

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairman David Wysong at 8:30 a.m. on February 3, 2009, in Room 545-N of the Capitol.

All members were present.

Committee staff present:

Ms. Margaret Cianciarulo, Committee Assistant
Mr. Ken Wilke, Office of the Revisor of Statutes
Mr. Reed Holwegner, Kansas Legislative Research Department

Conferees appearing before the Committee:

Mr. John Pilla, Senior Vice President & Chief Technology Officer, Spirit Aerosystems
Ms. Karyn Page, President & CEO, Kansas World Trade Center

Others attending:

Minutes for Approval

Upon calling the meeting to order Chairman Wysong announced that the Minutes of January 27, both the 8:30 a.m. Commerce meeting and 11:30 a.m. Joint Committee Meeting with the House Eco Devo-Tourism Committee and the Minutes of January 29, 2008 had been mailed to the Committee on Friday, February 1 with a due date for responses of Friday, February 6, 2009 and if no responses the Minutes will stand approved.

Presentation on the Spirit of Aviation

The Chair then recognized Mr. John Pilla, Senior Vice President and Chief Technology Officer, Spirit Aerosystems who offered an update of the current situation of the Kansas Aviation Industry and saying it is a major contributor to the economic vitality of Kansas. He offered charts on:

- Their products
- Economic impact to Kansas including .31,475 direct jobs at 76 companies with a payroll of \$2 billion
- The potential aviation scenarios (both baseline and conservative)
- Aircraft production from 1998 through 2017 with a chart indicating the first civil/military upturn in 25 years
- The industry themes and trends for example, outsourcing, LSI, and privatization are here to stay
- Orders, deliveries and backlog charts including:
 - Delivery history and forecast on large commercial aircraft.
 - The history of business jets for example, retail Bizjet deliveries by region.
 - The outlook for business jet deliveries.
- The crises of aerospace fallout offering what NOT to worry about, things to consider worrying about and watch and worry items.
- Defense spending for example, the Georgian crises.

In conclusion, he stated that more than 20,000 new employees will be needed through 2019 to accommodate the growth, retirement, and turnover and we need to prepare for the next up-cycle and the next generation of new technologies and products. A copy of his testimony is (Attachment 1) attached hereto and incorporated into the Minutes as referenced.

CONTINUATION SHEET

Minutes of the Senate Commerce Committee at 8:30 a.m. on February 3, 2009, in Room 545-N of the Capitol.

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The Chair thanked Mr. Pilla and asked for questions or comments from the Committee which came from Senators Holland, Reitz, Wysong, Emler, and Lynn including what drives commercial airlines to purchase jets and were spikes driven by fuel efficiency or an explosion in routes? Ellis County is mentioned as a player in aviation, what is going on there? When the aviation industry testified before Ways and Means they saying recovering the first quarter of 2010, has that changed? Regarding engineers and engineers needs, are these important to you (didn't hear mentioned in testimony)? Asked to talk more about refueling aircrafts, what is holding this up and where is the hang up regarding Airbus? Regarding the map on page 4, aren't their aviation jobs still in Saline County? And, is there any effort with aviation to work with technical schools?

Overview of the World Trade Center of Wichita

With the next order of business, the Chair recognized Ms. Karyn Page, President & CEO, Kansas World Trade Center who began testimony with the mission of their company is to promote and facilitate trade in the state of Kansas through education, communication and research. They are a private corporation with an independent board of directors, a staff of four and a member of the World Trade Centers Association, which is a global network of more than 300 World Trade Centers in more than 80 countries.

She went on to explain:

- how they provide support to Kansas businesses and pay a role in attracting new investment 1 by offering professional international training seminars (A copy of their 2009 training schedule has been provided.).

- the impact of international trade by selecting three cities from across Kansas for which export data is available in alpha order,

1) Kansas City ranking #34 of the 500 largest metro areas in the nation, exported \$4.91 billion in 2005 and \$5.68 billion in 2006 for a 15.9% increase

2) Topeka companies exported \$283.8 million in 2005 and \$366.1 million in 2006 for a 29% increase

3) Wichita ranked #13 in the nation for a percentage share of the State's total exports in 2006 exporting 53% of the State's total exports. She then went on to cover Kansas's total exports and then specifically, the ag exports.

- some of the programs they offer or are developing for example, recently forming a partnership with the Agri-Business Council of Wichita and they are also a main subcontractor for the Wichita International Trade Study or IntelliPort.

In conclusion she talked about how they determine priorities, make decisions on which resources to buy, which relationships to develop, and what programs to build.

Copies of Ms. Page's testimony and attachment of the planned schedule of events for 2009 are (Attachment 2) attached hereto and incorporated into the Minutes as referenced.

As there were no questions from the Committee, Chairman Wysong thanked Ms. Page and asked regarding the list of industry indices indicating manufacturing was fifth, what is the largest manufacturing exporting company in Kansas?

Adjournment

As there was no further business the Chair adjourned the meeting. The time was 9:30 a.m.

The next meeting is scheduled for Wednesday, February 4, 2009.

Kansas Aviation Industry Issues

***Presented to Kansas Senate Committee on Commerce
February 3, 2009***

***John Pilla
Senior V.P. & Chief Technology Officer
Spirit Aerosystems***

Current Situation

12



The aviation industry is a major contributor to the economic vitality of Kansas and has the potential for significant growth as a national center for aerospace innovation.



