texas Corridor recommended that such agreements with a dollar value in excess of \$350 million dollars be reviewed by the Attorney General's office. To protect the interests of citizens, peer agency review and legislative oversight must be a required element of the Public Private Partnership process.

### **Accountability**

When toll rates are raised by local or state agencies, the citizens have an opportunity to affect that decision. They can speak out at public forums and they can respond at the ballot box. Elected officials are sensitive to this, and the decision to raise tolls is made with caution and out of necessity. A private operator's motives are profit driven, and the public's opportunity to affect that decision is severely limited. If the operator is a foreign company they are even more immune to the public reaction.

Critics of operation by foreign operators have also expressed concern about allowing a foreign company to have so much control over critical infrastructure. In Texas, the plan calls for multi-modal development, including rail, vehicle lanes, utilities and communications in one corridor. Others are concerned that the development of ports on the West Coast of Mexico. As these ports take on more and more of the import traffic, they may ultimately doom our American West Coast ports diminishing our ability to mobilize in an emergency.

### **Decision Makers**

The New York Times (2/7/07) states that "without a public debate or formal policy decision, contractors have become a virtual fourth branch of government". No lobbyist will come to you and say "Let's steal land from your citizens and build the Nafta Highway". They will come with an enticing presentation, offering to build much needed infrastructure without costing the citizens any money. They will ask only for the opportunity to collect the tolls, choose the location of the road project, collect a profit (a reasonable request from a private company) and they will need a 50-100 year contract. And no public bidding, please.... They need a monopoly to be profitable. In Texas, the 2006 State Auditor's report revealed that TxDOT has already spent 90 million taxpayer dollars on the planning and environmental process, including \$18 million dollars to one attorney on TTC-35.

### **Recommendations**

Before any government agency or entity is authorized to enter in a binding agreement, in excess of a pre-determined dollar figure, the advantages and disadvantages of each proposal received from a qualified Private Partner and terms, length and benefit of the agreement should be evaluated by a designated state agency, using an established criteria, and be approved by the Legislature.

Linda Stall is co-founder of CorridorWatch.org, a grass roots organization dedicated to educating Texans and all Americans about the Trans Texas Corridor. Stall began speaking out against the multi-billion dollar public-private partnership project in 2002, and in 2004, with her husband, David, founded CorridorWatch.org. The CorridorWatch website is a key resource for information, maps, news articles and archives on the Trans Texas Corridor, other toll projects and public private partnerships. Together Linda and David have traveled throughout Texas and Oklahoma in an effort to educate and inform all citizens about the potential impact of this project. From 2005 through 2007, Linda served on TxDOT's Trans-Texas Corridor Advisory Committee, and was the lone opposition voice on that 20 member panel.

Stall grew up in the San Francisco area and attended the University of California at Santa Barbara. After living in Houston off and on for the last two decades, she currently makes her home in Fayette County, Texas, where she works as an Escrow Officer.



## **WHAT IS CORRIDORWATCH.ORG?**

CorridorWatch.org is a grass roots organization founded by Linda and David Stall, to educate the public about the Trans Texas Corridor.

Originally formed in 2002 as an independent study group named TransTexasCorridor.net, the name CorridorWatch.org was adopted in February, 2004 as part of an aggressive campaign to educate the public about the Trans Texas Corridor.

## **MISSION AND GOALS OF CORRIDORWATCH.ORG:**

The mission of CorridorWatch.org is to work to increase public awareness and understanding of the Trans Texas Corridor and its impact on Texas; provide a statewide network of communication for citizens and local government officials with shared concerns; and, provide resources to assist the public and local government officials to identify and address potential negative impacts (economic, social, political and ecological).

It is our goal that all citizens educate themselves about the ramifications of the corridor plan, evaluate the impact 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 and encourage those elected officials to bring their concerns to the County Courthouse, to Austin and to Washington.

## **PUBLIC INPUT:**

We believe that the public input element of any project of this scope and scale should never be streamlined, that the minimum standards established by the Legislature in HB3588 for public input should be exceeded and not just satisfied, and that the public should continue to have the opportunity for meaningful, informed input even as the project progresses.

## **MEMBERSHIP:**

Membership in CorridorWatch.org currently includes citizens in over 199 Texas counties as far away as the Panhandle, and 44 States across the nation, and grows daily, proving that this is an issue of concern for all Texans and all Americans.

For more information about CorridorWatch.org, the Trans Texas Corridor and the laws that enabled it, please visit our website: CorridorWatch.org.

Presentation before the Committee,  
Kansas Legislature  
March 17, 2008

Prepared by Bill Moore

Esteemed Legislators, Staff and Gallery  
Good Afternoon,

I am William Moore. I am presently employed by the International Brotherhood of Teamsters with Offices in Topeka, Chicago and Washington, DC.

Let me say before I begin here that I have no animosity or prejudice against the Mexican people. This is not a race issue but a policy and economic issue. Our Government policies have opened up a can of worms which offers the chance for Mexican Drivers to benefit from our economy without all the safeguards required of an American Trucker. If the financial rewards were reversed and the work was in Mexico, we would be attempting the same thing. In fact if you really think about it, that is exactly what some world leaders want and/or refuse to care about.

You will or have heard today from several speakers offering varied perspectives on the effects of Cross Border Trucking and the Nafta Corridor. From others you will or have heard a legal point of view, a policy point of view as well as personal points of view.

I would like to give you an American Trucker and American Family point of view.

I have documentation that I believe is of interest to those considering the actions of this committee. I will not read them, but will offer them as part of a packet to be left with you. This documentation provides support of the reality of the existence of planning of the Corridor from both a Trucking and Rail perspective.

House Fed and State Committee  
March 17, 2008



First, do you believe in the reality that the United States is forming the NAFTA CORRIDOR from Mexico to Canada VIA Kansas City? Documentation is provided that gives you a strong argument for that reality. This documentation is part of a file of a hundred articles that demonstrate the NAFTA CORRIDOR.

Second, How many of you have traveled by auto or truck in Mexico? Those of you that have, recognize that a very large majority of the auto and trucks that they drive are decades old vehicles that would not be driven in the United States.

The reality is that in a large percentage, their TRANSPORT TRUCKS are no different.

I have provided a couple of pictures from the Border when I was there in October. I apologize that the quality is not better.

To the untrained eye, these TRUCKS are just trucks. But to the professional truck driver, these vehicles represent the trucks that are taken off the road in the United States by their respective companies for a loss of cost effectiveness in maintaining their roadworthiness.

Look really closely at the white tractor that has the Nafta Kills signs waiving before it. When blown to full size one see's a bumper that is mangled, oil residue splashed on the grill from leaking engine, and simple a Non Sleeper truck. This means that the truck has no sleeping quarters for the driver at the end of his driving hours. Instead he either sleeps on the group or curls up in the seat of the truck. Neither provides a quality rest required by our DOT rules and that is assuming the Driver decides to abide by our D.O.T. Rules.

Another example of this aged equipment is the orange trailer you see. A professional driver sees a worn out Schneider National USA trailer that has been purchased into Mexico and returns to USA highways. Again, these trailers are disposed of in the United States when the floors become unsafe/and or the running gear becomes worn beyond reasonable financial repair costs.

Third, we are a state of Kansas in which most of us pride ourselves in the Family first concept. Nafta violates this in two easy to see ways. I provided you a handout from the honest hardworking Kansans in the Gardner Kansas Area. They are adamantly opposed to the radical changes of their lives that will result if the Nafta Corridor proceeds unchecked. Traffic, Noise, loss of their environment and pollution are just a few of the radical changes that will be thrust on this Kansas community.

Additionally as we look at families, let's look at safety and family security.

When one studies the proposed Corridor one will see "ports" along the way. According to documentation I have given you, these "Ports" will actually be "Mexican Countries" within our United States, operating under the Mexican government with Mexican workers and Mexican labor laws.

Then, picture yourself driving down the highway. The kids and your spouse are with you. Behind you is an 80,000 pound rig full of who knows what. The ground is icing from a freezing drizzle and the road is getting slick. You have driven on ice often and adjust your speed as does the driver further ahead of your path. But what about that driver who follows you who has never even seen ice or snow. Does he know how to control a tractor trailer in a wind skid or a breaking skid? Highly doubtful! And this assumes that the truck following you has met the rigid mechanical standards of the American owned and operated trucks.

God forbid that your vehicle is involved in such an accident with a Mexican transport truck. Who will you turn to for financial obligations like insurance? What are the odds the operator will even stop if the truck is not damaged? After all, he will be heading back across the border soon.

Fuel costs between the countries is nother aspect of this debacle in that these Truck Tractors carry large volumes of fuel, not unusual to hold 300 gallon. Mexico is charging 2.04 dollars a gallon while in the US, the average Diesel this month is nearing 3.90 dollars. For those running from Mexico into the United States, their first tank of fuel will conservatively cost about \$1.75 dollars a gallon less or \$ 525.00 per trip less because the Mexican Truck will start out full from Mexico and then return to Mexico. So even if that Mexican Truck has to buy gas in the US, they will have a \$ 525.00 per trip advantage. 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. Again, no taxes paid on the fuel, which amounts to about 40 cents per gallon.

Emissions, a subject reverberating around this very building is another cross border issue. Pemex, the Mexican Government owned Fuel System is not prepared to meet the new standards of the U.S. Emissions controls on Diesel Tractors and in fact says, **"Changing the fuel specifications of automotive diesel in Mexico from 500 ppm sulfur maximum today, to less than 15 ppm, to supply the entire diesel fleet -- with an average age of 15 years -- is a high cost to pay,"** the Pemex official **emphasized.** Without this, American Trucks could not operate their vehicles on Mexican fuel thereby denying them access to Mexican Markets, while Mexican trucks come to the United States spewing large volumes of emissions in violation of the U. S. Law.

America has an admitted smuggling and immigration problem as it is. What will happen with the quantities of drugs and goods that are brought into the U.S. illegally when thousands of vehicles can carry them, The D.O.T. admits that they cannot inspect every truck for safety, let alone having border patrol inspect them for content. Clearly Mexico will become the route of choice for not only South American Drug smugglers but from other continents as well if Mexico has a Government approved Corridor with which to bring in SEALED containers.

Many jobs will be affected. There are already discussions about the new CHINESE entries into the car market of the United States being shipped in through the Mexican Ports. This is just one of the thousands of examples of diversion of port destinations and shipping routes that will put thousands of workers out of work in our United States ports, as well as our Transportation workers on Rail and Truck that transport our goods from the East and West Coast.

In your packet is an article from USA Today in which Bill Gates, the third richest man in the world, arguing that we should allow more H1B Visas to foreign Computer Techs. The same article has the condemnation of this idea by a Californian Republican Legislator who correctly points out that this will cause a reduction of wages and benefits to American Techs which will further reduce the number of workers seeking to become skilled enough for these positions, eventually creating a spiral to the bottom.

The United States has a shortage of Truck Drivers, partly because of the high costs of fuel to maintain a business, but also the high price of a quality rig that can maintain American Standards and the cost of that maintenance. So if you use the Bill Gates theory which is not so far off the 'Cross Border Trucking' theory, then more drivers in lower standard rigs will create less pay for American Drivers and less American Drivers and Rigs on the Road, leaving

the Transportation industry to foreign Mexican Trucks and Drivers in Trucks like those pictures I have given you.

The continuance on this path is a definite race to the bottom with all trappings of family safety disasters, diminished environmental quality, loss of tax contribution (which I have not even talked about today), and importation of contraband that can end up in the hands of our children.

Please, take a stand. Tell the Kansas citizens and your family that you care about their financial future, their health and safety, their environment. Tell the Federal Government to protect Americans First.

Thank you.



Route Miles from Lazaro Cardenas	
Toluca	439
San Luis Potosi	481
Monterrey	789
Laredo	944
Houston	1,322
Dallas	1,838
Jackson	1,845
Corinth	2,134
Kansas City	2,182
Charlotte	2,512
Rutherford	3,006
Croston	3,181

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## Shipping-corridor deal cuts heart out of heartland

By Phyllis Schlafly

Tuesday, August 8, 2006

Grass-roots Americans of all parties and economic classes rose up out of their political apathy a few months ago and forced President George W. Bush to reverse his administration's decision to allow a Middle East government to own America's major ports. But the push for foreign ownership continues: the next port scheduled to be taken over is Kansas City, Mo.

Even though public schools stopped teaching geography a couple of decades ago, most Americans (especially residents of the Show Me State) are surprised to learn that Kansas City (where the only waves are "amber waves of grain") is a port. We are also surprised, and shocked, to discover that Mexico will be running its own inspection facility there.

The plan, shrouded in secrecy, has been in the works for at least three years, but it is now coming to light because of the diligent use of Missouri's Sunshine law by concerned citizens. Joyce Mucci and Francis Semler forced the release of the e-mails from Kansas City to Mexico, including one admitting that "The space (in Kansas City) would need to be designated as Mexican sovereign territory."

SmartPort representatives are now running away from this written admission, blaming "the problems and pressure the media attention has created." However, the stubborn sovereignty issue won't go away; the plan does involve setting up Mexican customs officials in downtown Kansas City.

The mechanism for this deal is a "nonprofit" business economic development corporation called Kansas City SmartPort Inc., whose president is Chris J.F. Gutierrez. The deal calls for Kansas City to lease the valuable property at 1447 Liberty St.

As laid out on SmartPort's Web site, the plan is to enable products made in China to travel in sealed "containers nonstop from the Far East by way of Mexico," through "a ships-to-rail terminal at the port of Lazaro Cardenas, Mexico," then up "the evolving trade corridor" **[In Texas, the Trans-Texas Corridor]** to Kansas City, Mo., where they would have their first inspection.

A Kansas City SmartPort brochure explains further: "Kansas City offers the opportunity for sealed cargo containers to travel to Mexican port cities with virtually no border delays."

A key purpose of the project is to take jobs away from U.S. longshoremen in Los Angeles and Long Beach, Calif., who earn \$140,000 a year, and replace them with Mexican laborers at \$10,000 a year. U.S. truck drivers and railroad workers will likewise be replaced by Mexicans.

The port of Lazaro Cardenas, on the west coast of southern Mexico, is controlled by Hutchison Whampoa, the same giant Hong Kong shipping firm that owns the ports at both ends of the Panama Canal. Chinese-made goods will be carried by Kansas City Southern Railway de Mexico directly to Kansas City, where freight will be distributed east and west and on to Canada.

Kansas City Southern was originally a belt railway around Kansas City but, after buying various Mexican rail companies and tracks, KCS controls a 2,600-mile artery from Lazaro Cardenas to Kansas City. KCS President Michael Haverty was one of five U.S. businessmen who met with President Bush, Mexican President Vicente Fox and Canadian Prime Minister Stephen Harper at their March summit in Cancun, Mexico.

Mexico was at first expected to pay for the big, expensive machines to conduct high-tech gamma-ray screening for drive-through inspections of containers, but Mexico declined the honor. SmartPort has applied for a \$1.5 million grant from the U.S. Economic Development Administration (i.e., to get the U.S. taxpayers to pay for the machines).

The Kansas City City Council has already earmarked \$2.5 million in loans and \$600,000 in direct aid to SmartPort, which would build and own the facility and then sublet it to the Mexican government. The cost could go as high as \$6 million because Kansas City has an existing lease that runs through 2045 on the same property with the

107-year-old American Royal, which uses that land for its annual livestock/rodeo/barbecue event.

The last piece in finalizing this project is getting the U.S. State Department to approve the Mexican operation on U.S. soil by signing off on what is called the C-175 document. It has already been approved by U.S. Customs.

Meanwhile, NASCO (North America's SuperCorridor Coalition Inc.), another nonprofit business organization, has taken on the mission of building an "international, integrated and secure, multimodal transportation system" from Lazaro Cardenas through Kansas City and up to Winnipeg, Canada. This will allow Mexican trucks to haul goods along a 12-lane superhighway through the heartland of the United States.

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# OTHER VOICES:

## **Kansas City customs port considered Mexican soil? Wnd Investigation Finds New Evidence U.S. Facility To Be On Foreign Territory**

WorldNetDaily | July 5, 2006 **By Jerome R. Corsi, Ph.D.**

A Mexican customs facility planned for Kansas City's inland port may have to be considered the sovereign soil of Mexico as part of an effort to lure officials in that country into cooperating with the **Missouri** development project.

Despite adamant denials by Kansas City Area Development Council officials, WND has obtained emails and other documents from top executives with the KC SmartPort project that suggest such a facility would by necessity be considered Mexican territory – despite its presence in the heartland of the U.S.

The documents were obtained with the assistance of Joyce Mucci, the founder of the Mid-America Immigration Reform Coalition, under the provisions of the **Missouri** Sunshine Law from the City of Kansas City, Mo., and from the **Missouri** Department of Economic Development.

The documents reveal a two-year campaign initiated in 2004 and managed by top SmartPort officials to win Mexico's agreement to establish the Mexican customs facility within the Kansas City "inland port." Kansas City SmartPort launched a concerted effort to advance the idea, holding numerous meetings with Mexican government officials in Mexico and in Washington to push the Mexican port idea in concert. The effort involved **Missouri** elected officials, including members of the U.S. House of Representatives and Senate.

The documents make clear that Mexico demanded Kansas City pay all costs.

To date, the Kansas City Council has voted a \$2.5 million loan to KC SmartPort to build the Mexican customs facility in the West Bottoms near Kemper Arena on city-owned land east of Liberty Street and mostly south of Interstate 670.

"Kansas City, Mo., is leasing the site to Kansas City SmartPort," Tasha Hammes of the development council wrote to WND last month. "It will NOT be leased to any Mexican government agency or to be sovereign territory of Mexico."

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Yet, an email written June 21, 2004, by Chris Gutierrez, the president of the KC SmartPort, stated that the Mexican customs office space "would need to be designated as Mexican sovereign territory and meet certain requirements."

Even more recently, an email dated March 10 of this year was sent by Gutierrez to a long list of recipients that left no doubt that KC SmartPort has not yet received federal government approval to move forward with the Mexican customs facility. Gutierrez informed the email recipients that the processing a critical form, designated "C-175," needs approval by the U.S. Customs and Border Protection before the form is passed to the State Department for final approval. The processing and approval of the C-175 application is holding up the final approval of the Mexican customs facility.

In the same memo, Gutierrez reported on a recent meeting in Washington: "Both sides (U.S. and Mexican officials) met several weeks ago and the 'document' or as the U.S. refers to it the 'C-175' is near completion. This document is the basis for the procedural, regulatory, jurisdictional, etc. for the project. It defines what will happen and how and what laws, etc. allow this to happen. Both sides have put a lot of effort into this document."

Gutierrez appeared concerned that the intensive lobbying done by KC SmartPort could be a wasted effort if the final U.S. government approvals were not completed before Mexico elected a new president this week.

"The process for the document is for U.S. Customs to present the document to the acting Commissioner and officials with the Dept of Homeland Security," he wrote. "This will happen in March. The document will then be reviewed by the U.S. State Dept who has been consulted on the document all along so they are aware of it. State will make the recommendation on the diplomatic status of the Mexican officials and the documents fit with existing agreements, accords or treaties. Mexico will wait for this recommendation and then get the sign off of their Foreign Ministry (Secretary [Luis Ernesto] Derbez and Under Secretary [Geronimo] Gutierrez are well versed on the project and support it). The hope of both sides is that this will be completed before the Mexican presidential elections in July."

Gutierrez's March 10 email ended by expressing a hope that discussion of the Mexican customs facility issue could be kept from the public, obviously concerned that press scrutiny might end up producing an adverse public reaction that could destroy the project. Gutierrez

specifically proposes a low-profile strategy designed to keep the KC SmartPort and the Mexican customs facility out of public view.

"The one negative that was conveyed to us was the problems and pressure the media attention has created for both sides," he wrote. "They want us to stop promoting the facility to the press. We let them know that we have never issued a proactive press release on this and that the media attention started when Commissioner (Robert) Bonner was in KC and met with Rick Alm. The official direction moving forward is that we can respond to the media with a standard response that I will send out on Monday and refer all other inquiries to U.S. Customs. I will get the name from them to refer media calls."