Kansas Aviation Products

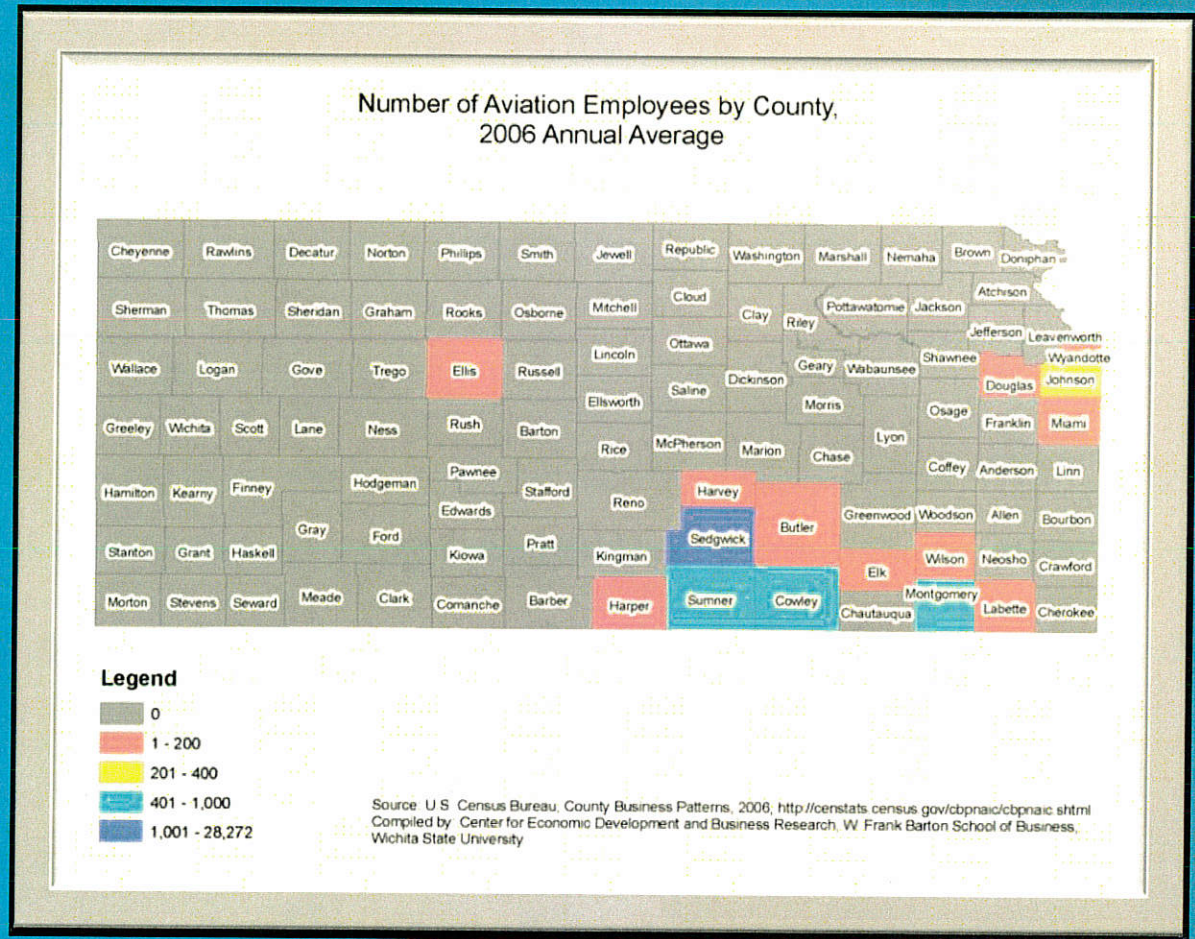
1-3



Economic Impact to Kansas

1-4

- **31,475 direct jobs at 76 companies with a payroll of \$2 billion**
- **26% of all manufacturing wages in Kansas**
- **Each aviation job generates an additional 2.9 jobs**



Source: County Business Patterns, U.S. Census Bureau, 2006 and Center for Economic Development and Business Research, W. Frank Barton School of Business Wichita State University, September 2008

General Economic Outlook

1-5

- **GDP: -1% growth in '09 as business & consumer spending retreat**
- **Energy: Crude averaging \$75 a barrel in '09**
 - Oil has fallen to \$47.36/barrel, \$100 cheaper than in July
 - Rapid decline is symptom of worsening world economy
 - Demand is dropping as economic activity slows globally
- **Employment: Unemployment rate to rise to 8% in '09**
 - As orders & sales slow, businesses are turning cautious
 - Cost cutting
 - Laying off workers, especially in manufacturing & construction
- **Inflation: Falling to 1.5% in '09**
 - Pulled down heavily by the ongoing plunge in energy prices
 - Prices of major items are declining, including airline tickets
- **U.S. and Global Economies will Contract through most of 2009**
 - ***Recovery Begins in 2010 and Builds in 2011***

Potential Aviation Scenarios

9-1

- **Baseline – 95% probability**

This Too Shall Pass:

- This is a much worse than usual down cycle
- Credit crisis just the start of a major economic slowdown
- A few grim years ahead, but nothing fundamental changed
- Deliveries growth will resume in 2013/2014

OR

- **Conservative – low probability**

We Have A Serious Problem:

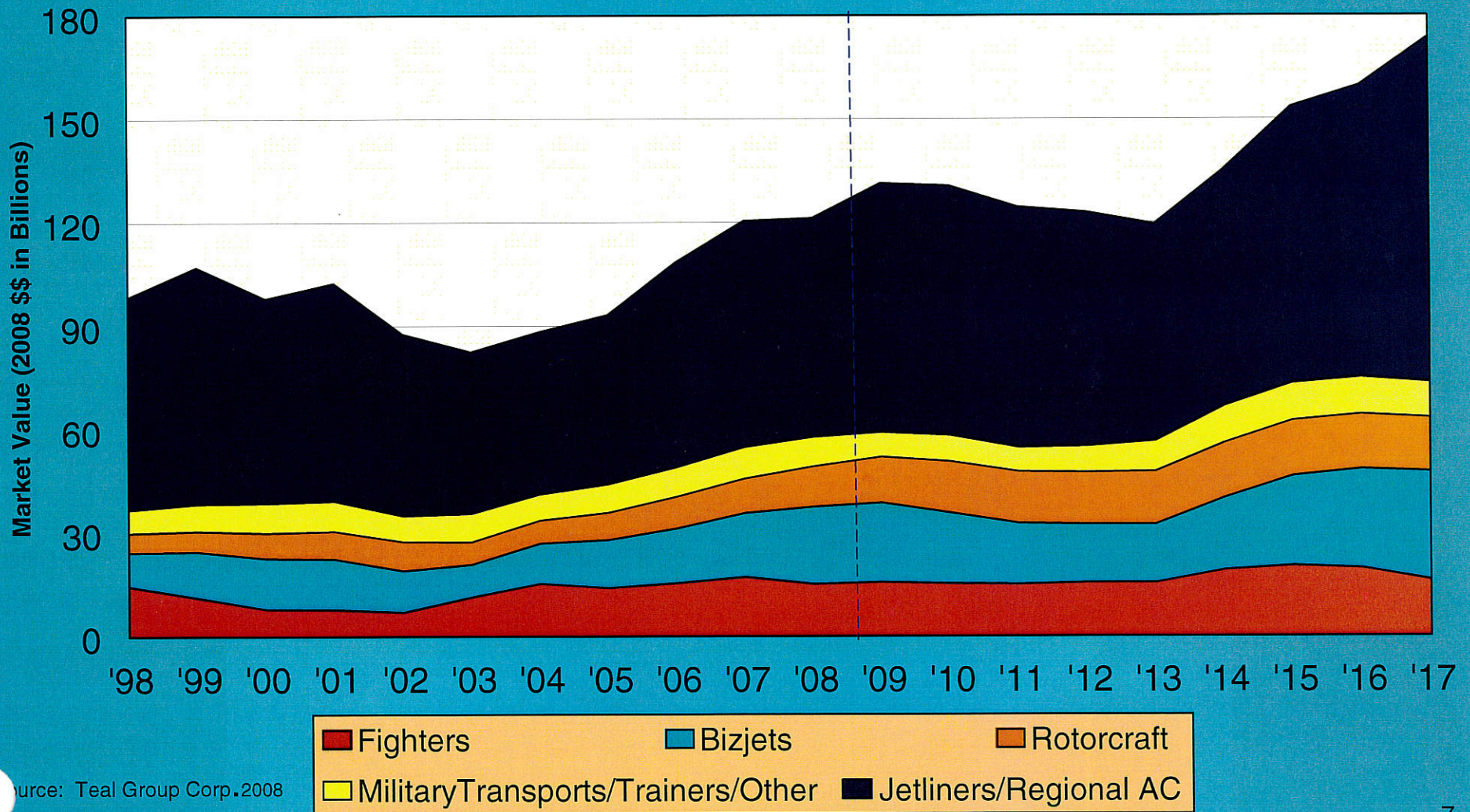
- US, and much of the world, is massively overleveraged, indebted, and overextended
- This is start of extended period of restructuring and de-leveraging
- Possible global inflation (following deflation) as world reaches limits of growth
- Not the cost of capital...but prospect of a cutoff by chief financier/global rival
- Painful downturn and a decade of lost growth

THIS IS MERELY A RISK!

Aircraft Production 1998-2017

1-7

Finishing The First Civil/Military Upturn In 25 Years



Source: Teal Group Corp. 2008

MR/Pilla/09-001 Topeka

Industry Themes And Trends

1. Outsourcing, LSI, and Privatization: here to stay
2. Critical mass important, except for specialized niches
3. JIT, Integration, Tooling, R&D requirements still being pushed down the supply chain.
4. Platforms: bigger is almost always better.
5. Very high barriers to entry; a defensive game.
6. Relatively low volume
7. Very high capital requirements and intensiveness
8. Strong emphasis on experience.