Robert C. Bonner is the commissioner of CBP within the U.S. Department of Homeland Security. Rick Alm is a reporter for the Kansas City Star.

On May 16, Bonner addressed the Chamber of Commerce in Kansas City, saying the Mexican customs facility idea "could be enormously important to Kansas City and the surrounding area, and would – or should – facilitate trade for U.S. exporters by expediting the border clearance process for U.S. goods and products exported to Mexico." Bonner added that "If the Kansas City SmartPort is implemented, Kansas City could become a major new trade link between the U.S. and Mexico."

Among those copied on Gutierrez's email of March 10, 2006, was George D. Blackwood, the president of NASCO (North America's Super Corridor Coalition, Inc.). Blackwood is an attorney with Blackwood, Langworthy & Tyson in Kansas City. He also served as the former chairman of the North American International Trade Corridor Partnership, which he helped found in 1998 when he was serving as mayor pro tem of Kansas City. NASCO supports the Kansas City SmartPort's initiative to establish a Mexican customs facility as part of the NASCO **SuperCorridor** project.

# **Mexico/U.S./Canada Facing Transborder Clean-Diesel Problem Arising From Big Nafta Decision - Free Trade Agreement, 1992, United States-Canada-Mexico - Brief Article**

**Diesel Fuel News, April 30, 2001 by Jack Peckham**

A recent North American Free Trade Agreement (NAFTA) tribunal ruling finally opens the door for Mexican trucking companies to have equal access to the U.S. and Canadian freight markets.

That's only fair, as U.S. and Canadian truckers likewise should have equal access to Mexican markets, under NAFTA. Growing trade between the three countries should be favored by the ruling -- and consumers and business should benefit from freer competition, service innovations and faster through-transit between the countries.

But the ruling also raises several new problems:

**\* While the U.S. and Canada are adopting ultra-low sulfur diesel (ULSD) fuel and tough truck/bus emissions standards in 2006/7, Mexico has yet to announce any similar plan. So, how can catalyst-equipped, fuel-sulfur-sensitive trucks traveling between Mexico and the U.S. in late 2006 avoid destroying the EPA-mandated emissions controls, when Mexico has yet to announce any ULSD supply plan? This isn't trivial, as emissions systems would have to be repaired -- at high cost -- as soon as these trucks returned to the U.S. or Canada.**

**\* U.S. and Canadian trucking companies in NAFTA corridor service will gradually replace their old, "dirty" diesel trucks with the new, ultra-clean trucks over the coming 10-15 years. But if the same costly investment doesn't occur at a similar rate in Mexico, will lower-cost Mexican trucking companies steal away major portions of the NAFTA freight business? If so, then an unfair system would penalize "clean" companies and reward "dirty" companies, while undercutting the public air quality benefits underlying U.S. EPA's and Environment Canada's new ultra-clean diesel regulations.**

▼ Ad Feedback

Given the very recent NAFTA tribunal ruling on Mexican trucking access, EPA is only now gearing up to address this problem, agency officials tell Diesel Fuel News.

"Fuel is one piece of this," EPA official Patrick Whelan explains. "So are emissions inspections, but we couldn't impose anything on Mexican trucking companies that's any different than standards for U.S. or Canadian truckers."

Currently, the U.S. doesn't have a federal truck emissions inspection scheme on inuse trucks, although many states are moving to adopt a standard "snap-idle" test for smoke emissions.

California is one such state. Excess emissions from Mexican trucks crossing California's border would be extremely unwelcome in a state with by far the toughest diesel emissions regulatory and retrofit scheme in all of North America.

In preliminary discussions among EPA officials, one idea being suggested to address the international ULSD fuel availability problem is to get those concerns included in the standard trucking operations manuals used in all three countries. U.S. Department of Transportation (DOT) is heavily involved in updates to trucker manuals, so EPA could work with DOT and its counterparts in Canada and Mexico to ensure that truck drivers are made aware of the need to refuel ultra-clean trucks only with ULSD.

Beyond that, EPA and Environment Canada at some point will need to discuss with their counterparts in Mexico about how to ensure that ULSD is made available at truckstops along major highways connecting Mexico with the U.S., probably starting in 2006.

One idea that could be discussed is some kind of phase-in scheme, to ensure that ULSD fuel could be strategically placed at some (if not all, initially) diesel refueling locations along key highways between Mexico and U.S.

Pemex, the Mexican state oil company, hasn't publicly announced any plans to make ULSD available later this decade. But a Pemex source told Diesel Fuel News that "fair rules of competition have to be available for all the parties," and some initial minimum availability of ULSD "has to be available in all the countries."

How to accomplish this? "We are evaluating the supply of smaller quantities, with a phase-in, to minimize the cost of supply," our Pemex source told us. An all-at-once switch to ULSD would be too costly. "Changing the fuel specifications of automotive diesel in Mexico from 500 ppm sulfur maximum today, to less than 15 ppm, to supply the entire diesel fleet -- with an average age of 15 years -- is a high cost to pay," the Pemex official emphasized.

\* ACEC: Truck, Rail Impacts

Meantime, on a related front, officials from Mexico, the U.S. and Canada recently launched joint discussions on how to address pollution from both truck and railroad traffic that is expected to grow dramatically due to NAFTA accords.

Nitrogen oxides (NOx) and particulate matter (PM) from NAFTA-related rail traffic alone will increase 50-100% over the next 20 years, according to an ICF Consulting report for the recent North American Commission for Environmental Cooperation (NACEC) meeting in Canada.

As clean-diesel truck technology replaces old technology, PM/NOx truck emissions per ton-mile along the NAFTA trade corridors should plummet by 80% from today's levels, the ICF report found. However, "the gains in the U.S.-Mexico corridors will not be as large under the assumption that [ultra-] low-sulfur diesel will not be widely available in Mexico," the report said.

Replacing diesel with compressed natural gas (CNG) wouldn't be a wise air-pollution strategy, as "the vast improvements in diesel engine emissions means that natural gas will probably not offer an emission reduction in the Canada-U.S. corridors."

Even if ULSD and clean-diesel technology are slower to catch on in Mexico, a CNG option wouldn't help much. Even if Mexican truckers could afford very costly CNG technology, that would only cut truck PM emissions in Mexico-U.S. NAFTA corridors by 13%, the study found. Even worse, the very high cost of creating CNG/LNG refueling infrastructure wasn't included in the study's calculation.

"The emissions benefits of natural gas will decrease as diesel trucks become cleaner," the ICF report concludes. "While natural gas trucks could also benefit somewhat from the control technologies (particulate filters and NOx catalysts) that will be in place after 2007, it is not clear if they would actually have lower emissions than diesel after that point."

**PRIMARY CONCERNS:**

- AN EXTREME DECLINE IN THE QUALITY OF LIFE WE ALL APPRECIATE IN GARDNER AND SOUTHWEST JOHNSON COUNTY
- incessant noise from the 59,000 trucks and 140 trains PER DAY at full operation *7,500 TRIPS* \*
- property values dropping as much as 20% as indicated by looking at other intermodals
- diesel emissions degrading air quality and jeopardizing the health of everyone, particularly children, the elderly, and any who suffer from respiratory ailments \*
- the location next to Bull Creek Park and Mildale Farm, which we have paid \$6,000,000 for and would like the opportunity to enjoy without the noise, smell, and sight of a rail yard
- the impact on the established KCPL wetlands
- the threat of chemical spills and toxic gas leaks
- the effect on local ground water by storm runoff and waste water collected from 1000 acres of industrial surface covered with diesel engines and storage containers that could be holding hazardous substances

**THE COMPROMISE AND CONTAMINATION OF THE HILLSDALE WATERSHED—THE PROPOSED FACILITY WOULD BE BUILT ALONG THE MAIN TRIBUTARY OF HILLSDALE LAKE**

- congestion on the roads and risks for drivers, cyclists, and walkers
- the increase and spread of crime, drugs, and prostitution
- the intention to build warehouses in areas adjacent to the proposed 1.5 square miles making the actual area over 2 square miles with the extended site being a TIF district
- the observation that other intermodals continue to expand by annexing lots then destroying the houses and businesses for intermodal facilities
- taxes going up to provide the infrastructure necessary for such a facility
- MAJOR truck traffic between Gardner and Belton with our RESIDENTIAL ROADS being expanded to multiple lanes to accommodate 1000's of trucks with higher speed limits.

*There are too many concerns to fit on one page*

For more information, petitions, signs, T-shirts—to ask questions or to get involved in the opposition contact THE DOLPHIN SONG AT 102 SOUTH ELM, GARDNER, KS, (913) 856-7513

We can fight this if we all rally and put aside everything we possibly can in the present to assure the future we expected when we chose Gardner and SW Johnson County as our home. We are not used to being activists but now WE MUST BE for our homes, our families, our town—the life we have worked for. Contact all of you

CITIZENS FOR RESPONSIBLE DEVELOPMENT: WWW.NOINTERMODAL.COM



# Gates urges more tech worker visas

## Some in Congress want tighter rules

By Michelle Kessler  
USA TODAY

Microsoft Chairman Bill Gates on Wednesday asked Congress to make it easier for tech companies to hire foreign **Technology** workers — even though some members of Congress want to make it harder.

Gates, testifying before the House Committee on Science and Technology, said that the USA faces “a critical shortfall of skilled scientists and engineers.” Improvements in education would help, but more visas for skilled workers are desperately needed, he said.

He wants Congress to raise the number of the most common type of skilled worker visa, called an H-1B. So do many other big tech companies, including Google, Intel and Hewlett-Packard.

Critics such as Rep. Dana Rohrabacher, R-Calif., want to make H-1Bs harder to obtain. They say visa holders take American jobs and reduce wages by working for less than their U.S. counterparts.

This battle, waging for years, is at a stalemate. The number of the main type of H-1B visas has not changed since 2002. But neither side plans to back down.

Insufficient visas mean that “many U.S. firms, including Microsoft, have been forced to locate staff in countries that welcome skilled foreign workers” to stay competitive, Gates said.

Rohrabacher replied that Gates is “totally insensitive and unsympathetic to average working people who are being displaced by foreign workers.”

Congress allocates about 65,000 standard H-1B visas each fiscal year. Exemptions and related visas often raise the number of skilled worker permits to nearly 130,000, says Ron Hira, a professor at the Rochester Institute of Technology and author of *Outsourcing America*.

But demand still far outstrips supply. In fiscal 2007, which began Oct. 1, 2006, the main type of H-1B visa was used up by early April.

Although Gates spoke of highly skilled specialists, the average H-1B worker has a bachelor's degree, was born in India and makes about \$55,000 a year, says the most re-

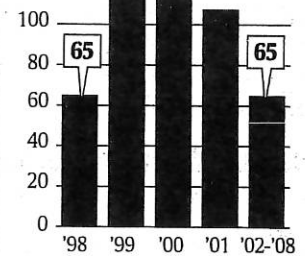


By Alex Wong, Getty Images

**Gates:** Testifies before the House science and technology panel.

### Foreign worker visas

Number of non-exempt skilled worker (H-1B) visas available by fiscal year, ended Sept. 30.<sup>1</sup>  
(in thousands)



<sup>1</sup> — Homeland Security is authorized to issue extra visas under special exemptions.

Source: Department of Homeland Security.

By Adrienne Lewis, USA TODAY

cent data from the U.S. Citizenship and Immigration Service. (The average U.S. tech worker's salary is more than \$74,500, says career site Dice.com.)

Many of the companies who hire H-1B visa holders are also from India, although they have large U.S. operations. Huge outsourcing firms such as Wipro and Infosys are among the biggest H-1B users.

That's a problem, says Paul Kostek, a vice president with IEEE-USA, a trade group representing U.S. engineers and scientists. Since many visa holders are not working for U.S. companies, raising the cap will not help America be more competitive, he said.

Rohrabacher is co-sponsor of a bill that would make it tougher for foreign workers to qualify for an H-1B. Hira says other reforms are needed. He advocates higher wages for H-1B holders and audits that will require companies to prove that they tried to hire U.S. workers before seeking H-1Bs. The visas “can have a positive effect, but let's mend (the program),” he says.

7-17



## PEMEX Fuel Prices

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### Gasoline prices for the current month

Magna.....\$ 6.71 pesos per liter  
Premium.....\$ 8.31 pesos per liter  
Diesel.....\$ 5.67 pesos per liter

These prices are in liters, since 1 gallon = 3.7854 liters.

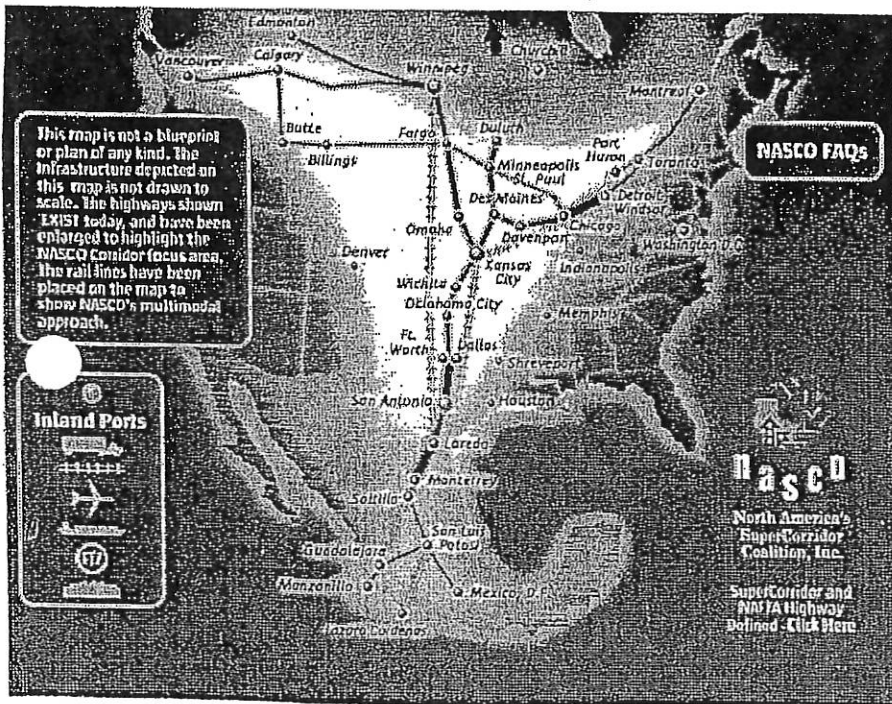
Today (November 1st) 1 dollar = \$ 10.50 pesos (+/-)

Using the previous information, this is what we have....

Magna.....\$ 2.419 dollars per gallon  
Premium.....\$ 2.995 dollars per gallon  
Diesel.....\$ 2.044 dollars per gallon



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**THE NAFTA SUPERCORRIDOR & IMMIGRATION**

These major security issues are a 4,000-mile-long "SuperCorridor" for global trade from Mexico to Canada running through the heart of America and control of our border. If built, this "SuperCorridor" would be a quarter-mile wide and longer than the Great Wall of China. The first 600 miles across Texas, from Laredo to the Oklahoma border, will begin construction in less than four years.

Here are some of MY concerns about this:

- With more than \$500 million already spent on planning, why haven't we heard about this project?
- Why did North America's SuperCorridor Coalition, Inc. (NASCO) lobbyists change the name from the NAFTA "SuperHighway" to the "Multi-State International Corridor Development Program" within the "Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2004 - A Legacy for Users," and now deny any plans for a "SuperHighway?"
- Who are these NASCO lobbyists? How did they become such powerful lobbyists in DC?
- Why is this "trade corridor," which is on American soil going to be under NAFTA jurisdiction?
- How will it affect the outsourcing of our good jobs?
- How will we keep our borders safe or stop illegal immigration when millions of rail containers and trucks will be crossing our borders?
- How will we prevent terrorists from entering the U.S. inside uninspected cargo containers?
- What plans are already underway to make Kansas City the global hub of this "SuperCorridor?"
- Are inexpensive imports really worth taking our land, breaching our security, soiling our environment, and losing our good jobs?
- Do we have good reasons for moving forward with this type of project?

**CONSTRUCTION IN TEXAS TO BEGIN IN 2010 IGNITES ISSUE**

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*N. Boyda Campaign gives permission for Rep. Morrison to use this information*  
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# Congress of the United States

## House of Representatives

Washington, DC

March 12, 2008

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(785) 309-0572  
FAX (785) 827-6067

The Honorable Judy Morrison  
10323 West 69th Street  
Shawnee, Kansas 66203

Dear Representative Morrison:

The sovereignty and safety of the United States must be protected from foreign interests. I share your opposition to a North American Union as well as a proposed Superhighway through the U.S.

The Construction of a highway and the establishment of a union would neither be beneficial to our national security nor our well-being as Kansas citizens. Many Kansans have contacted me regarding their concern for such a seemingly destructive undertaking and I share their apprehension. Therefore, I have sponsored a resolution, H. Con. Res. 40, that expresses Congress' opposition to entering a North American Union and constructing a North American Free Trade Agreement (NAFTA) Superhighway. I will remember your opposition to these measures and will continue to support measures that protect America's sovereignty.

Thank you for your message. Please do not hesitate to contact me if I can ever be of assistance.