Difficult to enter this market as new player

8-1

Large Commercial Transport

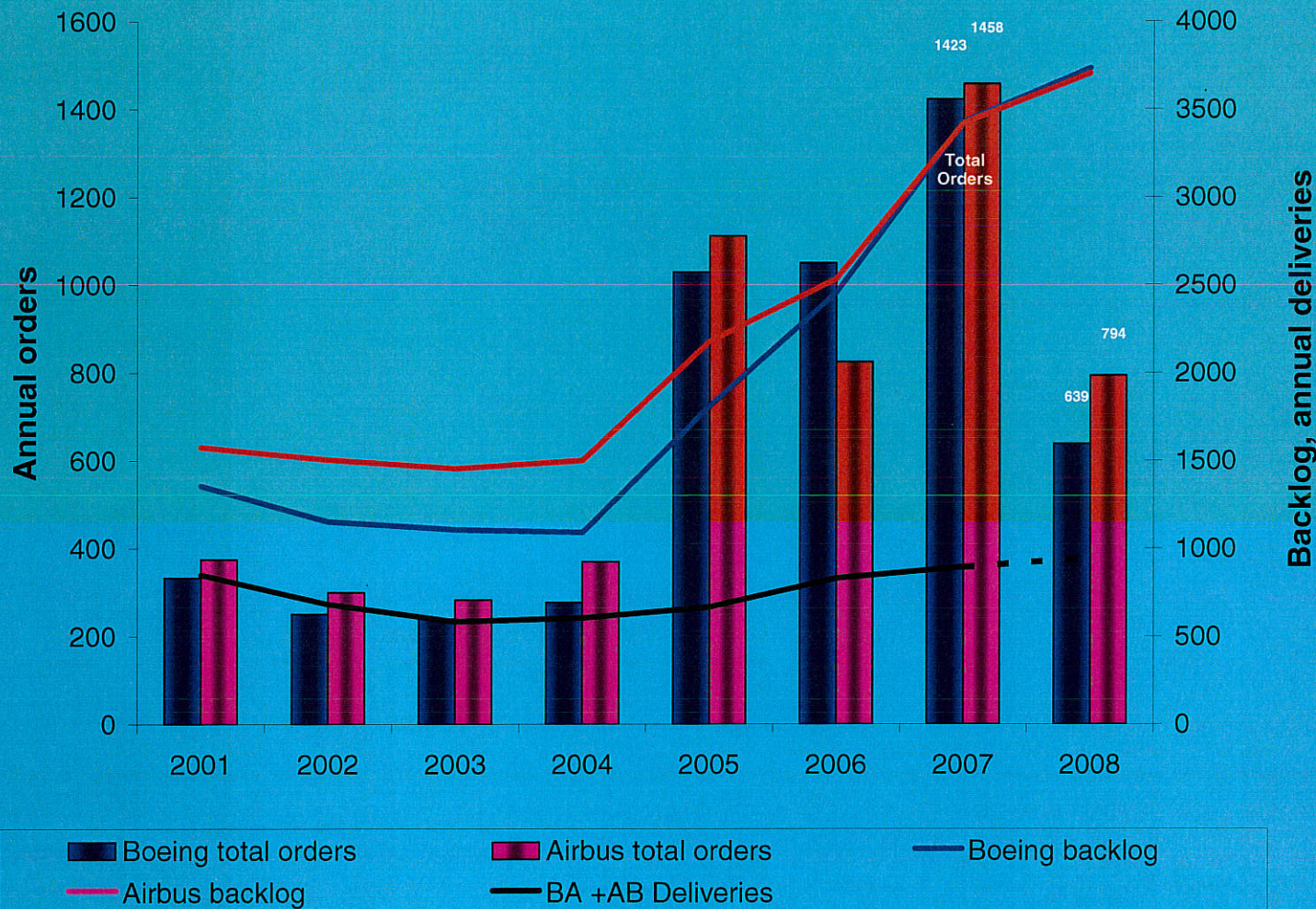
1-9



Orders, Deliveries, and Backlog

01-10

Backlog at record levels, though subject to order meltaway



Backlog	
Boeing	Airbus
3,734	3,705

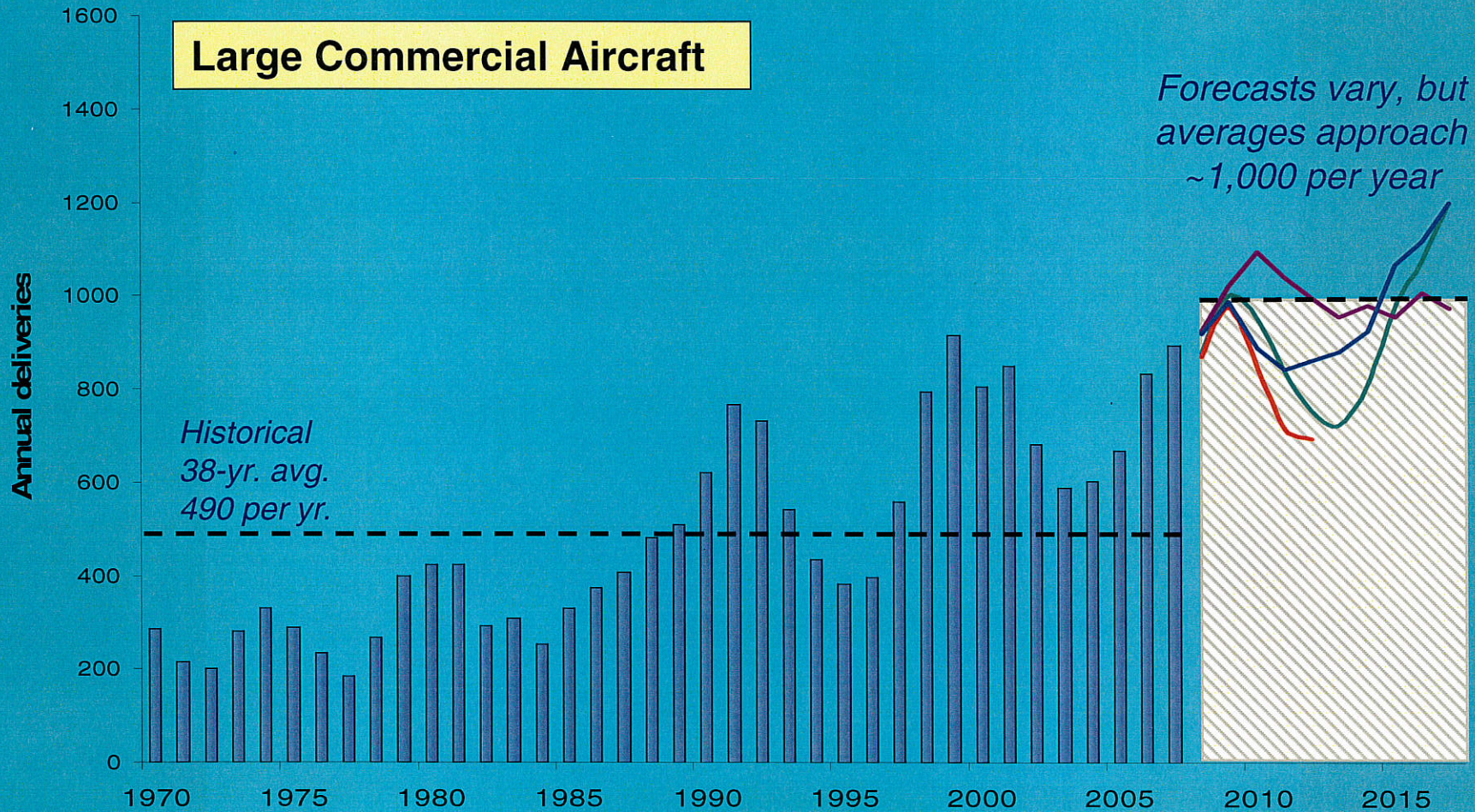
2007 Net Orders	
Boeing	Airbus
1,413	1,341

2008 Net Orders	
Boeing	Airbus
637	675

Sources: Boeing and Airbus (data as of 10-31-08)

Delivery History and Forecast

1-11



This is still a long-term growth business

Sources: Various forecasters, Spirit Marketing 2008

Business Jet & General Aviation Outlook

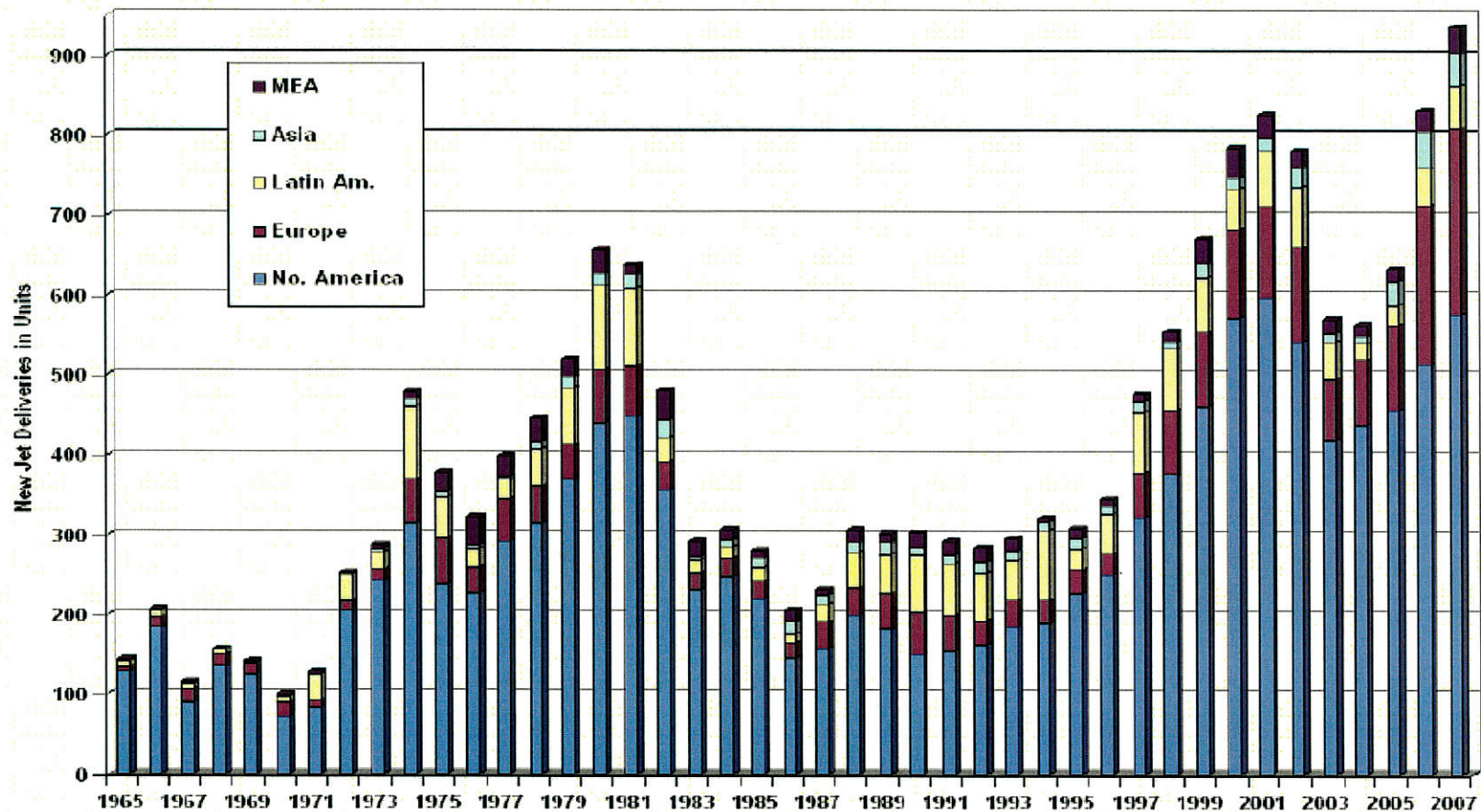
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History of Business Jets