Very truly yours,

*Jerry Moran*

Jerry Moran

JM:wr

8-2

State	2008 Measure number	title	Status (or last action)	Source
Arizona	HCM2003	Opposing a North American union	Failed 3/11/08; motion passed to reconsider on 3/18/08	<a href="http://www.azleg.gov/search/oop/qfullhit.asp?CiWebHitsFile=/legtext/48leg/2r/bills/hcm2003o.asp&amp;CiRestriction=%22north+american+union%22&amp;CiBeginHilite=%3Cb%3E&amp;CiEndHilite=%3">http://www.azleg.gov/search/oop/qfullhit.asp?CiWebHitsFile=/legtext/48leg/2r/bills/hcm2003o.asp&amp;CiRestriction=%22north+american+union%22&amp;CiBeginHilite=%3Cb%3E&amp;CiEndHilite=%3</a>
Missouri	HCR 17	opposes a North American Union; To urge the Congress of the United States "to use all of its efforts, energies, and diligence to withdraw the United States from any further participation in the Security and Prosperity Partnership of North America and any other bilateral or trilateral activity, however named, which seeks to advance, authorize, fund, or in any way promote the creation of any structure to accomplish any form of North American Union"	03/04/2008 - Public Hearing Completed (House Judiciary Committee)	<a href="http://www.house.mo.gov/billtracking/bills081/bills/hcr17.htm">http://www.house.mo.gov/billtracking/bills081/bills/hcr17.htm</a>
New Hampshire	HCR 12	A RESOLUTION urging the federal government to withdraw the United States from the North American Free Trade Agreement (NAFTA)	hearing 1/30/08 in House State-Federal Relations and Veterans Affairs; floor date 3/12/08, "inexpedient to legislate"	<a href="http://www.gencourt.state.nh.us/legislation/2008/hcr0012.html">http://www.gencourt.state.nh.us/legislation/2008/hcr0012.html</a> <a href="http://www.gencourt.state.nh.us/bill_status/bill_status.aspx?lstr=2213&amp;sy=2008&amp;sortoption=&amp;txtsessionyear=2008&amp;txtbillnumber=HCR12&amp;dd">http://www.gencourt.state.nh.us/bill_status/bill_status.aspx?lstr=2213&amp;sy=2008&amp;sortoption=&amp;txtsessionyear=2008&amp;txtbillnumber=HCR12&amp;dd</a>
New Hampshire	HR 23	A RESOLUTION declaring a supra-national government such as a North American union unconstitutional.	hearing 2/5/08 in House State-Federal Relations and Veterans Affairs; floor date 3/5/08, "inexpedient to legislate"	<a href="http://www.gencourt.state.nh.us/legislation/2008/hr0023.html">http://www.gencourt.state.nh.us/legislation/2008/hr0023.html</a> <a href="http://www.gencourt.state.nh.us/bill_status/bill_status.aspx?lstr=2161&amp;sy=2008&amp;sortoption=&amp;txtsessionyear=2008&amp;txtbillnumber=HR23&amp;ddl">http://www.gencourt.state.nh.us/bill_status/bill_status.aspx?lstr=2161&amp;sy=2008&amp;sortoption=&amp;txtsessionyear=2008&amp;txtbillnumber=HR23&amp;ddl</a>
Ohio	H. C. R. No. 31	A CONCURRENT RESOLUTION To urge the President and Congress of the United States to oppose any effort to implement a tri-national political, governmental entity among the Unites States, Canada, and Mexico, and to oppose the Security and Prosperity Partnership of North America and initiatives pursued in conjunction with the Partnership that threaten the sovereignty of the United States.	introduced 12/25/07, assigned to "SGE" committee; no hearing listed as of 3/8/08	<a href="http://www.legislature.state.oh.us/ResolutionText127/127_HCR_31_I_N.html">http://www.legislature.state.oh.us/ResolutionText127/127_HCR_31_I_N.html</a> <a href="http://www.lsc.state.oh.us/status/srl127.pdf">http://www.lsc.state.oh.us/status/srl127.pdf</a>
South Dakota	SCR NO. 13	A CONCURRENT RESOLUTION, Opposing the development of the NAFTA Superhighway	Senate adopted 2/22/08; House concurred 2/26/08	<a href="http://legis.state.sd.us/sessions/2008/Bills/SCR13ENR.htm">http://legis.state.sd.us/sessions/2008/Bills/SCR13ENR.htm</a> <a href="http://legis.state.sd.us/sessions/2008/billstatus">http://legis.state.sd.us/sessions/2008/billstatus</a>
Utah	HR 1	Resolution Encouraging United States Withdrawal from Security and Prosperity Partnership of North America	passed House 2/4/08; effective 2/4/08	<a href="http://www.le.state.ut.us/asp/passedbills/passedbills.asp">http://www.le.state.ut.us/asp/passedbills/passedbills.asp</a>
Utah	SR 1	Senate Resolution Urging the Consideration of the United States Ending its Participation in the Security and Prosperity Partnership of North America	passed Senate 2/27/08; no effective date listed	<a href="http://www.le.state.ut.us/asp/passedbills/passedbills.asp">http://www.le.state.ut.us/asp/passedbills/passedbills.asp</a>

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State	2008 Measure number	title	Status (or last action)	Source
Arizona	HCM2003	Opposing a North American union	Failed 3/11/08; motion passed to reconsider on 3/18/08	<a href="http://www.azleg.gov/search/ooop/qfullhit.asp?CiWebHitsFile=/legtext/48leg/2r/bills/hcm2003o.asp&amp;CiRestriction=%22north+american+union%22&amp;CiBeginHilite=%3Cb%3E&amp;CiEndHilite=%3">http://www.azleg.gov/search/ooop/qfullhit.asp?CiWebHitsFile=/legtext/48leg/2r/bills/hcm2003o.asp&amp;CiRestriction=%22north+american+union%22&amp;CiBeginHilite=%3Cb%3E&amp;CiEndHilite=%3</a>
Missouri	HCR 17	opposes a North American Union; To urge the Congress of the United States "to use all of its efforts, energies, and diligence to withdraw the United States from any further participation in the Security and Prosperity Partnership of North America and any other bilateral or trilateral activity, however named, which seeks to advance, authorize, fund, or in any way promote the creation of any structure to accomplish any form of North American Union"	03/04/2008 - Public Hearing Completed (House Judiciary Committee)	<a href="http://www.house.mo.gov/billtracking/bills081/bills/hcr17.htm">http://www.house.mo.gov/billtracking/bills081/bills/hcr17.htm</a>
New Hampshire	HCR 12	A RESOLUTION urging the federal government to withdraw the United States from the North American Free Trade Agreement (NAFTA)	hearing 1/30/08 in House State-Federal Relations and Veterans Affairs; floor date 3/12/08, "inexpedient to legislate"	<a href="http://www.gencourt.state.nh.us/legislation/2008/hcr0012.html">http://www.gencourt.state.nh.us/legislation/2008/hcr0012.html</a> <a href="http://www.gencourt.state.nh.us/bill_status/bill_status.aspx?lsr=2213&amp;sy=2008&amp;sortoption=&amp;txtsessionyear=2008&amp;txtbillnumber=HCR12&amp;dd">http://www.gencourt.state.nh.us/bill_status/bill_status.aspx?lsr=2213&amp;sy=2008&amp;sortoption=&amp;txtsessionyear=2008&amp;txtbillnumber=HCR12&amp;dd</a>
New Hampshire	HR 23	A RESOLUTION declaring a supra-national government such as a North American union unconstitutional.	hearing 2/5/08 in House State-Federal Relations and Veterans Affairs; floor date 3/5/08, "inexpedient to legislate"	<a href="http://www.gencourt.state.nh.us/legislation/2008/hr0023.html">http://www.gencourt.state.nh.us/legislation/2008/hr0023.html</a> <a href="http://www.gencourt.state.nh.us/bill_status/bill_status.aspx?lsr=2161&amp;sy=2008&amp;sortoption=&amp;txtsessionyear=2008&amp;txtbillnumber=HR23&amp;ddl">http://www.gencourt.state.nh.us/bill_status/bill_status.aspx?lsr=2161&amp;sy=2008&amp;sortoption=&amp;txtsessionyear=2008&amp;txtbillnumber=HR23&amp;ddl</a>
Ohio	H. C. R. No. 31	A CONCURRENT RESOLUTION To urge the President and Congress of the United States to oppose any effort to implement a tri-national political, governmental entity among the United States, Canada, and Mexico, and to oppose the Security and Prosperity Partnership of North America and initiatives pursued in conjunction with the Partnership that threaten the sovereignty of the United States.	introduced 12/25/07, assigned to "SGE" committee; no hearing listed as of 3/8/08	<a href="http://www.legislature.state.oh.us/ResolutionText127/127_HCR_31_I_N.html">http://www.legislature.state.oh.us/ResolutionText127/127_HCR_31_I_N.html</a> <a href="http://www.lsc.state.oh.us/status/sr1127.pdf">http://www.lsc.state.oh.us/status/sr1127.pdf</a>
South Dakota	SCR NO. 13	A CONCURRENT RESOLUTION, Opposing the development of the NAFTA Superhighway	Senate adopted 2/22/08; House concurred 2/26/08	<a href="http://legis.state.sd.us/sessions/2008/Bills/SCR13ENR.htm">http://legis.state.sd.us/sessions/2008/Bills/SCR13ENR.htm</a> <a href="http://legis.state.sd.us/sessions/2008/billstatus">http://legis.state.sd.us/sessions/2008/billstatus</a>
Utah	HR 1	Resolution Encouraging United States Withdrawal from Security and Prosperity Partnership of North America	passed House 2/4/08; effective 2/4/08	<a href="http://www.le.state.ut.us/asp/passedbills/passedbills.asp">http://www.le.state.ut.us/asp/passedbills/passedbills.asp</a>
Utah	SR 1	Senate Resolution Urging the Consideration of the United States Ending its Participation in the Security and Prosperity Partnership of North America	passed Senate 2/27/08; no effective date listed	<a href="http://www.le.state.ut.us/asp/passedbills/passedbills.asp">http://www.le.state.ut.us/asp/passedbills/passedbills.asp</a>

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STATE OF TEXAS  
HOUSE OF REPRESENTATIVES



LOIS W. KOLKHORST

DISTRICT 13

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March 12, 2008

Honorable Rep. Judy Morrison,  
Kansas House of Representatives  
10323 W 69 St.  
Shawnee, Kansas 66203

Dear Rep. Morrison:

Congratulations on taking the forward step in Kansas of addressing the issue of transportation financing, the NAFTA corridor, and how the issues may touch your state. As a fourth-generation Texan, I proudly serve in the Texas House of Representatives. I represent a district spanning over 3,000 square miles and consisting of over 140,000 people.

Because my district stretches over central Texas, from the pine forests of East Texas to the Coastal Gulf Plains, many of my constituents are alarmed about the plans for a massive new series of highways to be built, known locally as "The Trans-Texas Corridor." Because of efforts to link the Trans-Texas Corridor project with a larger plan to connect Mexico, the USA, and Canada (a NAFTA corridor), Kansas could be affected by the plan. Therefore, it would be beneficial for lawmakers in Kansas to research some of the recent events and experiences that have faced the Texas Legislature.

Last year, I led the fight in the Texas House of Representatives to pass a two-year moratorium on "Comprehensive Development Agreements" (CDAs) which prohibits TxDOT from entering into any contract with a private entity to design, build or operate a toll project in Texas. With over 140 votes out of 150 House members, we sent a clear message to TxDOT that the people of Texas were uncomfortable with the level of privatization of our roadways. The moratorium was agreed upon by both urban and rural Texas lawmakers because they all shared common concerns.



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Although there are financially difficult times facing many state transportation budgets across the nation, the concept of using private equity should be viewed with a certain level of caution. The contracts offer state government a block of "upfront money" but is pennies on the dollar of what the profits ultimately will be. Beyond the general unease about giving up your state's ability to control toll rates, the contracts include penalties that must be paid to a private vendor for any competing road project that the vendor feels negatively affected their bottom line.

Furthermore, the idea of a private vendor building a road removes the ability for city, county and state governments to determine the final word on where exits or entrances will be built. This erosion of local control threatens to damage our fragile rural economic development, because entire communities can be bypassed if the private vendor does not see a financial reason to access a particular small town. The eminent domain debate is also unresolved, because these contracts allow the state government to use its right as a sovereign entity to take one person's land, and in turn give it to another private party to be used for profit. Lastly, the fundamental role of a transportation agency is changed, from being an agency focused on building roads for the lowest amount of taxpayer cost, to an agency that is focused on generating the maximum financial results for its private partners who operate the tolls.

Again, thank you for your service to your state and do not hesitate to call me as you engage in the legislative debate over alternative transportation financing. Citizens of Texas and Kansas share a great respect for individual property rights and public transparency in government and I wish you well in your efforts to protect and secure the future of your state.

Sincerely,



Lois W. Kolkhors

LWK/tp



## OWNER-OPERATOR INDEPENDENT DRIVERS ASSOCIATION INC.

National Headquarters: OOIDA Building, I70 at Grain Valley Exit  
1 NW OOIDA Dr., P.O. Box 1000, Grain Valley, MO 64029  
Tel: (816) 229-5791 Fax: (816) 427-4468  
e-mail: ooida@ooida.com – web site: www.ooida.com

Before the Kansas House Federal and State Affairs Committee  
Regarding House Concurrent Resolution 5033

Comments of Todd Spencer, Vice President

### **Mexican trucks pose a multifaceted threat to the U.S.**

Highway safety concerns:

- 1) The Mexican version of the commercial driver license is not equivalent to the commercial driver license required of all U.S. commercial truck drivers.

Not only are the standards for receiving such a license lower in Mexico, but the reliability of any license information is highly questionable.

- 2) Hours of service regulations are an enormous safety concern. Mexico has never had and still doesn't have any hours of service regulations for its commercial vehicle drivers. This reality means that a truck and driver from Mexico can enter the U.S. with inspectors having no verifiable way to know whether the driver has been on duty for two hours or two weeks!
- 3) Mexico has never had drug testing regulations for its commercial vehicle drivers; nor does it have such a program now or certified labs and collection sites to collect and test specimens.

Security concerns:

- 1) Not only does a reliable database not exist for checking the validity of commercial licenses, there is no reliable data as to an individual's background for security, drugs or terrorist connections.
- 2) Required border checks are not being performed despite assurances from U.S. DOT that every truck would be checked every time. Interior states are still not capable of checking trucks they encounter in routine stops for proper

House Fed and State Committee  
March 17, 2008

Attachment 9



operating authority, insurance and violations of cabotage laws prohibiting moves of domestic cargo.

- 3) The vast majority of illegal drugs entering the U.S. cross our southern border. Despite all efforts, so far only a small percentage of these drugs are intercepted. How could a more open border do anything but increase the flow of such drugs into the U.S.?

Economics:

- 1) The U.S. Department of Transportation's claimed goal of pushing this program is to improve border efficiency for reduced costs for U.S. consumers and to open opportunities for U.S. truckers in Mexico.

The real motivation is to tap into yet another source of cheap labor to bolster corporate profits at the economic expense of this nation's professional drivers and small businesses.

The Mexican truck pilot program violates U.S. law. While the legislative intent of Congress back to 2001 is that allowing trucks from Mexico to operate in the U.S. would pose an unacceptable risk to U.S. interests, the U.S. DOT moved ahead anyway last fall.

On December 27, 2007, President Bush signed an appropriations bill that cut off all federal funds for a Mexican truck pilot project, yet the program continues today in violation of U.S. law.

### **Public Private Partnerships and the NAFTA Superhighway**

Public Private Partnerships have been described as the panacea for our nation's highways. They are not.

Highways have historically been funded through a system of fuel taxes and related fees collected from highway users. This system is responsible for the national network of highways we have today. Its problems aren't related nearly as much as too much funds are collected, but in how these funds are spent.

The whole concept of turning public infrastructure over to private interests undermines national transportation policy.

The investor community would be free to cherry pick routes to maximize their profitability and maximize they would. Estimates of what the tolls might be for the Trans-Texas corridor for trucks are as high as 80 cents per mile.

These schemes would dramatically alter how most drivers run. Both cars and trucks would leave these routes for less safe ones. They would have no choice economically.

These schemes should be rejected in Texas and everywhere else.

*Founded in 1973, the Owner-Operator Independent Drivers Association, Inc. (OOIDA), is comprised of more than 167,000 owner-operators, professional drivers, and small business truckers from all 50 states and Canada. OOIDA represents the interest of this nation's more than 350,000 small business professionals in the legislative and regulatory processes at both federal and state levels.*



President  
**Mark Love**

Executive Secretary  
Treasurer  
**Andy Sanchez**

Executive Vice  
President  
**Wil Leiker**

Executive Board

*Paul Babich  
Paula Bentley  
Mike Brink  
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Earl Ransom  
Steve Rooney  
Rory Schaffer  
Deb Shepard  
Mark Shughart  
Richard Taylor  
Dan Woodard*



**TESTIMONY**  
**In Support of HCR 5033**  
**Before the Federal and State Affairs Committee**

March 17, 2008

By Wil Leiker, Executive Vice President, Kansas AFL-CIO

Thank you Mr. Chairman and Committee members for the opportunity to appear before you today.

The North American Free Trade Agreement (NAFTA) was sold to the American public and American workers as a market-opening agreement that would create high-paying export-related jobs here in the United States and Canada, bring prosperity to Mexico, and spur economic growth and political stability throughout North America.

While it is true that trade and investment flows between the three North American countries have grown rapidly since NAFTA was implemented in 1994, NAFTA has been a dismal failure. Workers in all three NAFTA countries have seen their wages fall or stagnate as job insecurity and inequality have grown. At the same time, NAFTA rules have disadvantaged North American family farmers, many small businesses, consumers, and the environment relative to multinational corporate interests.

Rather than encouraging sustainable and equitable growth, NAFTA has contributed to the loss of jobs and incomes of workers, while enriching the very few. NAFTA's main outcome has been to strengthen the clout and bargaining power of multinational corporations. The increased capital mobility afforded by NAFTA has hurt workers, the environment, and communities in all three NAFTA countries.

Advocates of NAFTA promised better access to a market of 90 million consumers on our southern border and prosperity for Mexico, yielding a "win-win" outcome. Yet more than thirteen years after NAFTA went into effect, our combined trade deficit with Mexico and Canada has ballooned from \$9 billion to over \$130 billion. The Labor Department has certified that well over half a million U.S. workers lost their jobs due to NAFTA (through 2002, when the NAFTA-TAA program was merged with other trade-displacement programs), while the Economic Policy Institute estimates that the ballooning NAFTA trade deficit contributed to the loss of more than one million jobs and job opportunities.

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One of the main advantages of NAFTA was supposed to be that it would alleviate poverty and low wages in Mexico, helping bring the U.S. and Mexico closer together. However, on this front also, it has fallen short. Real wages in Mexico are actually lower today than before NAFTA was put in place, and the number of people in poverty grew from 62 million to 69 million (through 2003) <sup>1</sup>. The number of people crossing the border illegally is estimated to have doubled, contrary to predictions of NAFTA boosters.

NAFTA undermines our laws by allowing corporations to sue governments and challenge statutes protecting the environment, public health and consumers. In some cases, corporations have even collected compensation from governments for lost profits or other damages. Legislators and ordinary citizens have no effective voice in the dispute resolution process, even though it is the laws they have voted for that are under attack.

NAFTA restricts the ability of governments to regulate services delivered across borders and by foreign investors. Under NAFTA, we have had to open the border to Mexican trucks even though we cannot ensure that each of these trucks meets our health and safety standards.

NAFTA doesn't allow governments in Canada, Mexico and the U.S. to include local preferences or workers' rights criteria in making purchasing decisions. In fact, when former President Clinton issued an executive order banning the federal procurement of goods made with the worst forms of child labor in 1999, he had to exclude Canada and Mexico from the order, because banning goods made by child slave labor would have violated NAFTA's government procurement provisions.

Finally, the NAFTA labor side agreement has utterly failed to protect workers' rights. None of the 34 cases filed under the side agreement has progressed beyond the initial stage of cooperative consultations, and no labor rights violators have faced any penalties under the accord. No government has paid a penny in fines, and no trade sanctions have been imposed (or even threatened). A UCLA study of the labor side agreement found that its inherent weaknesses, and a lack of political will among the parties to implement it aggressively, may doom the accord to "oblivion." <sup>2</sup>

On March 23, 2005, in Waco, Texas, the presidents of the United States, Mexico and Canada launched a new initiative, the Security and Prosperity Partnership for North America (SPP), to "increase security and enhance prosperity...through greater cooperation and information sharing." While the twin goals of greater security and prosperity are ones we support, we have deep reservations about the processes set out to reach them in this instance. It appears that important decisions related to deepening economic integration among our three nations, and the well-being of our citizens, are being made by government and business elites, while civil society and Congress are sidelined.

1. John J. Audley, Demetrios G. Papademetriou, Sandra Polaski, and Scott Vaughan, "NAFTA's Promise and Reality," CEIP, 2004.
2. Linda Delp, Marisol Arriaga, Guadalupe Palma, Haydee Urita, and Abel Valenzuela, "NAFTA's Labor Side Agreement: Fading into Oblivion?" University of California at Los Angeles, March 2004.

Further evidence of the corporate domination of this process was the formation of the North American Competitiveness Council (NACC) in March 2006. The NACC was formed to discuss ways to enhance competitiveness through further elimination of regulations and other barriers to trade. The non-governmental representatives invited to participate in this council include Campbell Soup Co., Chevron, Ford, FedEx, General Electric, General Motors, Kansas City Southern Industries, Lockheed Martin Corp., Merck, Mittal Steel USA, New York Life, United Parcel Service, Wal-Mart and Whirlpool.

In order for the SPP to be mutually beneficial to average citizens in North America, civil society must have the ability to participate meaningfully in these discussions. Simply submitting comments through the SPP website is not enough. Before the SPP process goes further, the task forces and councils advising our government must be expanded beyond business circles.

One often-cited argument for NAFTA was that it would improve U.S. competitiveness with the rest of the world. However, since NAFTA was put in place, our overall trade deficit has also ballooned, from \$75 billion in 1993 to \$763.6 in 2006. The current account deficit hit a dangerously high 6.5 percent of GDP at the end of 2006, slowing any possibility of strong economic recovery and undermining the potential for future job growth. The high import propensity of the U.S. economy means that even as economic recovery gets under way, a large proportion of every dollar spent by consumers goes to purchase imports, undermining the economy's ability to generate good jobs at home.

These figures are very real to working Americans who are losing family-supporting jobs and benefits as manufacturing and even service jobs are lost overseas.

In general, the experience of our unions and our members with past trade agreements has led us to question critically the extravagant claims often made on their behalf. While these agreements are inevitably touted as market-opening agreements that will significantly expand U.S. export opportunities (and therefore create export-related U.S. jobs), the impact has more often been to facilitate the shift of U.S. investment offshore.