1-13

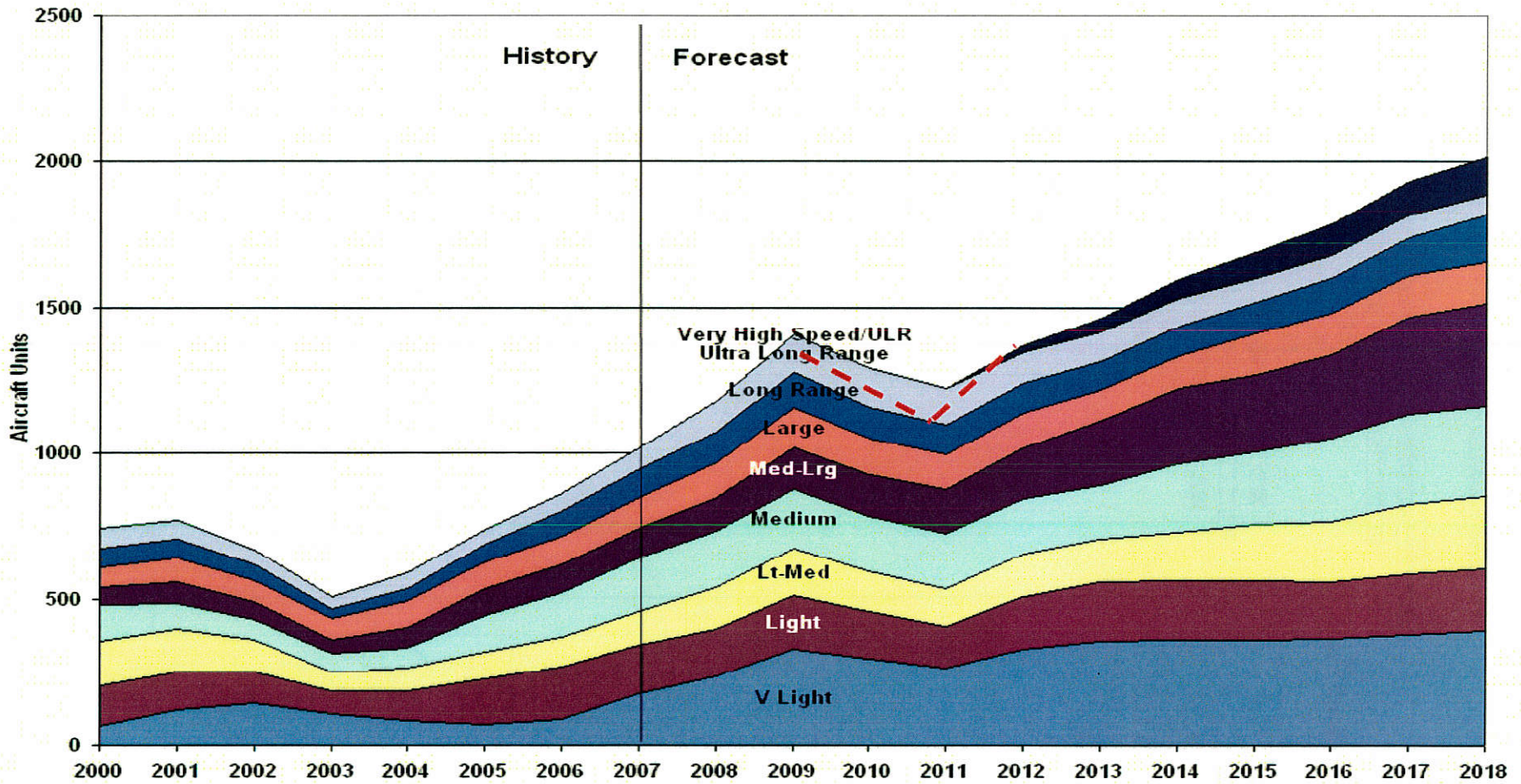
Retail Bizjet Deliveries by Region



Source: Honeywell 2008

Outlook for Business Jet Deliveries

1-14



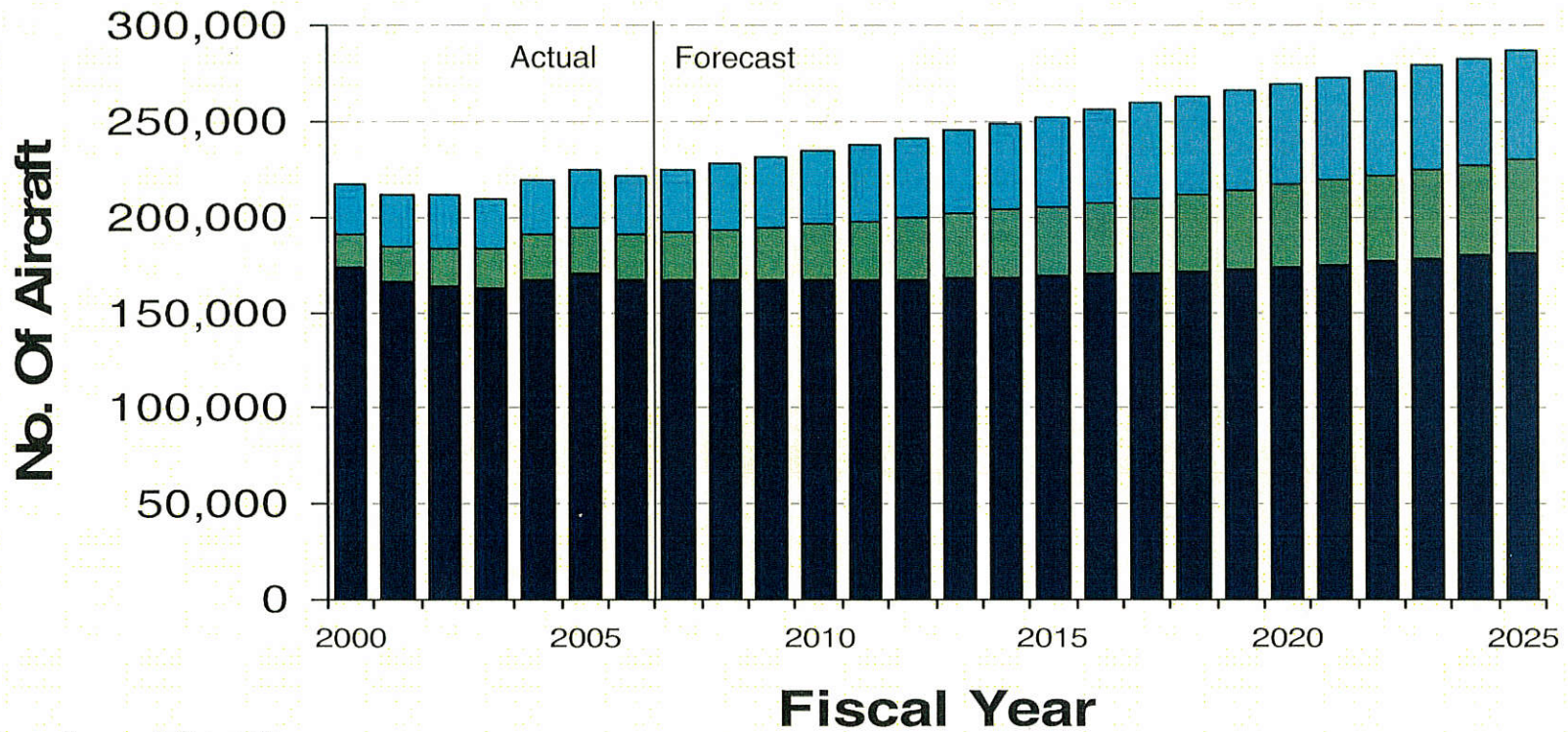
15,000 New Jets from 2008 - 2018

Source: - Honeywell 2008

R/Pilla/09-001 Topeka

General Aviation Fleet

1-15



2007-25 Avg. Annual Growth

- Piston: 0.5%
- Turbine: 3.7%
- Exp, LSA, Oth: 3.0%



Source: U.S Federal Aviation Administration – April 2008

Defense Spending

- **Iraq exit likely by 2011**
 - Supplemental spending likely ends around then
- **Georgian crisis means likely re-emphasis on traditional tools of military power**
 - Aircraft carriers, strategic lift, tactical and strategic combat aircraft, etc.
- **Party preferences:**
 - Democrats: job-intensive programs—vehicles, helicopters, etc.
 - Republicans: networked systems, missile defense, etc.
- **Due to force condition and security concerns, no tangible risk of budget collapse**
 - Recapitalization a serious concern
- **Defense Spending in aerospace will continue but deficit may eventually impact new programs**

9/1-1

The Crisis: Aerospace Fallout

- ***What NOT to worry about:***
 - Rotorcraft, military transports, etc.
 - Capital for defense/aerospace companies (a safe haven).
- ***Things to CONSIDER worrying about:***
 - Defense spending. No economic connection, but \$2 trillion deficit must be addressed. Fighters, transports, and tankers are at risk.
 - Jetliner deliveries. Demand and finance are holding...for now.
- ***Watch and Worry items:***
 - Business jet and general aviation finance and deliveries
 - Jetliner utilization (potential spares/overhaul demand)

Source: Teal Group Corp.

Thoughts for Kansas

811

- There are five great aviation clusters in the world today, including Wichita.
 - Clusters can not be created; only destroyed