While we understand that many other factors influence bilateral trade balances (including most notably growth trends and exchange rate movements), it is nonetheless striking that most of our FTAs have yielded worsening trade balances. Moreover, our overall trade balance has continued to deteriorate rapidly, even as we pursue an aggressive FTA strategy.

If the goal of these so-called "free trade" agreements is truly to improve U.S. competitiveness and open foreign markets to American exports (and not to reward and encourage companies that shift more jobs overseas), it is pretty clear the strategy is not working. Before Congress approves new bilateral free trade agreements based on the outdated NAFTA model, it is imperative that we take some time to figure out how and why the current policy has failed.

NAFTA is a model that has utterly failed to deliver the promised benefits to ordinary citizens in any of the three North American countries. Yet our government is in the process of negotiating new trade agreements with dozens of countries, using NAFTA as a template.

The success or failure of any future trade and investment agreements will hinge on governments' willingness and ability to negotiate agreements that appropriately address all of the social, economic, and political dimensions of trade and investment, not just those of concern to corporations. Unfortunately, NAFTA is precisely the wrong starting point.

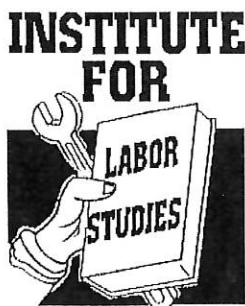
A special recognition to Thea M. Lee, Policy Director, American Federation of Labor and Congress of Industrial Organizations, who contributed greatly to this testimony.

kape/aft4565

# **OFFSHORING THE MISSOURI ECONOMY: FREE TRADE JOB LOSSES AND THEIR IMPACT ON MISSOURI WORKERS**

**September 1, 2004**

**By Judy Ancel, The Institute for Labor Studies  
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**The Institute for Labor Studies is a Joint Project of The University of Missouri-  
Kansas City & Longview Community College**

House Fed and State Committee  
March 17, 2008

Attachment **11**

# OFFSHORING THE MISSOURI ECONOMY: FREE TRADE JOB LOSSES AND THEIR IMPACT ON MISSOURI WORKERS

By Judy Ancel, The Institute for Labor Studies

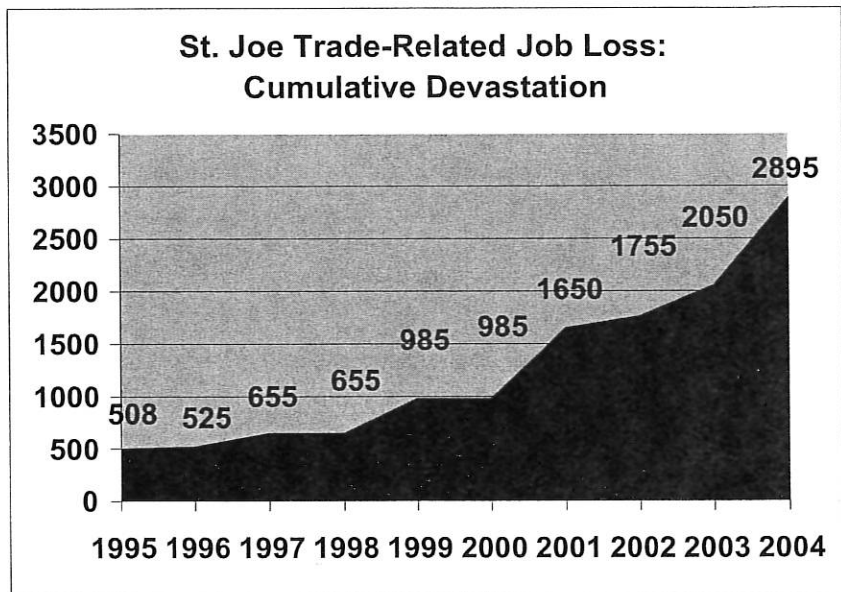
In 1993 when the United States signed the North American Free Trade Agreement, St. Joseph, Missouri was a mid-size Midwestern town with a strong industrial base and good middle-class jobs. Today, after more than a decade of so-called free trade under NAFTA and the World Trade Organization (WTO), jobs have left, wages and workers' bargaining power are depressed, and the city is held hostage by companies who first demand tax breaks to stay and then leave anyway.

Over the past ten years, corporations looked to boost profits by moving to low wage countries like Mexico where they can hire workers for \$4.00 a day, or to China, where they can pay even less. One such company - Lakeland Industries - has been moving jobs to China, including between 50 and 95 from St. Joseph. The company makes protective and fireproof clothing. Lakeland's customers are federal, state and local governments, and, ironically, the Department of Homeland Security. Profits were up 20% last year, and CEO Christopher Ryan bragged to stockholders that the profit margin increased because the company had lowered its labor costs.

Two products which used to produced in St. Joe were American icons: Big Chief Tab-lets and Stetson Hats. Now the city has a new symbol: the empty factory, a depressing reminder of what happens when political leaders pass trade policies which assume that what's good for multinational corporations is also good for communities and working people.

**St. Joseph's losses are but one shocking example of the mounting toll of job flight across the State of Missouri** in the last decade. To find out how many jobs have been lost to trade in

Missouri is not easy. We must rely on the certifications for Trade Adjustment Assistance done by the U.S. Department of Labor's Employment and Training Administration which investigates firms that are laying off workers because of "increased imports from, or outsourced production to" countries with which we have free trade agreements. When a firm is certified, the displaced workers are eligible for Trade Adjustment Assistance as they transition to another job or a life of un- or underemployment. The graph above shows the cumulative toll over ten years for St. Joseph. <sup>1</sup> See page 4 for Missouri's toll.



These figures are, however, just the tip of the iceberg on trade-related job loss. Following is a list of whose jobs they miss.



- **Jobs in service industries** like call centers, software development, and billing which have been increasingly outsourced under the General Agreement on Trade in Services (GATS) to India. Aegis shut down its Call Center in St. Joe and moved abroad, but it was not certified because they provide a service. *We have, however, included it in the graph for St. Joseph.*<sup>2</sup>
- **Indirect manufacturing workers:** Until November 2002 when the law was changed, manufacturing workers who did not suffer direct trade-related job loss, like parts producers who supplied a company that shut down, were not eligible. Even with improvements, only an extremely limited number of secondary workers gained coverage, and farmers and fisherman who lose jobs to increased imports were included. However, it's still easier for workers to qualify who lose jobs to Mexico than to China.
- Even in manufacturing plants where line workers are eligible for benefits, **broad categories of non-production employees** (such as those who run computer systems, transport or box the finished goods, work in the cafeteria, mop the floors, etc.) aren't counted and have no benefits.
- **Other secondary businesses** which were hurt by plant shut downs or downsizing like an accountant or a nearby restaurant also would not qualify.
- There are also a number of workers (especially unorganized workers) whose companies **disguised trade-related job loss as moves someplace else in the U.S., or their workers didn't apply or did not know** about the program, so they were never counted.<sup>3</sup>

So the following list is probably an underestimation of St. Joseph's job losses to trade. We have included two recent non-TAA shutdowns at the end which either haven't yet been certified or were denied because they were a service industry.

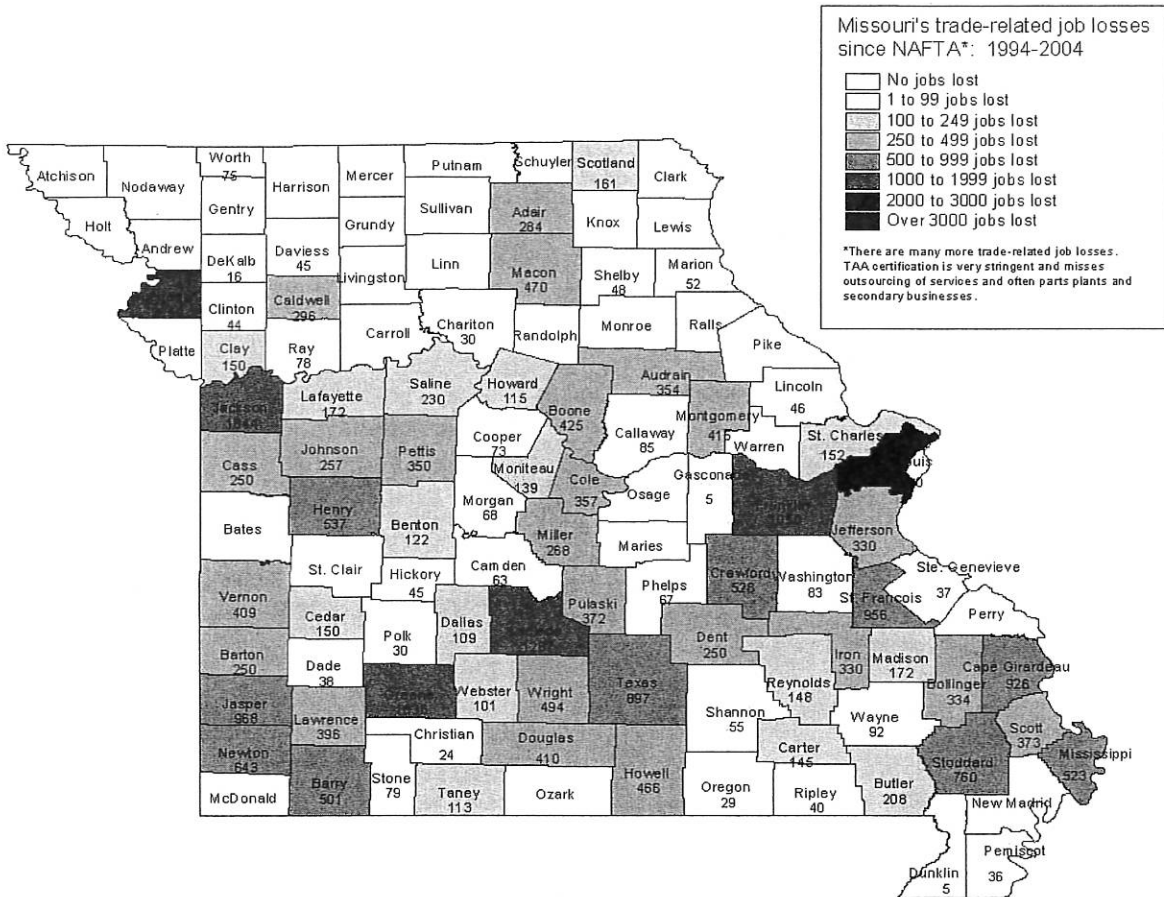
### St. Joseph Companies on TAA List

Company	Product	Number	Reason	Date
Swift Adhesives, Inc	Industrial adhesives	29	None given	3/10/95
Lee Apparel Co	Denim Jeans	479	None given but moved to Mexico	12/4/95
Daniels McCray Lumber Company	Window sashes	7	Increased company imports from Mexico	6/26/96
Custom Wood Products	Wood Sash Windows	10	None given	7/30/96
Mead Corp	School and Office Supplies	130	None given but shifted production to Mexico	4/28/97
Mead Corp	School Notebooks, Binders & Planners	200	None given but shifted production to Mexico	9/15/99
Mead Corporation	Binders, notebook cases	130	Shift in production to Mexico	9/15/99
Quaker Oats Company	Hot cereal, ready-to-eat cereal	415	Shift in production to Canada	8/21/01
Quaker Oats Co.	Hot Cereals	250	None - shifted production to Canada	10/17/01
Prime Tanning Corp	Wet Blue Leather	60	Shift in production to Mexico	1/15/02
Prime Tanning Corp	Wet Blue Leather	45	None given	3/25/02
Mead Westvaco	Tablets, spiral books, file folders	100	Increased customer imports	5/16/03
Nestle Purina Pet Food	Dog/cat dry & canned food	195	Increased customer imports	8/22/03
RHE Hatco, Inc.-Stetson	Increased company imports	115	Increased company imports	6/14/04
Lakeland Industries	Protective clothing	94	Shift in production to China	6/30/04
Aegis Communications G	Call Center	236	Denied-service not covered	4/22/04
MeadWestvaco	Binders, notebooks	400	Closing announced 8/04 Increased imports from China	10/1/04
<b>Total direct trade-related job loss</b>		<b>2895</b>		

St. Joe's job losses to trade are remarkably severe. **Only St. Louis, a city 13 times bigger has lost more jobs.** Buchanan County had the second largest job losses in the entire state.

# Missouri's Job Losses to Trade by County and Industry

Communities all across Missouri have suffered from job losses.<sup>4</sup>



Rank	County	Jobs lost	# TAA Certifications
1	St. Louis	3276	45
2	Buchanan	2659	16
3	Jackson	1844	9
4	Greene	1636	13
5	Laclede	1287	5
6	Franklin	1050	12
7	Jasper	968	15
8	St. Francois	956	5
9	Cape Girardeau	926	8
10	Texas	897	5

Rank	County	Jobs lost	# TAA Certifications
11	Stoddard	760	6
12	Newton	643	4
13	Henry	537	2
14	Scott	610	7
15	Crawford	528	9
16	Mississippi	523	5
17	Barry	501	4
18	Wright	494	9
19	Macon	470	1
20	Howell	466	4

Because it is a significant manufacturing state, Missouri has been hit hard by global outsourcing under NAFTA and the WTO. **Overall Missouri has lost 31,068 jobs to trade that are TAA certified out of an estimated 1,114,775 nationwide from 1994 to 2002.**

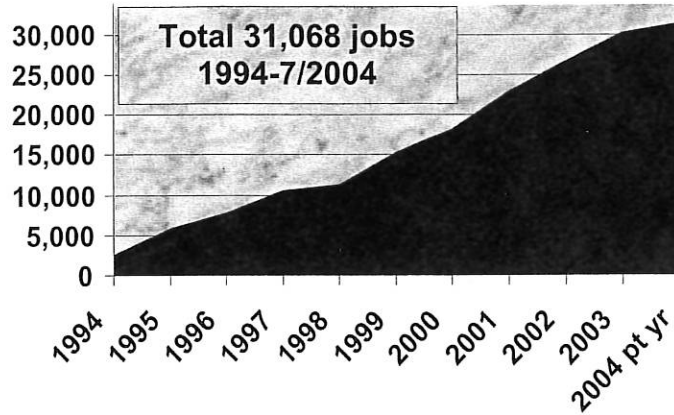
As can be seen from the graph below, **virtually every branch of manufacturing in Missouri has been hit with job loss.** Our garment and shoe industries were wiped out as companies left for Central America, China and elsewhere where sweatshop Industries are growing and where corporations need not respect the rights of the workers nor environmental rights of their communities.

Zenith abandoned Springfield Missouri between the late 1980s and 1994 to set up shop along the Mexican border. In Reynosa, just across from McAllen Texas,

**workers earned less than one-tenth of what the Springfield workers made.** Today they work for LG Electronics, a Korean company which bought Zenith. LG thinks they make too

### A Mounting Toll: Missouri's Trade-Related Job Loss

US DOL TAA Certified Determinations

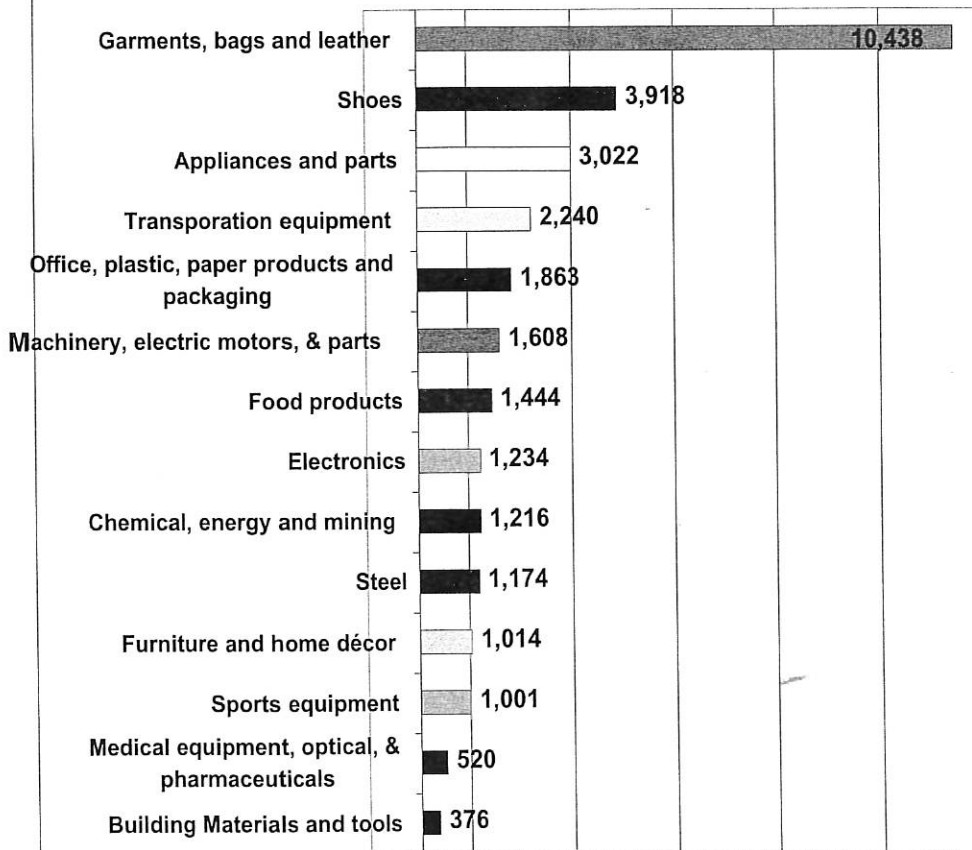


much and is firing older workers to hire teenagers and outsourcing parts jobs to China.

When the workers protested dangerous conditions and job loss, even their union worked with LG and the government to threaten them with **thugs and police.**

The Mexican LG workers are facing today what Missourians have faced for twenty years. **They are both in the same global race to the bottom and both understand that while free trade sets the corporations free, the workers are paying a heavy price.**

### Missouri Trade Related Job Loss by Industry 1994-2004

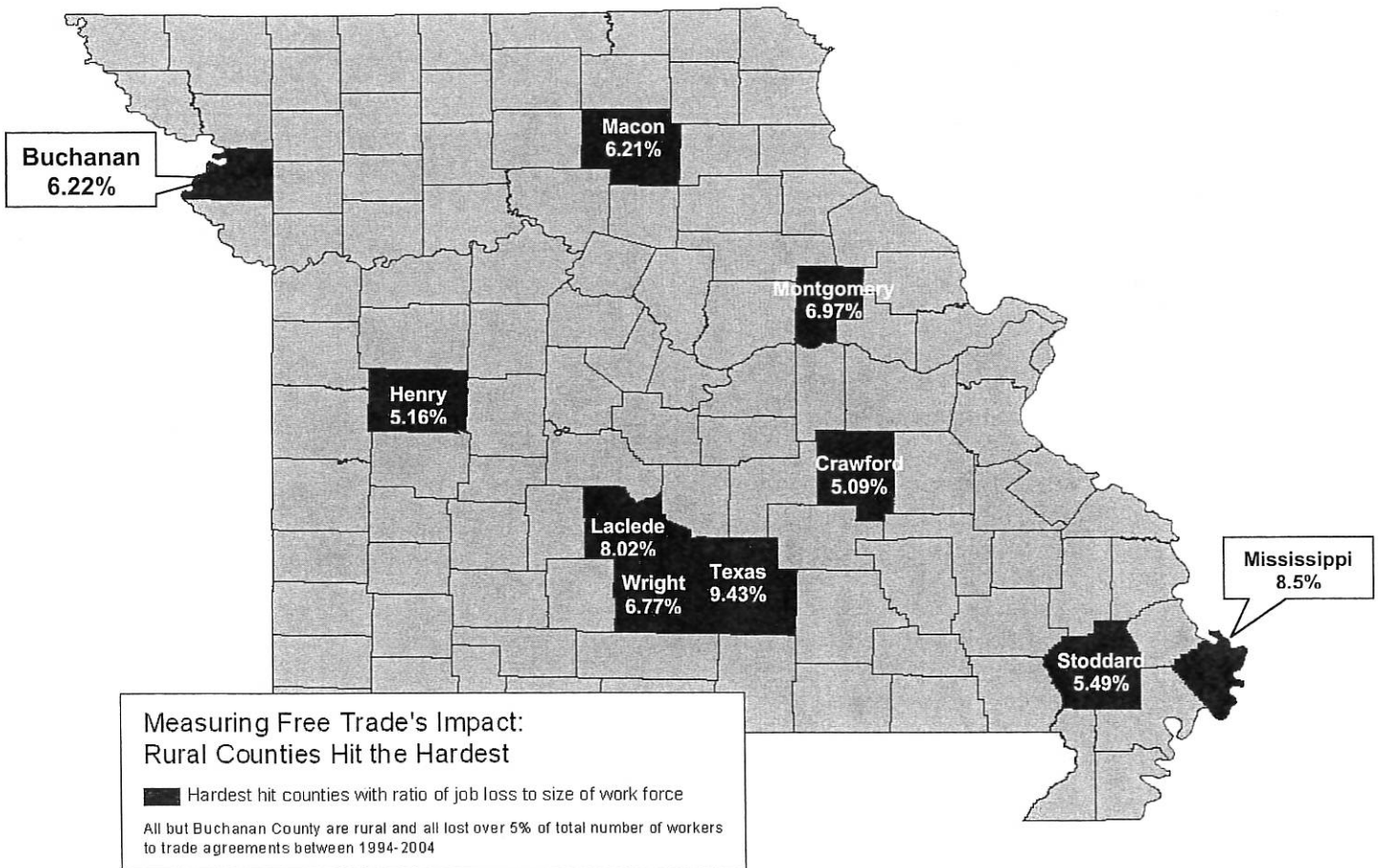


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## Assessing the Urban/Rural Impact

The **loss of Missouri's shoe and garment industries has particularly impacted smaller towns** which are the least able to absorb the blow of a plant shut-down. (See map below). For example, the 10,438 lost garment jobs occurred in 118 different TAA certified layoffs at fifty-one different companies scattered across rural Missouri. Paramount Headwear, a hat manufacturer did away with 1,650 jobs in thirteen

Rank	County	Jobs lost	# TAA Certifications	BLS Average Workforce 1994-2003	Ratio of Job Loss to Size of Workforce
1	Texas	897	5	9,512	9.43%
2	Mississippi	523	5	6,150	8.50%
3	Laclede	1287	5	16,052	8.02%
4	Montgomery	415	3	5,951	6.97%
5	Wright	494	9	7,294	6.77%
6	Buchanan	2659	16	42,744	6.22%
7	Macon	470	1	7,569	6.21%
8	Stoddard	760	6	13,850	5.49%
9	Henry	537	2	10,401	5.16%
10	Crawford	528	9	10,370	5.09%



counties, and Brown Shoe removed 988 jobs from nine counties. In both cases, they were all from small towns where the loss of a hundred jobs is devastating. When you rank the jobs lost in comparison to the size of the workforce by county, you find that there are ten Missouri counties which have a cumulative job loss equivalent to 5-10% of their average yearly workforce.

Buchanan County where St. Joseph is located is the only urban county on this list, another indication of the impact of St. Joe's extraordinary loss of jobs to trade.

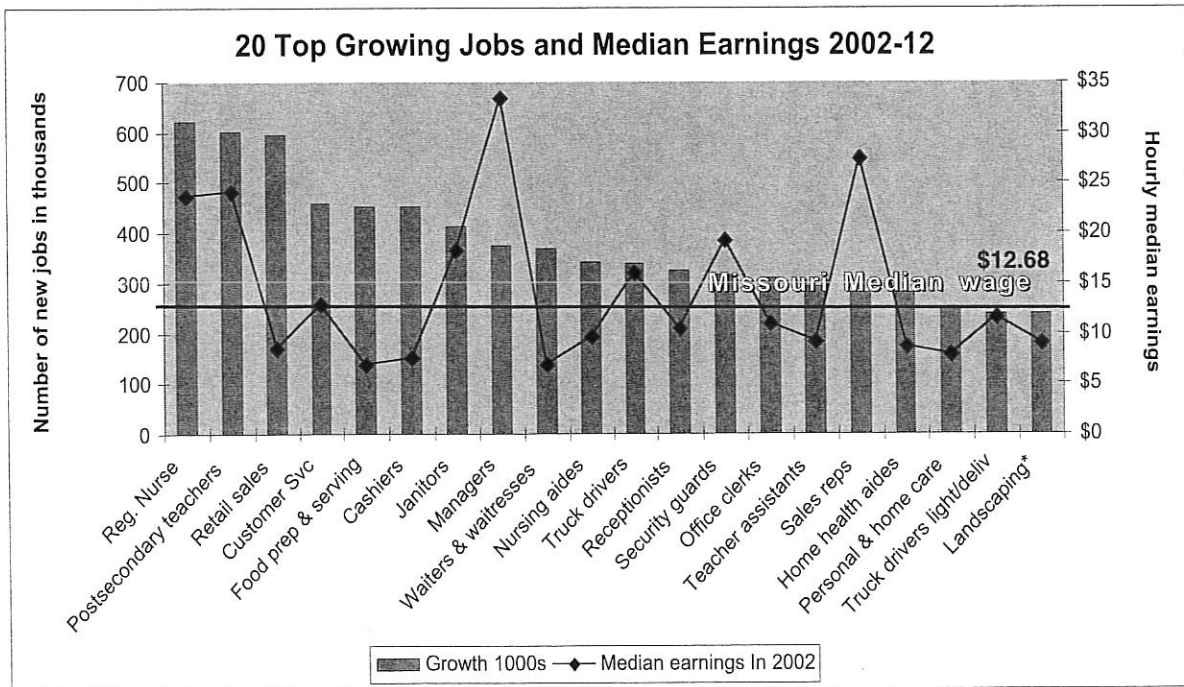
## Assessing the Impact on People

There is mounting evidence that trade-related job loss is affecting the standard of living of Missouri's working families. Those who still have jobs live under a constant threat that their jobs will be offshored. This significantly undercuts their ability to hold onto or improve wages and benefits by bargaining and organizing.<sup>5</sup>

Hardly anyone wants to study what happens to those who have lost jobs, and there is no overall information on Missouri's displaced. One national government study found that of those who received some kind of TAA benefits in 1999, **75% found jobs, but only 56% of those workers earned 80% or more of their previous income before layoff.**<sup>6</sup>

Another study in 2001 found that **"two-thirds of trade-dislocated workers earn less when they find a new job than they did on their old job.** One quarter of these workers experience earnings losses in excess of 30 percent." The report concluded that, "vulnerable workers experience considerable difficulty regaining employment, and suffer large and persistent earnings losses upon reemployment."<sup>7</sup> A 1999 study of Zenith workers in Springfield five years after the final shutdown found that on average the workers took a 10.2% pay cut and substantial benefits cuts with **older, less educated workers taking the deepest cuts.** Also, they suffered from high job turnover. Sadly, the study found that the wages, benefits, and job tenure of the workers who attended retraining were no better than those who didn't.<sup>8</sup>

One of the reasons for loss of earnings and failure of retraining to pay off is the **lack of good replacement jobs.** The manufacturing jobs we've lost in Missouri paid better than average, had better benefits, and often had union representation. The new jobs don't. **Of the 20 fastest growing jobs in the U.S. , 2002-2012 (see chart below), 13 of them - or 65% - pay less than the median wage for Missouri.**<sup>9</sup>



**The loss of good manufacturing jobs (often union-represented) because of our trade agreements has contributed to a general decline in the standard of living of Missourians. It's estimated that just since 2000, Missouri has lost 39,000**

11-6 7

manufacturing jobs.<sup>10</sup> With trade-related manufacturing job loss during the same period at about 12,000 jobs, then 33% of total manufacturing job losses were trade-related. Although the recession supposedly ended in 2002, it has been a jobless recovery, partly because jobs lost to trade generally don't come back and are part of a fundamental restructuring of work in America.

The results are evident in persistently high unemployment rates and declining wages as demonstrated in the following tables:

### Missouri: Income and Poverty<sup>11</sup>

(In 2003 inflation-adjusted dollars)

	2000	2003	Change
<b>Average household income*</b>	<b>\$52,334</b>	<b>\$51,324</b>	<b>-\$1,010</b>
<b>Average family income*</b>	<b>\$61,090</b>	<b>\$60,011</b>	<b>-\$1,079</b>
<b>Individuals below poverty</b> (in previous 12 months)	<b>11.2%</b>	<b>11.7%</b>	<b>40,494</b>

### Missouri: Employment & Unemployment<sup>12</sup>

(March 2001-July 2004 is the period since the recession began)

<b>Job growth 3/2001-7/2004</b>	<b>Working Age Population growth</b>	<b>Job Shortfall</b>
<b>-2.2%</b>	<b>3.5%</b>	<b>-1,570</b>

<b>Unemployment rate 3/2001</b>	<b>Unemployment rate 7/2004</b>	<b>Increase</b>
<b>4.3%</b>	<b>5.5%</b>	<b>1.2%</b>

### Missouri: New Jobs Pay Less<sup>13</sup> (November, 2003)

<b>Wages in Contracting Industries</b>	<b>Wages in Growing Industries</b>	<b>Difference</b>
<b>\$40,223</b>	<b>\$30,059</b>	<b>-25%</b>

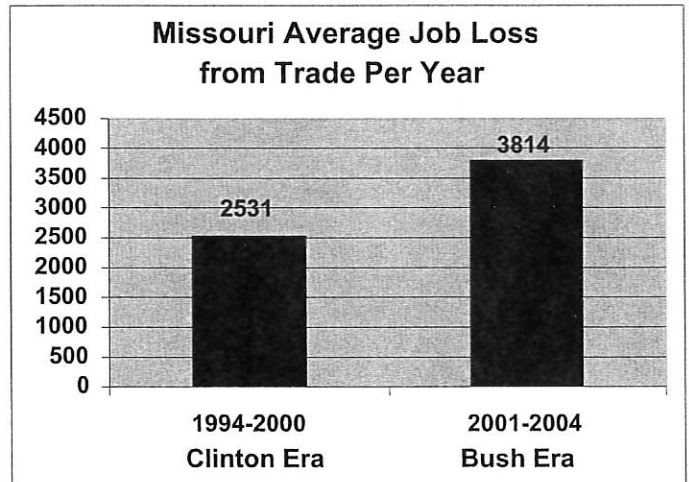
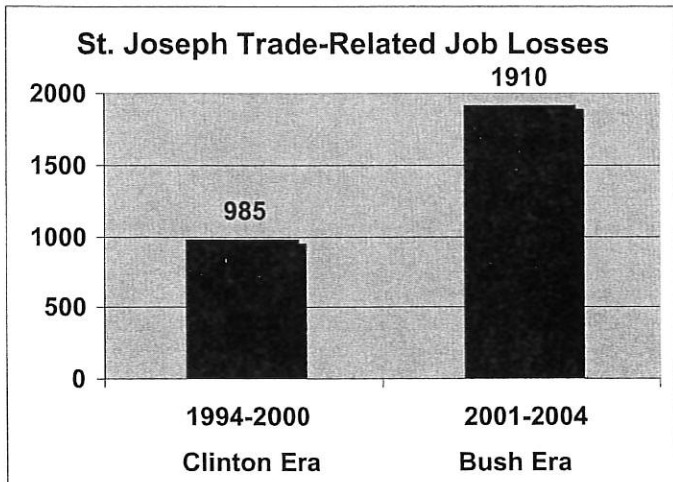
## The solution is political

Missouri didn't lose over 30,000 jobs to trade just because corporations suddenly got greedier or footloose. **It lost them because government policies gave incentives to move jobs.** Our trade agreements grant corporations the right to sell products in the U.S. at high prices while making them abroad at low cost. Even worse, current and proposed trade agreements (NAFTA, the WTO, GATS [services -- guarantying that service jobs will go the way of manufacturing jobs], the Free Trade Area of the Americas, and the Central America Free Trade Agreement [CAFTA] all contain protections for corporations which make it as safe to invest and do business abroad as it is right here in Missouri. Our free trade agreements encourage employers to abandon the U.S. through many complex protections for investment abroad and selective deregulation of imports. For example intellectual property rights sections of trade agreements force poor countries to buy drugs at US prices and allow corporations to patent their native peoples' medicinal plants and crops and force them to pay high prices. Investor rights guarantees in NAFTA protect foreign corporations from loss of profits because of local economic development policies or environmental laws. All trade agreements refuse to insist that core labor rights of workers be respected or that products of sweatshops not be given entry into the U.S. market. All of them have the potential to overrule what's called non-tariff barriers to trade like prohibitions on importing goods harvested by killing mammals or produced by child

labor. **All of our recent trade agreements take the risk out of doing business abroad and facilitate low-cost, regulation-free production abroad and import to the U.S. market. The sum total is that trade and investment agreements give multinational corporations the world and require virtually nothing in exchange in responsible behavior toward workers and communities.**

Without a change in the politics of "free trade." Missouri and the rest of the US will be on an accelerating course backward to conditions not seen in this country since the 1880s. Ciudad Juarez in Mexico has been called the "laboratory of the future." A trip there will show the future that free trading politicians and corporations have in mind for us. It is a future of shantytowns with no infrastructure, massive poverty, dead-end or no education, no social safety net, and skyrocketing crime rates.

Americans were told when NAFTA was adopted that there might be some pain of job loss, but that it would be temporary. The truth is that for the State of Missouri, and especially for St. Joseph, the job losses are escalating. In St. Joe, the absolute numbers of job losses have more than doubled if you compare the seven years of the Clinton administration since NAFTA to the three and one-half years of Bush. For the entire state of Missouri, the rate of job loss has escalated by 50% in the latter period.



### Missouri's Champion Job Destroyers

#### 22 Companies Account for Over Half of Missouri's Trade-Related Job Loss

Company	# Jobs Lost	Reason Given	County
VF and Lee Jeanswear (jeans, pants)	2507	Imports from Mexico [their own]	Greene, Laclede, Pulaski, Texas, Webster, Buchanan
Paramount Headwear (hats)	1650	Imports from & moved to Mexico	Shannon, Carter, Dent, Stoddard, Crawford, Reynolds, Bollinger, Dade, Franklin, Gasconade, Pulaski, Wright
Brown Shoe (shoes and shoe components)	988	Increased imports from Canada	Crawford, Madison, Mississippi, Scott, St. Louis, Texas, Pemiscot, Wayne, Wright
Mead (school, office supplies)	960	Imports [China], moved to Mexico	Buchanan
GST (steel wire rod)	812	Increased imports Canada & Mexico	Jackson

9  
11-8

Holmes (Crockpot)	797	Imports	Henry, Jackson, Saline
Huffy Bicycle (bikes)	736	Moved to Mexico	St. Francois
Dunnbrooke Industries (jackets)	699	Imports	Wayne, Morgan, Lafayette, Cedar, Jackson
Quaker Oats Company (cereall)	665	Moved to Canada	Buchanan
Hagale Industries, Inc (pants, slacks, shorts)	604	None given	Dent, Douglas, Webster, Cedar, Christian, Greene, Stone, Taney
Tri-Con (auto trim, seat covers)	570	Moved to Mexico	Cape Girardeau, Boone
Toastmaster, Inc. (appliance)	513	None given	Macon, Cooper
Sunbeam (outdoor grills)	540	Imports	Newton
Justin Boot (western boots)	511	Increased imports from Mexico	Barry, Jasper
Angelica Image Apparel & Uniform (hospital uniforms, drapes, shirts)	465	Imports and moved to Mexico	St. Louis, Texas, Wright, Madison
Doe Run Company (mining and refining lead, zinc concentrate)	454	Imports and moved to Mexico	Iron, Jefferson
StrideRite (children's shoes, sandals)	445	Moved to Mexico, imports	Caldwell, Moniteau, Callaway
General Mills, Inc. (cookie dough, bread, rolls)	439	Imports	St. Louis
Zenith Electronics Corp (TVs, cabinets)	430	Moved to Mexico	Greene
Florsheim (dress and work shoes)	400	None given	Cape Girardeau
Total	15,185		

## Endnotes

<sup>1</sup> Source for certification data: [www.doleta.gov/tradeact/determinations.cfm](http://www.doleta.gov/tradeact/determinations.cfm) and Public Citizen Global Trade Watch: [www.citizen.org/trade/nafta/](http://www.citizen.org/trade/nafta/) supplemented by Missouri WARN notices. Since until November, 2002 many workers applied for both NAFTA TAA and general TAA and were certified under both programs, a detailed combing of the records is necessary to eliminate the duplicates. Even with that, there is probably an overestimation of the numbers because not all eligible workers at a company affected by trade-related job loss are necessarily laid off.

<sup>2</sup> Other examples of outsourcing of service jobs which don't show up on the TAA lists are: American Airlines - 750 call center jobs from St. Louis in January, 2003, Sprint, Gateway, and AT&T. According to Jesse Lacey, Secretary Treasurer of CWA Local 6450, AT&T indirectly outsourced overseas about 1200 jobs from 2000-2004. They have done so mainly by attrition and layoffs for "domestic" reasons.

<sup>3</sup> An example of disguised offshoring is Hussman Refrigeration in St. Louis which has lost about 875 jobs since 12/00 which the [St. Louis Post Dispatch](#) attributes to "downturns in the economy and shifting of some work to Mexico." (7/1/04). There are no TAA certifications for Hussman.

<sup>4</sup> Thanks to UMKC Center for Economic Information for the maps.

<sup>5</sup> In July, 2004, the Steelworkers Union at Hussman Refrigeration in St. Louis was summoned to early negotiations on their labor contract and told that if they approved a new contract with significant concessions on health care, two new model lines would be added. If they rejected the contract those



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lines would go to Mexico. The union took the contract and members are now paying 20% of their health care costs. (St. Louis Post Dispatch, 7/1/04). As for organizing, a well-known national study concluded that just as the threat of outsourcing limits unions' bargaining power, it also discourages workers from organizing unions. ". . .the recent acceleration in capital mobility has had a devastating impact on the extent and nature of union organizing campaigns. Where employers can credibly threaten to shut down and/or move their operations in response to union activity, they do so in large numbers. Overall, more than half of all employers made threats to close all or part of the plant during the organizing drive. The threat rate is significantly higher, 68 percent, in mobile industries such as manufacturing, communication, and wholesale/distribution, compared to a 36 percent threat rate in relatively immobile industries such as construction, health care, education, retail, and other services." Kate Bronfenbrenner, Uneasy Terrain: The Impact of Capital Mobility on Workers, Wages, and Union Organizing, Report submitted to the U.S. Trade Deficit Review Commission (9/6/00)

<sup>6</sup> Government Accounting Office. Trade Adjustment Assistance: Trends, Outcomes, and Management Issues in Dislocated Worker Programs (October, 2000), found at [www.gao.gov/new.items/d0159.pdf](http://www.gao.gov/new.items/d0159.pdf)

<sup>7</sup> Lori G. Kletzer, Job Loss from Imports: Measuring the Costs. Institute for International Economics (2001), found at <http://www.iie.com/publications/newsreleases/kletzer.htm>

<sup>8</sup> Tim Knapp and John Harms, "When the Screen Goes Blank: A Television Plant Closing and Its Impacts on Workers" The Sociological Quarterly vol 23 #4 (2002).

<sup>9</sup> U.S. Department of Labor Bureau of Labor Statistics.

<sup>10</sup> U.S. Bureau of Labor Statistics. According to the US Bureau of Census Missouri manufacturing civilian employment has declined from 13.86% in 2000 to 12.81% in 2004.

<sup>11</sup> U.S. Bureau of Census.

<sup>12</sup> Economic Policy Institute

<sup>13</sup> Ibid.

**Testimony Supporting HCR 5033**  
**House Federal and State Affairs Committee**  
**March 17, 2008**

Chairman Siegfried and Honorable Members of the Committee:

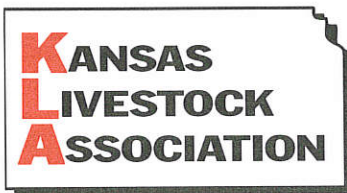
My name is Tom Thompson and I represent the Kansas Chapter of the Sierra Club. I submit this testimony in support HCR 5033.