- Of these clusters, Sedgwick County has the highest exposure to the business jet market
 - Fast growing, but dynamic cycle segment
- Business jets are well behind the other aviation segments in outsourcing,
 - Possible threat to manufacturing jobs in Wichita.
 - Possible opportunity for Spirit and other companies
- KC-X is in limbo, but military overhaul/upgrade market is growing
- Foreign companies want to take some of this business

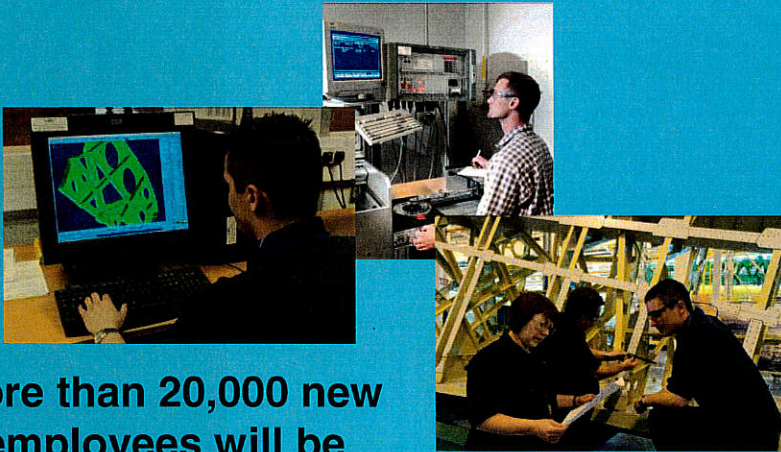
Going Forward Together

61-1

- Even if the global recession results in a downturn in the aviation sector, history tells us that it will be followed by a growth cycle even larger than the one that preceded it
- Aviation is an industry that requires long-term planning and strategies

Maintaining a Skilled and Trained Workforce

Promoting Research and Fostering Innovation



More than 20,000 new employees will be needed through 2019 to accommodate growth, retirement and turnover

Preparing for the next up-cycle and the next generation of new technologies and products.

Source: Center for Economic Development and Business Research, W. Frank
School of Business Wichita State University



Greater Profits through World Trade

Kansas World Trade Center
Testimony to Senate Commerce Committee
February 3, 2009

I am Karyn Page, President & CEO of the Kansas World Trade Center, located at 125 N. Market Street in Wichita, Kansas. I will begin by providing some information about my background so that you know me a little better. I will then share with you information about the Kansas World Trade Center, our structure, services, customers and unique programs. While I am explaining what we do at the Kansas World Trade Center I will attempt to place our work in the context of the importance of international trade and relations for Kansas. In other words why do we do what we do and why do companies and governments pay for our services.