It would particularly like to see the repeal of NAFTA and other international agreements that don't respect the environmental, health and safety protections of member nations. The Sierra Club believes that communities in Kansas and across the nation are at risk of dirtier air and water as a result of the agreements stated in this resolution.

International agreements mentioned in this bill undermine environmental safeguards, workers rights and democratic values. We need trade policies that are safe, clean and fair.

The Sierra Club encourages the Committee to support HCR 5033.

Thank you  
Tom Thompson  
Sierra Club



Since 1894

## TESTIMONY

To: The House Federal and State Affairs  
Rep. Arlen Siegfried, Chairperson

From: John Donley

Date: March 17, 2008

Subject: **House Concurrent Resolution 5033**—A concurrent resolution urging the United States to withdraw for the Security and Prosperity Partnership of North America and NAFTA

*The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing approximately 6,000 members on legislative and regulatory issues. KLA members are involved in many aspects of the livestock industry, including seed stock, cow-calf and stocker production, cattle feeding, grazing land management and diversified farming operations.*

Good Afternoon. My name is John Donley. I am Assistant General Counsel for the Kansas Livestock Association.

I am providing written testimony as an opponent to House Concurrent Resolution 5033. I would like to start out by stating that no other single industry in the United States has benefitted more from NAFTA than the U.S. beef industry.

Prior to NAFTA, Mexico was an inconsistent market for United States beef. Since the passage of NAFTA, Mexico has become our most consistent export market for United States and Kansas beef products. Annual beef exports to Mexico have increased by \$1 billion since the implementation of NAFTA. In fact, Mexico was one of the few trade partners that continued to adhere to sound scientific principles when they never waived in their commitment to continue to allow U.S. beef into their country after the B.S.E. saga that occurred at the end of 2003. Without the consistency of the Mexican export market, the U.S. and Kansas beef industry would have suffered substantial losses.

In conclusion, the Kansas and U.S. beef industry is a progressive industry, and we believe that we can compete very aggressively in the world marketplace with our product. Kansas beef producers know that our future and that of our families depends on the viability and growth of our industry. The greatest opportunity for such growth hinges on our ability to market our safe, wholesome, high quality beef around the world. Therefore, we ask that you oppose HCR 5033.

House Fed and State Committee  
March 17, 2008



March 17, 2008

**TO: House Federal and State Affairs Committee**

**FROM: Brad Harrelson, State Policy Director – Kansas Farm Bureau**

**RE: HCR 5033 – Withdrawal from NAFTA**

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The North American Free Trade Agreement (NAFTA) is an exceptional demonstration of the rewards to outward-looking countries that implement policies of trade fairness as a way to increase wealth and improve competitiveness. The NAFTA is an example of the benefits that all countries could derive from moving forward with multilateral trade liberalization. Farmers, workers and manufacturers benefit from the reduction of arbitrary and discriminatory trade rules, while consumers enjoy lower prices and more choices.

When Congress approved NAFTA in 1993, Kansas' exports to Canada and Mexico totaled \$887.75 million. Today, Kansas Exports exceed \$2 Billion – an increase of more than 120%. In fact, over 26% of all Kansas total merchandise exports go to Canada and Mexico.

In short, NAFTA has been good for U.S. and Kansas consumers, businesses and agriculture. We encourage you to carefully review the attached information and fully understand the beneficial impact of NAFTA as you consider HCR 5033. Thank you.

House Fed and State Committee  
March 17, 2008

Attachment

14



# NAFTA Facts

Office of the United States Trade Representative  
NAFTA Policy Brief –October 2007

[www.ustr.gov](http://www.ustr.gov)

## NAFTA Benefits

### *How has NAFTA benefited the United States?*

#### Trade and Investment Flows Have Substantially Increased

- From 1993 to 2006, trade among the NAFTA nations climbed 198 percent, from \$297 billion to \$883 billion.
- U.S. merchandise exports to our NAFTA partners grew more rapidly – at 157 percent – than our exports to the rest of the world, at 108 percent.
- As of 2006, each day the NAFTA countries conducted nearly \$2.4 billion in trilateral trade.
- Canada and Mexico are our first and second largest export markets; last year, U.S. exports to our NAFTA partners alone accounted for 35 percent of total U.S. exports.
- For agriculture, Canada and Mexico alone account for 50 percent of the increase in U.S. agricultural exports to the world since 1993.
- NAFTA has been good for Mexican agriculture. Trade growth has been remarkably balanced, with U.S. agricultural exports to Mexico increasing by \$7.3 billion and U.S. agricultural imports from Mexico increasing by \$6.7 billion during the last 13 years.

#### Result: U.S. Economic Growth during the 14 years of NAFTA Has Been Strong

- Jobs. U.S. employment rose from 112.2 million in December 1993 to 137.2 million in December 2006, an increase of 25 million jobs, or 22 percent. The average unemployment rate was 5.1 percent in the period 1994-2006, compared to 7.1 percent during the period 1981-1993.
- Manufacturing. U.S. manufacturing output rose by 63 percent between 1993 and 2006, exceeding the 37 percent increase achieved between 1980 and 1993.
- Compensation. Growth in real compensation for manufacturing workers improved dramatically. Average real compensation grew at an average annual rate of 1.6 percent from 1993 to 2006, compared to just 0.9 percent annually between 1980 and 1993.
- Investment. Productive investment, central to rising living standards, has increased. Even excluding housing, U.S. non-residential fixed, or business, investment has risen by 107 percent since 1993, compared to a 45 percent increase between 1980 and 1993.

### US Ag Export Changes Resulting from NAFTA

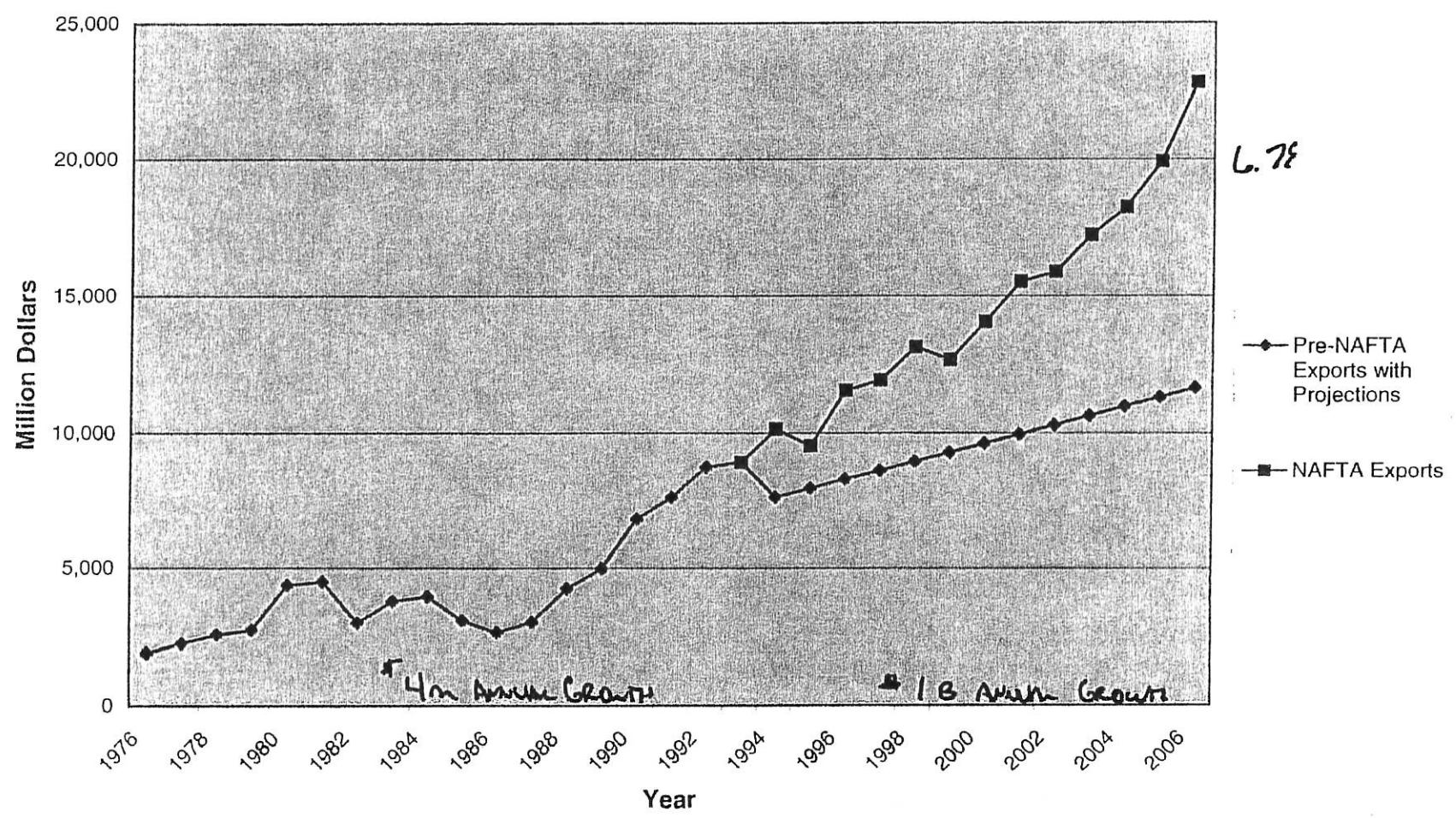
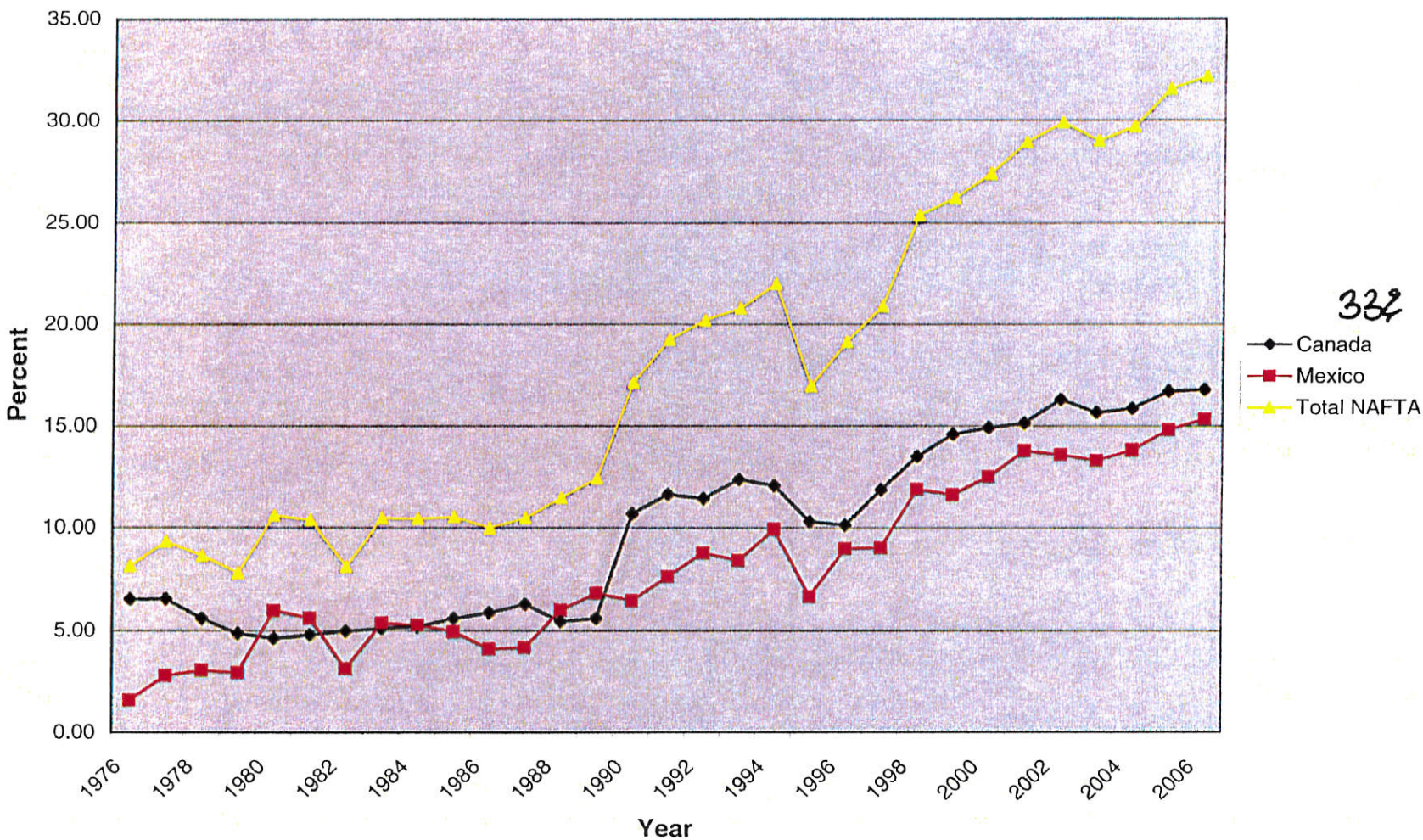


Table 3. Overall Gains since NAFTA Implementation

Year	Projected Trade	Actual Trade	Total Gain
		\$ US	
1994	7,594,376,623	10,151,464,712	2,557,088,089
1995	7,932,434,076	9,544,698,748	1,612,264,672
1996	8,270,491,529	11,560,461,613	3,289,970,084
1997	8,608,548,983	11,940,880,899	3,332,331,916
1998	8,946,606,436	13,147,059,598	4,200,453,162
1999	9,284,663,889	12,681,916,955	3,397,253,066
2000	9,622,721,343	14,050,079,469	4,427,358,126
2001	9,960,778,796	15,525,620,107	5,564,841,311
2002	10,298,836,250	15,885,936,519	5,587,100,269
2003	10,636,893,703	17,217,779,197	6,580,885,494
2004	10,974,951,156	18,234,225,509	7,259,274,353
2005	11,313,008,610	19,932,142,619	8,619,134,009
2006	11,651,066,063	22,826,321,508	11,175,255,445

# Percentage of US Ag Exports to NAFTA Countries



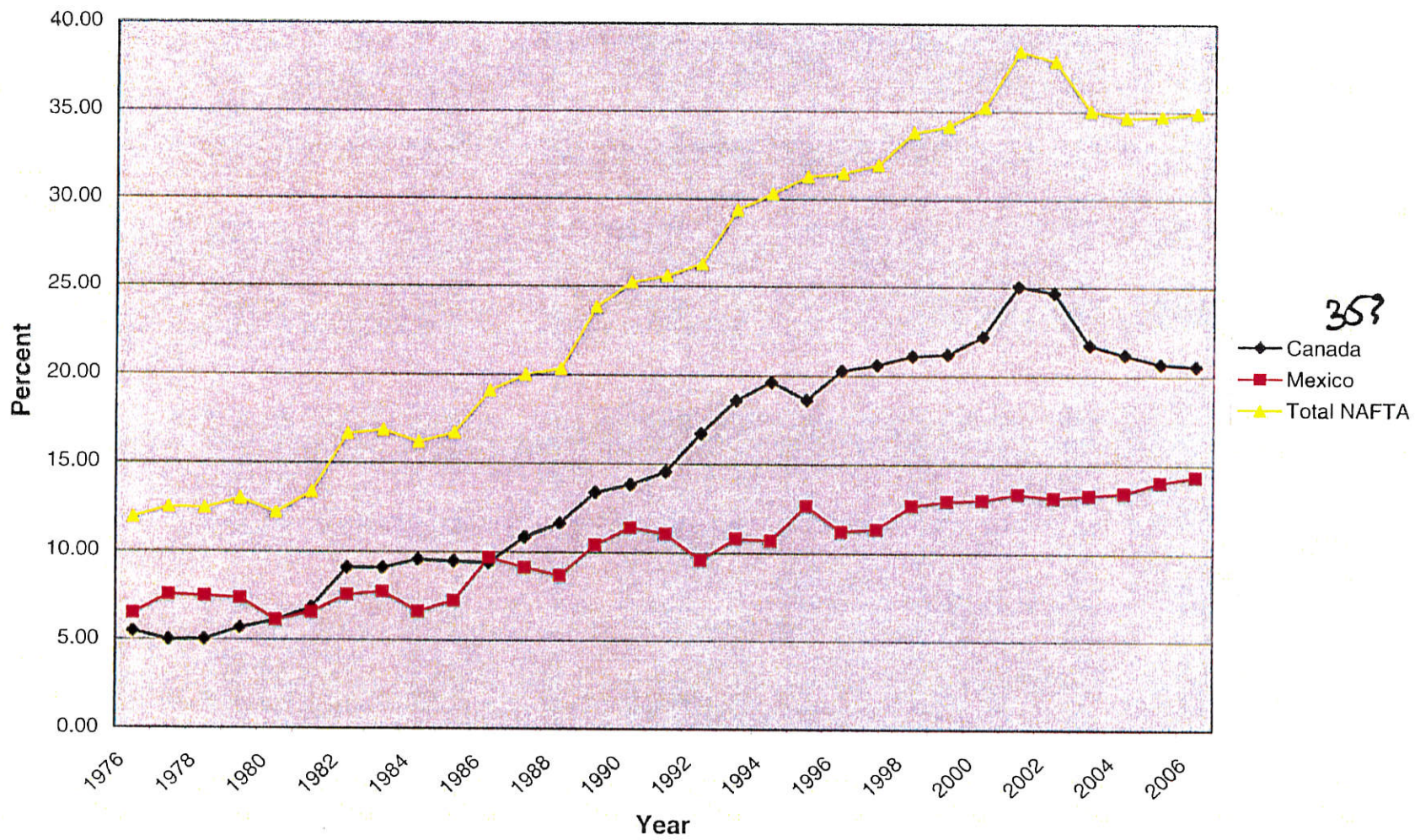
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# Percentage of US Ag Imports from NAFTA Countries

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Table 2. Cumulative (1994-2006) Ag Exports Gains by State

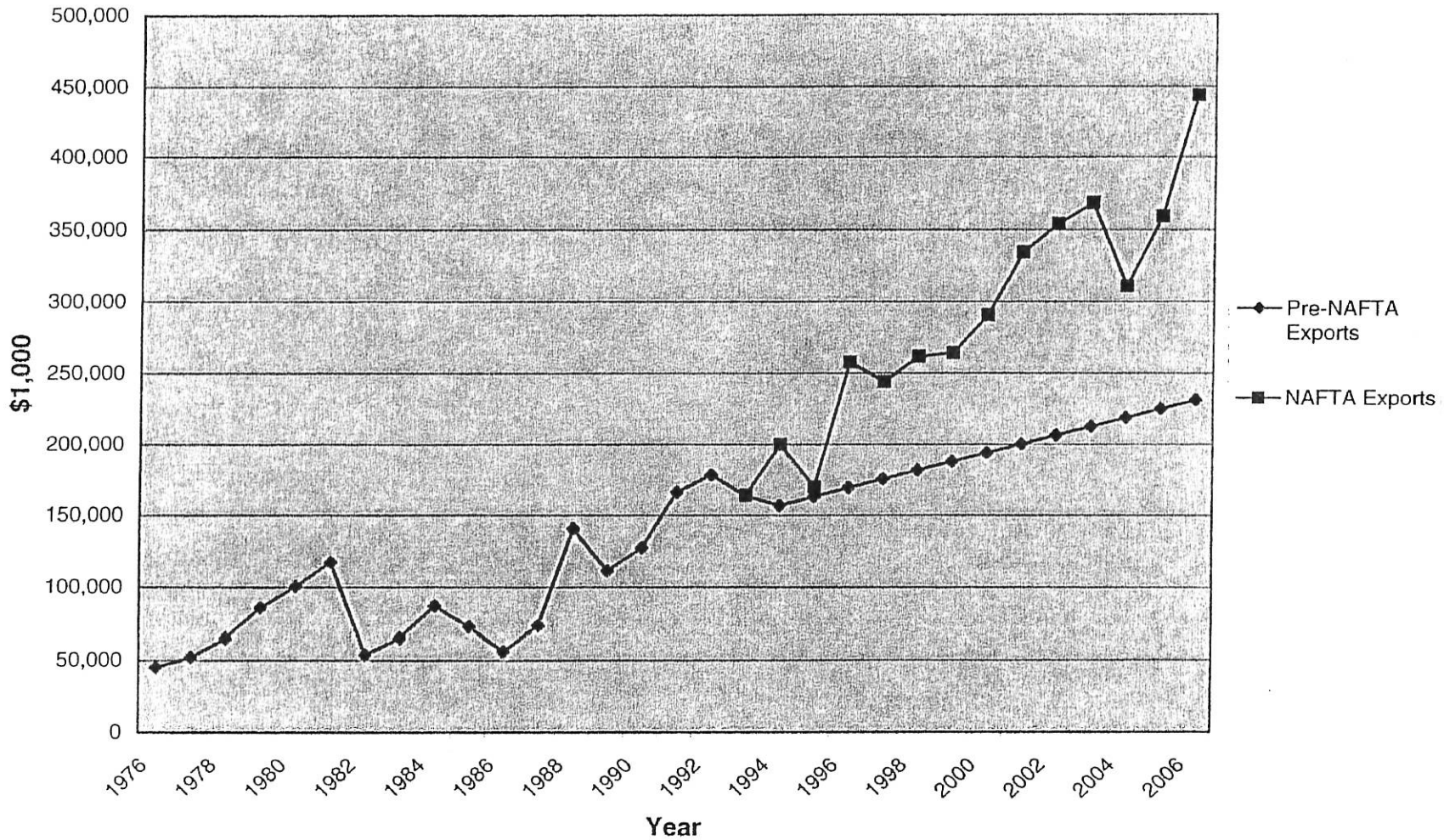
State	WO/ NAFTA	W/NAFTA	Gain in Trade
	Projected	Actual \$ US	
Alabama	1,954,843,458	3,011,266,928	1,056,423,470
Alaska	33,574,251	51,718,223	18,143,973
Arizona	1,505,306,735	2,318,794,566	813,487,831
Arkansas	3,222,678,951	4,964,257,627	1,741,578,676
California	16,417,862,880	25,290,294,896	8,872,432,016
Colorado	2,935,299,616	4,521,574,667	1,586,275,051
Connecticut	273,752,638	421,692,213	147,939,576
Delaware	506,674,328	780,487,890	273,813,563
Florida	3,646,208,674	5,616,668,460	1,970,459,786
Georgia	3,139,567,807	4,836,232,112	1,696,664,306
Hawaii	289,943,752	446,633,221	156,689,470
Idaho	2,308,550,995	3,556,122,734	1,247,571,740
Illinois	4,514,889,210	6,954,795,540	2,439,906,330
Indiana	3,122,898,315	4,810,554,205	1,687,655,890
Iowa	7,898,852,967	12,167,498,433	4,268,645,466
Kansas	5,403,727,471	8,323,973,849	2,920,246,378
Kentucky	2,095,032,605	3,227,216,161	1,132,183,555
Louisiana	1,142,971,675	1,760,648,808	617,677,133
Maine	309,337,119	476,507,023	167,169,904
Maryland	835,303,910	1,286,713,281	451,409,371
Massachusetts	226,393,276	348,739,221	122,345,945
Michigan	2,346,279,025	3,614,239,495	1,267,960,470
Minnesota	5,107,665,194	7,867,915,570	2,760,250,376
Mississippi	1,980,696,750	3,051,091,684	1,070,394,934
Missouri	2,938,888,230	4,527,102,617	1,588,214,387
Montana	1,228,179,837	1,891,904,598	663,724,761
Nebraska	6,295,939,992	9,698,349,913	3,402,409,921
Nevada	233,463,851	359,630,829	126,166,978
New Hampshire	84,593,853	130,309,499	45,715,646
New Jersey	483,047,713	744,093,138	261,045,425
New Mexico	1,287,972,829	1,984,010,519	696,037,690
New York	1,834,565,789	2,825,989,603	991,423,814
North Carolina	4,286,757,568	6,603,378,517	2,316,620,949
North Dakota	2,081,191,553	3,205,895,219	1,124,703,666
Ohio	2,864,885,601	4,413,107,979	1,548,222,379
Oklahoma	2,663,031,255	4,102,168,854	1,439,137,599
Oregon	2,086,361,689	3,213,859,364	1,127,497,676
Pennsylvania	2,452,889,739	3,778,464,061	1,325,574,322
Rhode Island	34,317,696	52,863,437	18,545,741
South Carolina	988,469,371	1,522,651,399	534,182,028
South Dakota	2,465,694,569	3,798,188,791	1,332,494,223
Tennessee	1,340,989,068	2,065,677,441	724,688,373
Texas	8,379,057,602	12,907,212,056	4,528,154,454
Utah	650,213,163	1,001,597,026	351,383,863
Vermont	261,822,481	403,314,840	141,492,360
Virginia	1,405,681,376	2,165,330,335	759,648,959
Washington	3,209,558,340	4,944,046,463	1,734,488,123
West Virginia	235,032,824	362,047,696	127,014,872

Table 1.

## 2006 Ag Exports Gains by State

State	WO/ NAFTA	W/NAFTA	Gain in Trade
	Projected	Actual	
		\$ US	
Alabama	182,069,160	356,702,911	174,633,751
Alaska	3,127,021	6,126,339	2,999,318
Arizona	140,200,450	274,675,341	134,474,891
Arkansas	300,152,141	588,046,556	287,894,415
California	1,529,118,093	2,995,789,486	1,466,671,393
Colorado	273,386,359	535,608,062	262,221,704
Connecticut	25,496,626	49,952,011	24,455,385
Delaware	47,190,361	92,453,545	45,263,184
Florida	339,598,625	665,328,593	325,729,968
Georgia	292,411,380	572,881,154	280,469,774
Hawaii	27,004,625	52,906,426	25,901,800
Idaho	215,012,582	421,244,400	206,231,818
Illinois	420,505,326	823,837,897	403,332,571
Indiana	290,858,826	569,839,449	278,980,624
Iowa	735,679,124	1,441,314,308	705,635,184
Kansas	503,289,466	986,025,408	482,735,942
Kentucky	195,126,021	382,283,413	187,157,391
Louisiana	106,453,482	208,559,576	102,106,095
Maine	28,810,874	56,445,159	27,634,285
Maryland	77,798,087	152,419,026	74,620,939
Massachusetts	21,085,695	41,310,285	20,224,590
Michigan	218,526,475	428,128,684	209,602,209
Minnesota	475,714,977	932,002,527	456,287,550
Mississippi	184,477,070	361,420,396	176,943,326
Missouri	273,720,593	536,262,882	262,542,289
Montana	114,389,554	224,107,624	109,718,070
Nebraska	586,387,877	1,148,828,625	562,440,748
Nevada	21,744,231	42,600,462	20,856,232
New Hampshire	7,878,857	15,435,954	7,557,097
New Jersey	44,989,838	88,142,365	43,152,526
New Mexico	119,958,521	235,018,132	115,059,610
New York	170,866,803	334,755,683	163,888,880
North Carolina	399,257,723	782,210,410	382,952,686
North Dakota	193,836,901	379,757,817	185,920,917
Ohio	266,828,176	522,759,523	255,931,347
Oklahoma	248,027,974	485,926,889	237,898,915
Oregon	194,318,434	380,701,219	186,382,785
Pennsylvania	228,455,927	447,582,085	219,126,158
Rhode Island	3,196,263	6,261,996	3,065,733
South Carolina	92,063,529	180,367,334	88,303,804
South Dakota	229,648,536	449,918,599	220,270,063
Tennessee	124,896,319	244,692,076	119,795,757
Texas	780,404,166	1,528,937,892	748,533,727
Utah	60,559,204	118,645,269	58,086,065
Vermont	24,385,482	47,775,100	23,389,618
Virginia	130,921,597	256,496,568	125,574,971
Washington	298,930,120	585,652,420	286,722,300
West Virginia	21,890,361	42,886,755	20,996,394

### Exports of Selected Kansas Farm Commodities Under NAFTA



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6

Table 6. Gains in Exports of Selected Kansas Commodities I  
(Cattle, Wheat, Corn, Soybeans, & Hogs)

	NAFTA Exports		Gain
	Projected	Actual	
		\$1,000	
1994	156,734	199,842	43,108
1995	162,948	169,696	6,748
1996	169,162	257,847	88,685
1997	175,376	244,148	68,772
1998	181,590	261,867	80,277
1999	187,804	264,321	76,517
2000	194,019	290,584	96,565
2001	200,233	334,650	134,418
2002	206,447	354,292	147,845
2003	212,661	368,643	155,982
2004	218,875	311,000	92,125
2005	225,089	359,547	134,458
2006	231,303	443,945	212,642
Totals	2,522,241	3,860,382	1,338,142

**Table 5. Gains In Selected Kansas Farm Exports from NAFTA**

**Table 5A. Gains in Cattle Exports**

	NAFTA Exports		Gain
	Projected	Actual	
	In \$1,000		
1994	100,596	120,523	19,928
1995	105,978	83,206	-22,771
1996	111,360	98,694	-12,665
1997	116,742	129,141	12,399
1998	122,124	137,640	15,516
1999	127,506	144,327	16,821
2000	132,888	170,235	37,347
2001	138,270	184,307	46,036
2002	143,652	178,173	34,521
2003	149,035	170,223	21,188
2004	154,417	96,694	-57,723
2005	159,799	150,199	-9,599
2006	165,181	213,210	48,029
Totals	1,727,547	1,876,573	149,026

**Table 5B. Gains in Wheat Exports**

	NAFTA Exports		Gain
	Projected	Actual	
	In \$1,000		
1994	14,402	23,968	9,566
1995	14,505	32,428	17,923
1996	14,608	66,323	51,714
1997	14,712	41,544	26,833
1998	14,815	47,279	32,464
1999	14,918	50,192	35,273
2000	15,022	45,856	30,834
2001	15,125	58,234	43,109
2002	15,228	72,083	56,854
2003	15,332	81,747	66,415
2004	15,435	93,418	77,983
2005	15,539	89,007	73,469
2006	15,642	88,653	73,011
Totals	195,283	790,731	595,449

**Table 5C. Gains in Corn Exports**

	NAFTA Exports		Gain
	Projected	Actual	
	In \$1,000		
1994	16,356	22,417	6,061
1995	16,510	24,279	7,769
1996	16,664	50,979	34,315
1997	16,819	23,231	6,413
1998	16,973	34,488	17,516
1999	17,127	29,459	12,331
2000	17,282	30,365	13,084
2001	17,436	39,261	21,825
2002	17,590	45,345	27,755
2003	17,744	46,179	28,434
2004	17,899	44,140	26,242
2005	18,053	40,424	22,371
2006	18,207	56,550	38,342
Totals	224,660	487,117	262,457

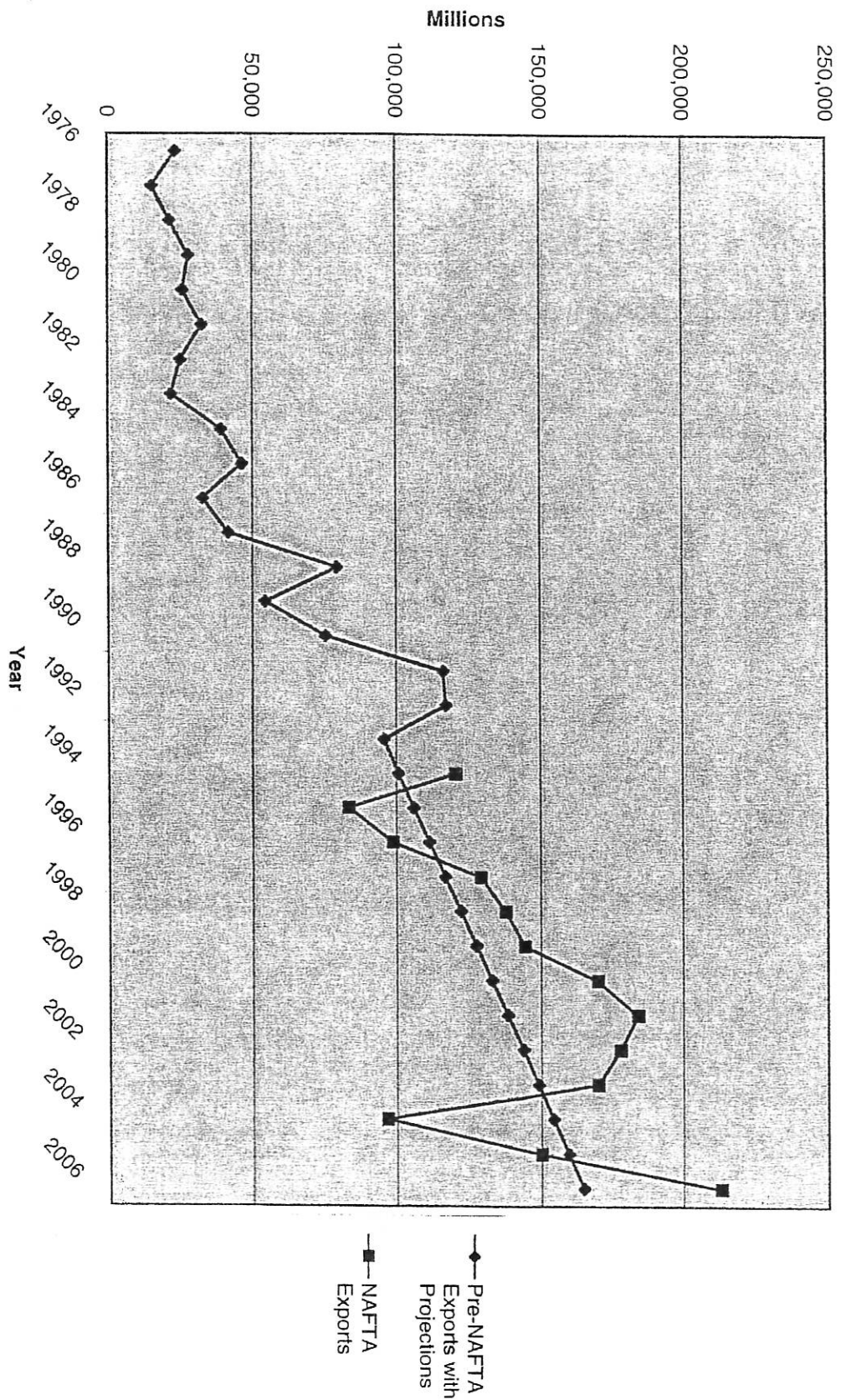
**Table 5D. Gains in Soybean Exports**

	NAFTA Exports		Gain
	Projected	Actual	
	In \$1,000		
1994	22,796	27,055	4,259
1995	23,497	26,125	2,628
1996	24,198	36,769	12,571
1997	24,898	43,224	18,326
1998	25,599	34,900	9,301
1999	26,300	32,751	6,451
2000	27,000	33,232	6,232
2001	27,701	40,043	12,342
2002	28,401	45,811	17,410
2003	29,102	55,857	26,755
2004	29,803	52,128	22,326
2005	30,503	54,201	23,698
2006	31,204	57,516	26,312
Totals	351,002	539,611	188,609

**Table 5E. Gains in Hog Exports**

	NAFTA Exports		Gain
	Projected	Actual	
	In \$1,000		
1994	2,584	5,879	3,295
1995	2,458	3,658	1,200
1996	2,332	5,083	2,751
1997	2,205	7,007	4,802
1998	2,079	7,560	5,481
1999	1,953	7,593	5,640
2000	1,827	10,895	9,068
2001	1,700	12,806	11,106
2002	1,574	12,879	11,305
2003	1,448	14,638	13,190
2004	1,321	24,620	23,298
2005	1,195	25,716	24,521
2006	1,069	28,016	26,947
Totals	23,745	166,350	142,605

# Kansas Beef Exports Resulting from NAFTA



14-12

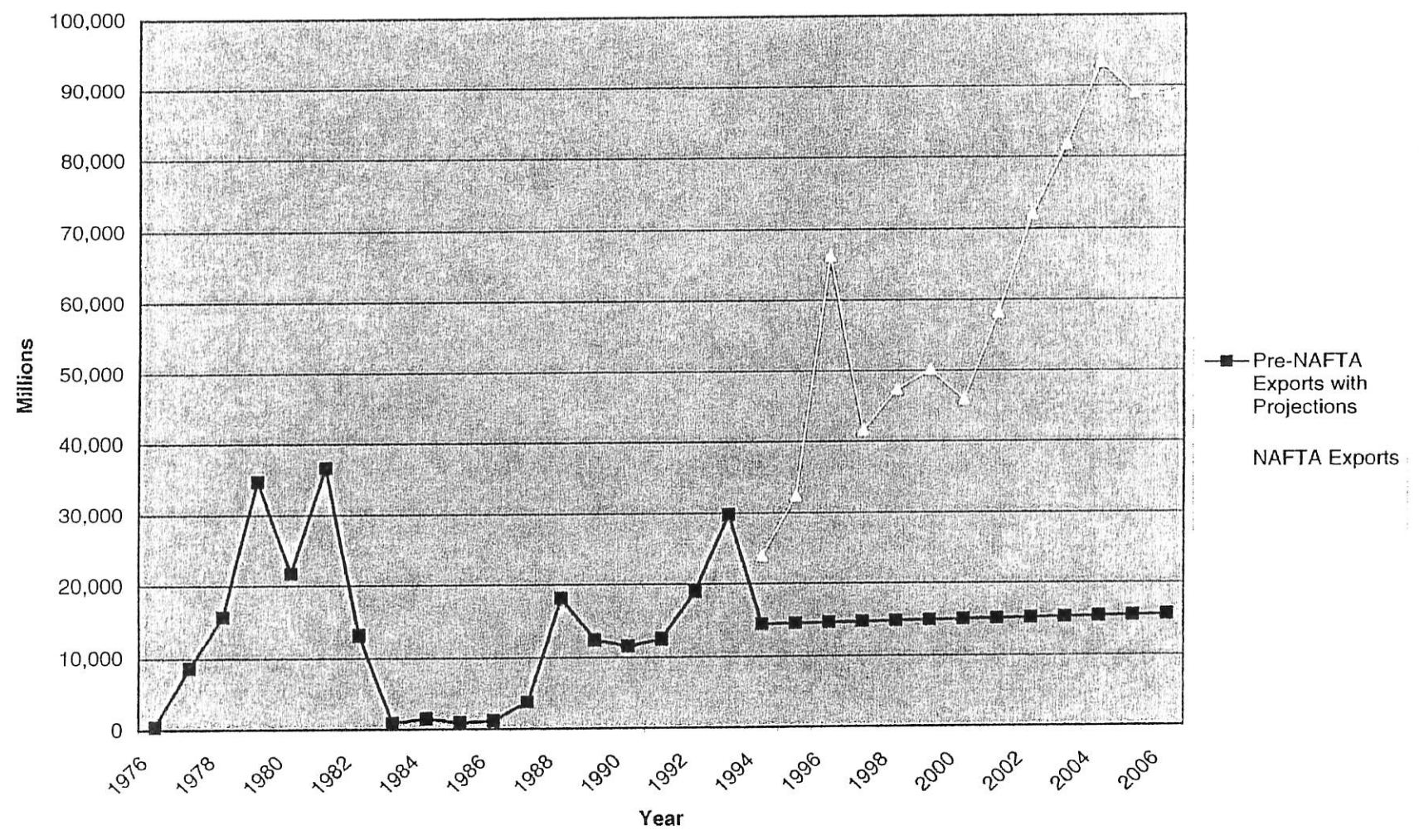
Gains in Kansas Cattle Exports from NAFTA

Year	Pre-NAFTA Exports with Projections	NAFTA Exports
1976	23,317	
1977	15,313	
1978	21,349	
1979	27,898	
1980	25,850	
1981	32,424	
1982	25,065	
1983	21,771	
1984	39,111	
1985	46,363	
1986	32,721	
1987	41,715	
1988	79,049	
1989	54,346	
1990	75,081	
1991	116,294	
1992	117,145	
1993	95,569	
1994	100,596	120,523
1995	105,978	83,206
1996	111,360	98,694
1997	116,742	129,141
1998	122,124	137,640
1999	127,506	144,327
2000	132,888	170,235
2001	138,270	184,307
2002	143,652	178,173
2003	149,035	170,223
2004	154,417	96,694
2005	159,799	150,199
2006	165,181	213,210



14-14

### Kansas Wheat Exports Resulting from NAFTA



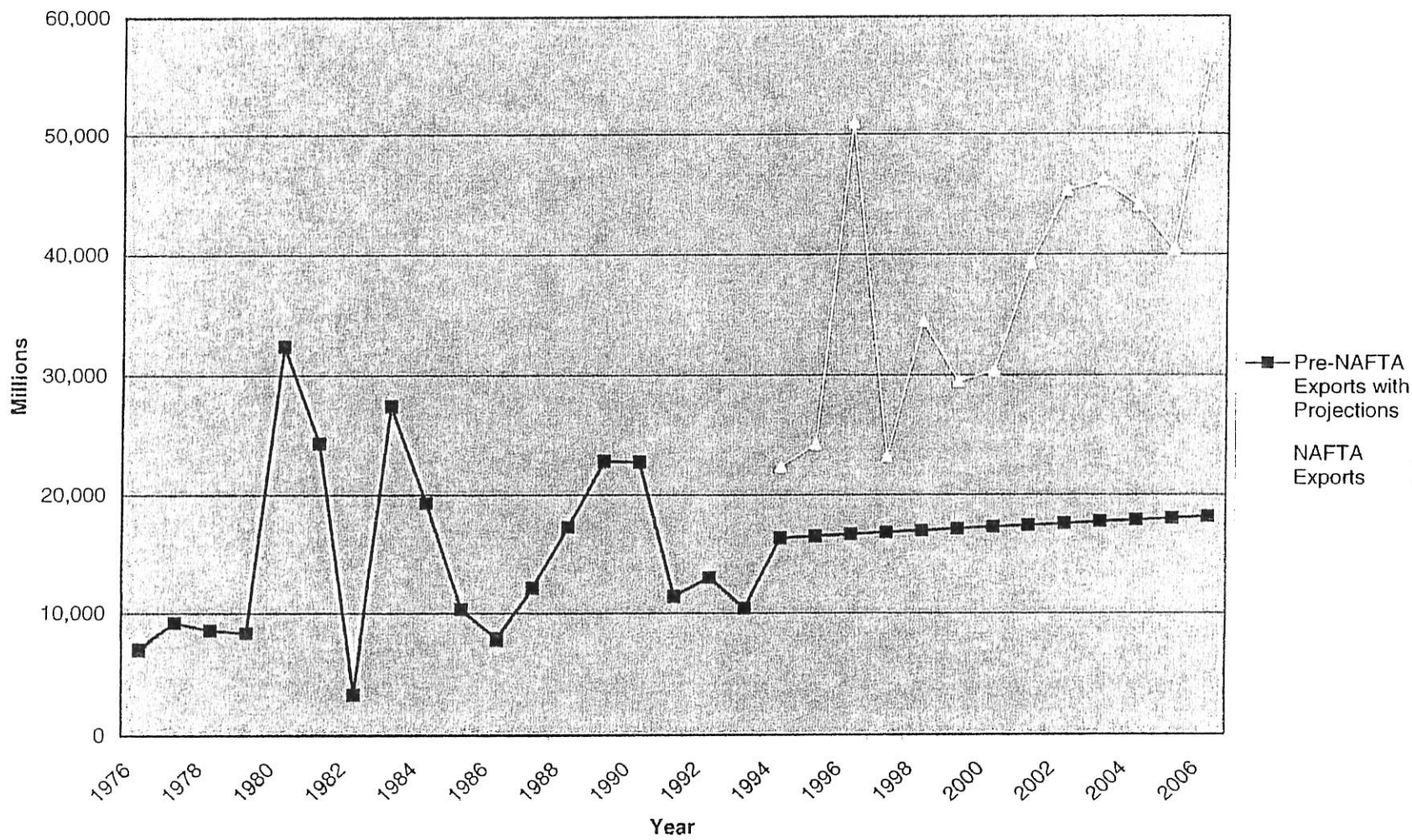
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Kansas Wheat Exports Resulting from NAFTA

Year	Pre-NAFTA Exports with Projections	NAFTA Exports
1976	360	
1977	8,607	
1978	15,635	
1979	34,631	
1980	21,669	
1981	36,565	
1982	13,038	
1983	822	
1984	1,413	
1985	860	
1986	1,092	
1987	3,686	
1988	18,165	
1989	12,334	
1990	11,507	
1991	12,399	
1992	19,021	
1993	29,753	
1994	14,402	23,968
1995	14,505	32,428
1996	14,608	66,323
1997	14,712	41,544
1998	14,815	47,279
1999	14,918	50,192
2000	15,022	45,856
2001	15,125	58,234
2002	15,228	72,083
2003	15,332	81,747
2004	15,435	93,418
2005	15,539	89,007
2006	15,642	88,653

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### Kansas Corn Exports Resulting from NAFTA

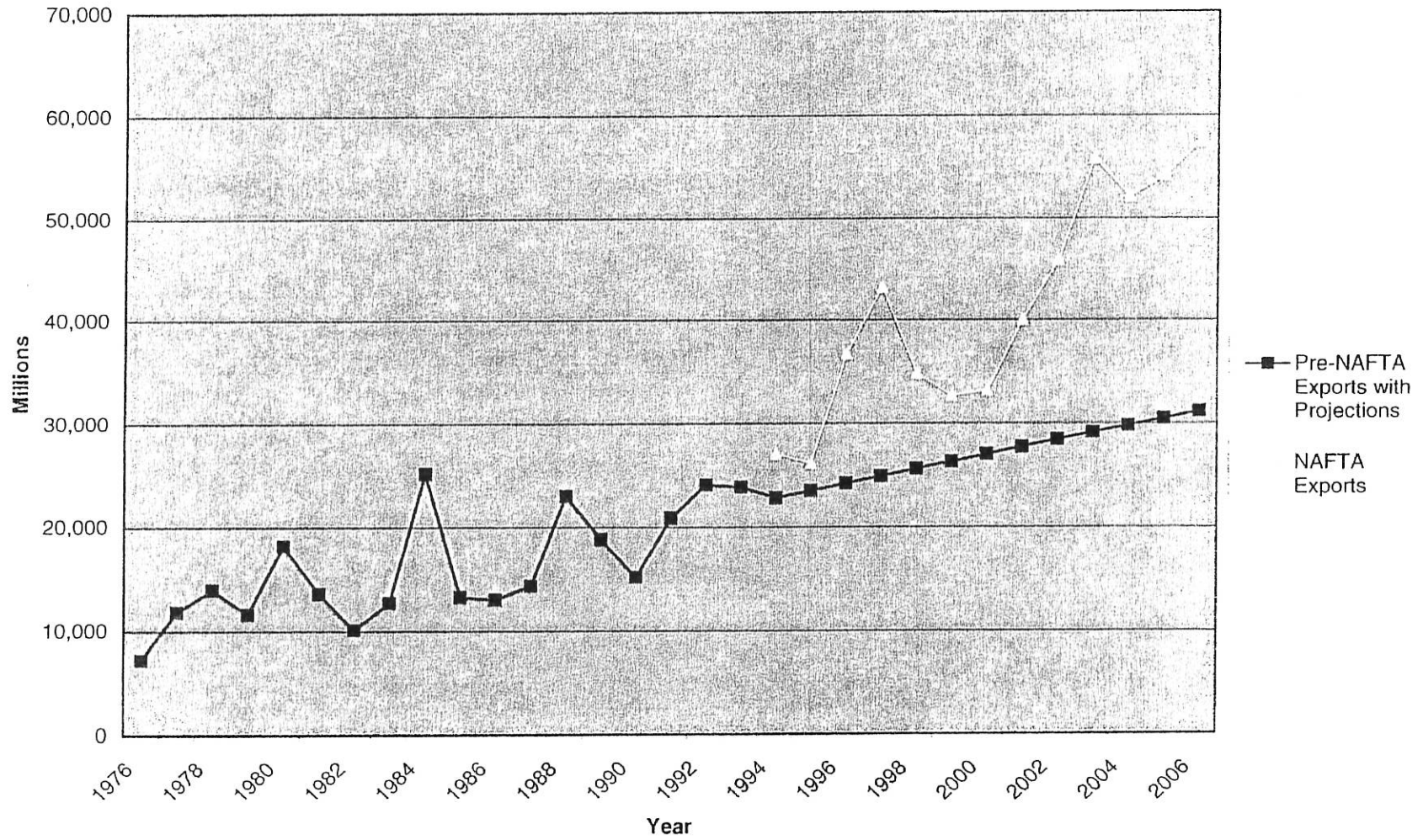


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Kansas Corn Exports Resulting from NAFTA

Year	Pre-NAFTA Exports with Projections	NAFTA Exports
1976	7,043	
1977	9,233	
1978	8,570	
1979	8,335	
1980	32,404	
1981	24,339	
1982	3,380	
1983	27,420	
1984	19,325	
1985	10,313	
1986	7,886	
1987	12,087	
1988	17,265	
1989	22,854	
1990	22,786	
1991	11,387	
1992	12,970	
1993	10,420	
1994	16,356	22,417
1995	16,510	24,279
1996	16,664	50,979
1997	16,819	23,231
1998	16,973	34,488
1999	17,127	29,459
2000	17,282	30,365
2001	17,436	39,261
2002	17,590	45,345
2003	17,744	46,179
2004	17,899	44,140
2005	18,053	40,424
2006	18,207	56,550
Totals	224,660	487,117

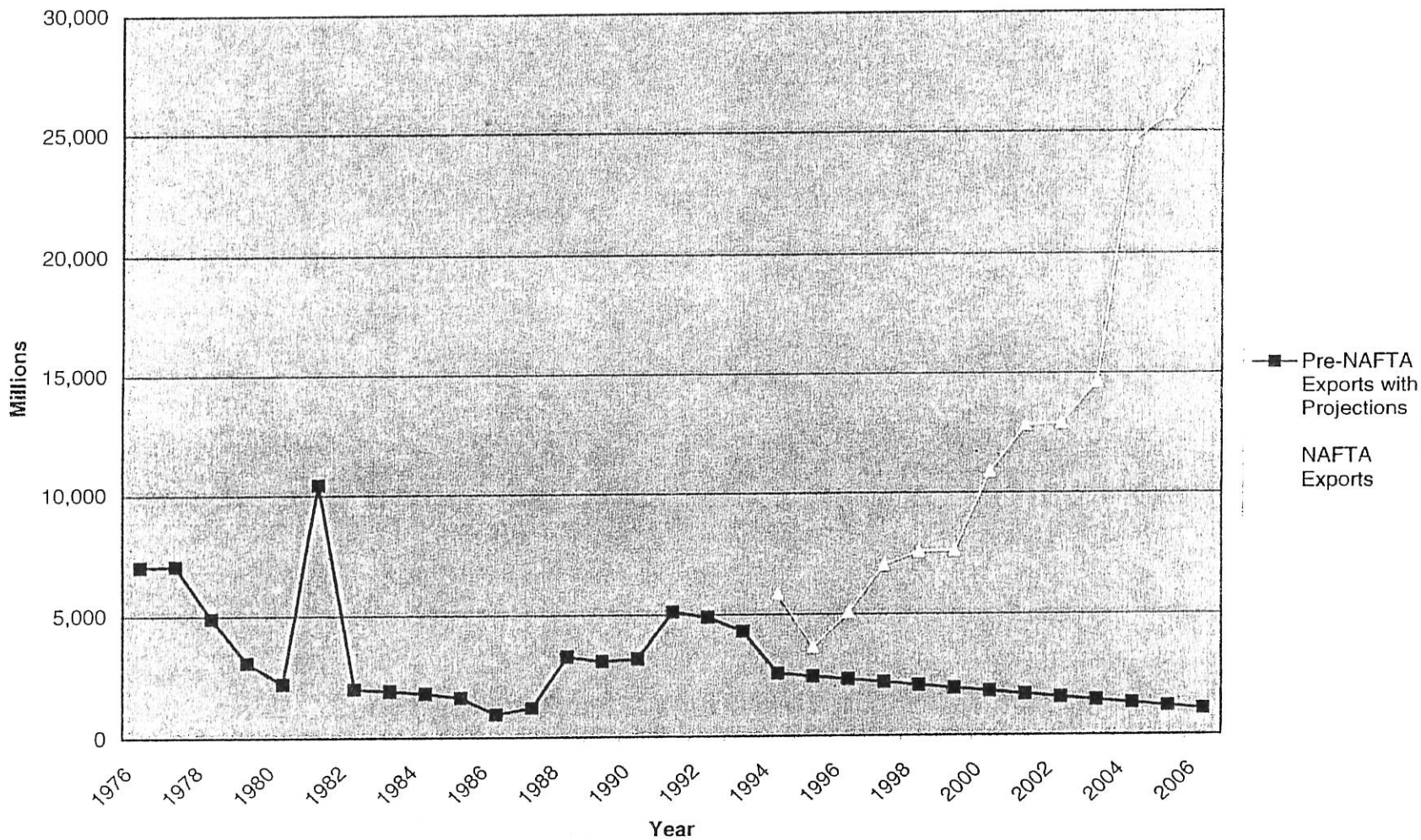
### Kansas Soybean Exports Resulting from NAFTA



Kansas Soybean Exports Resulting from NAFTA

Year	Pre-NAFTA Exports with Projections	NAFTA Exports
1976	7,192	
1977	11,813	
1978	13,922	
1979	11,568	
1980	18,193	
1981	13,579	
1982	10,066	
1983	12,697	
1984	25,148	
1985	13,243	
1986	13,013	
1987	14,320	
1988	22,987	
1989	18,829	
1990	15,171	
1991	20,883	
1992	24,066	
1993	23,845	
1994	22,796	27,055
1995	23,497	26,125
1996	24,198	36,769
1997	24,898	43,224
1998	25,599	34,900
1999	26,300	32,751
2000	27,000	33,232
2001	27,701	40,043
2002	28,401	45,811
2003	29,102	55,857
2004	29,803	52,128
2005	30,503	54,201
2006	31,204	57,516

### Kansas Hogs Exports Resulting from NAFTA



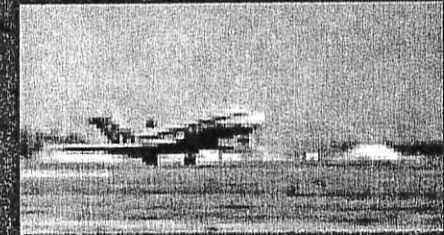
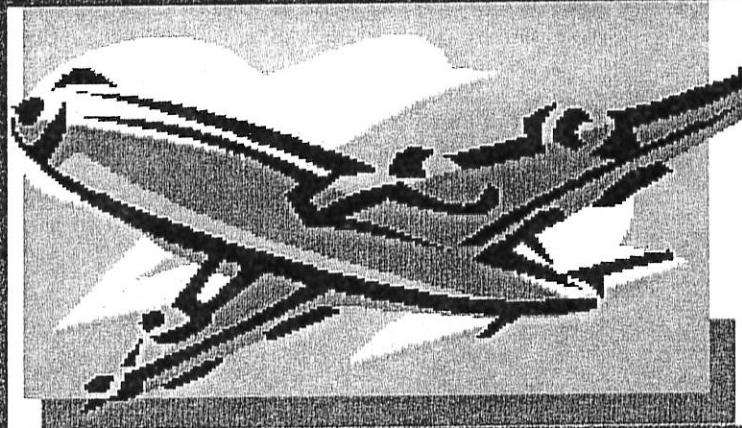
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Kansas Hog Exports Resulting from NAFTA

Year	Pre-NAFTA Exports with Projections	NAFTA Exports
1976	6,987	
1977	7,021	
1978	4,911	
1979	3,083	
1980	2,225	
1981	10,424	
1982	2,008	
1983	1,923	
1984	1,813	
1985	1,634	
1986	932	
1987	1,201	
1988	3,298	
1989	3,114	
1990	3,210	
1991	5,124	
1992	4,896	
1993	4,305	
1994	2,584	5,879
1995	2,458	3,658
1996	2,332	5,083
1997	2,205	7,007
1998	2,079	7,560
1999	1,953	7,593
2000	1,827	10,895
2001	1,700	12,806
2002	1,574	12,879
2003	1,448	14,638
2004	1,321	24,620
2005	1,195	25,716
2006	1,069	28,016





## **Kansas aircraft exports to the NAFTA countries have grown since 1993**

- Kansas exported 16.3% of America's airplanes in 2003
- Total aircraft exports to Canada and Mexico have increased 483.9% since 1993
  - Aircraft engines and parts are up over 1000% from pre-NAFTA levels, and up 47.3% since 2003
  - Avionics exports are up 328.9% from 1993, and are currently up 284.7% from 2003 levels

Source: U.S. Bureau of the Census,  
International Trade Administration

14-22

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# USEFUL LINKS

- **COMMERCE NAFTA SITE** – <http://www.mac.doc.gov/nafta/index.htm>
- **TRADE STATISTICS BY STATE** – <http://ita.doc.gov/tradestats>
- **TRADE INFORMATION CENTER** – <http://www.trade.gov/td/tic/>
- **NORTH AMERICAN DEVELOPMENT BANK** - <http://www.nadbank.org>
- **NORTH AMERICAN COMMISSION FOR ENVIRONMENTAL COOPERATION** – <http://www.ccc.org>
- **UNITED STATES TRADE REPRESENTATIVE** – <http://www.ustr.gov>
- **EXPORT INFORMATION** - <http://www.export.gov>

March 16, 2008

The Honorable Arlen Siegfried;  
Chairman : Federal and State Affairs Committee.  
Kansas House of Representatives  
House Concurrent Resolution No. 5033

Dear Sir;

I have read and understand the House Concurrent Resolution No. 5033 proposed by Representative Judy Morrison and I do agree with this resolution. I have been studying the proposed North American Union (NAU) for several years now from various sources. I have come to these conclusions:

#1 - Primarily we as a country will lose our Sovereignty piece by piece as we become subject to a NAU controlling body which will be appointed, not elected by U.S. Citizens. I believe the NAU is a step toward a regional government like the European Union., which is a disaster.

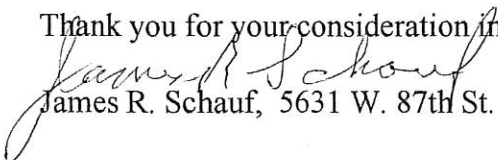
#2 - Illegal immigration as we see it now will be absolutely normal and acceptable through the NAU. This happened in the EU and look at the French riots. We can't accept the whole world into our borders. The cost is presently huge with Illegal Immigrants. Wait until this happens. It will be break us.

#3- The so called NAFTA Super Highway, or the Trans Texas Corridor beginning in Texas, will entail massive condemnation of land through 'eminent domain' so called rights to steal personal property for profitable business, thereby trampling on private citizens of their hard earned property.

There are many more reasons to object to the North American Union's fulfillment. These three I have mentioned are paramount to this issue. Therefore I am strongly in favor of this resolution - #5033. I urge you to consider my input in this supremely important matter for the future of the state of Kansas and the United States and we, the citizens and our grandchildren and all future generations who will be adversely affected by a viable North American Union and a Super Highway through the middle of the United States of America

Kansas, like Oklahoma and Utah have done, must stop this massive intrusion into the Heart of America. Please, I plead, stop this into the state of Kansas, and to stop the North American Union to ever become law.

Thank you for your consideration in this extremely important matter.

  
James R. Schauf, 5631 W. 87th St. Overland Park, Kansas. 913-649-1902

House Fed and State Committee  
March 17, 2008

Attachment 15