But first, thank you to Senator Wyszog for allowing me time to speak to all of you today about a topic I am passionate about -- and that is important to Kansas.

I was raised, and still live, in Wichita, Kansas. I am a product of Wichita Public Schools and Wichita State University with a degree in international business & economics. I have served my professional career in international business – as an advisor, export manager and international banker. I took my current position in December of 2004 as the President and CEO of the Kansas World Trade Center.

A highlight for me and a resource for you In 2006 I was appointed by US Secretary of Commerce Gutierrez to serve on Industry Trade Advisory Committee-11 (or ITAC). ITAC is a unique public-private partnership jointly managed by the U.S. Department of Commerce and the Office of United States Trade Representative which engages business leaders in formulating U.S. trade policy. My job on ITAC 11 is to be a voice for small & minority business in matters of US trade policy.

Karyn Page, President/CEO, Kansas
World Trade Center, Inc. 125 N. Market,
Ste. 1260, Wichita, KS 67202

Senate Commerce Committee
Note: February 3, 2009
Attachment 2



KWTC Mission & Structure

- Mission: To promote & facilitate trade in the state of Kansas through education, research and communication.
- Private Organization
- Providing services in international trade and relations
 - Business to Business
 - Business to Government
- Independent Board of Directors

The mission of the Kansas World Trade Center is to promote & facilitate trade in the state of Kansas through education, communication and research. We are a member of the World Trade Centers Association – a global network of over 300 World Trade Centers in more than 80 countries.

We are a private corporation, providing services to businesses and governments in the areas of international trade and international relations. Simply put, we help Kansas companies conduct international trade (both export and import). We help governments work with Kansas businesses and industry. And we help foreign businesses by introducing them to Kansas and the amazing companies and producers that live and work here.

We have an independent board of directors. We have a staff of 4, including myself. And we currently operate on an annual budget of less than \$500,000.



KWTC Services & Features

- International trade specialists
- Focus on needs of Kansas companies
- Professional international training seminars
- International relations
- Long term view

How do we provide support to Kansas businesses and play a role in attracting new investment, opening doors and achieving global understanding? Through education, communication and research.

We are international trade professionals focusing on the needs of Kansas companies by helping them conduct international trade efficiently and effectively. We do that through professional international training seminars. (You have our 2009 schedule in your handout.) We don't do it by ourselves however. We work as a team with local, regional, national and international specialists. Networking, then selecting experts for each topic for each workshop in order to garner the best information and training we can for our companies. We also take a leading role in foreign relations by inviting the highest ranking foreign government officials to cultivate interest in Kansas and all we have to offer, and to help attract companies interested in working with our existing businesses. Finally, we take a long term view with the understanding that some short term results are necessary to keep the juices flowing, but knowing that long term is where the economic impact really happens.



KWTC Customer Portfolio

- Members
- Non-member customers
- Trade Services customers
- Community
- Government



We are customer driven. Because of our corporate culture and structure, we are nimble and able to react quickly to a customer's requests. Because of our approach and performance we are able to work with governments (Korea and Canada are two of our regular customers). Because we pay attention - and have many connections - to trade regulation and policy that affects are customers, we are able to proactively provide information and build innovative programs.

Our customers - whether they be a company or a government, from the US or a foreign destination, are important to us because our programs and service are designed around their needs. On your handout, you can see a sampling of our customer's logos, such as Boeing and Cessna. You might also recognize Black & Veatch from Overland Park or CST Industries from Kansas City. The variety of industries they represent is important because it tells you that our services vary from customer to customer. We can't be all things to all customers, but we are an international clearinghouse for our customers and our community. We serve large corporations, and small and medium enterprises. -Those companies have different needs in the international arena. All of them require training and education.



International Business & Our Community

- The jobs of numerous Kansas workers depend on export sales
- International businesses account for the majority of our state's largest non-government employers
- World trade has grown at more than twice the rate of U.S. economy since 1960.
- Over 95% of the world's population lives outside of the United States
- It is estimated that the international market constitutes a \$4 trillion opportunity.

So why is it important for you to learn about the Kansas World Trade Center? I think Senator McGinn, when she organized my being here today, thought it important for you to know that we exist, that we provide a valuable service to Kansas companies. I think it's important because it impacts our community – Kansas. And you as our State's elected elite serve the people of Kansas.

Simply, the jobs of thousands of Kansas workers depend on export sales. International businesses account for the majority of our state's largest non-government employers. Cessna, Cerner, Black & Veatch, Cargill Meat Solutions, Garmin to name a few.

So I ask you today as we ask ourselves everyday in our office: How is our community impacted by international trade? What needs do our international companies have? Are their needs different from domestic companies? The answers are yes and no. Yes, because companies conducting international business need efficient transportation and access to coastal ports. They need access to international regulations training, foreign nation's governments, international service providers, and *employees* with a sensitivity to international markets, customs, cultures, language and regulations. And no, because they still have *all* the same needs as domestic only companies.

This is a global economy with global markets. How does international trade affect a corporation? Does it affect communication, organizational structure, policy, and how they view themselves? I say absolutely yes. How do companies achieve balance? How can we help them achieve greater profits through international trade? Who helps them? What resources are available to guide them?

Well, I'm here today from the private sector. You also have the very capable team at your Trade Development Division at Kansas Commerce, you have the US government export assistance centers and numerous private and non government organizations that help with the various intricacies of international trade and international relations.



Kansas Metro Area Exports

- Kansas City, KS-MO
 - Population 1.7 million
 - Ranks # 34 of 500 largest metro areas in the nation
 - Kansas City companies exported \$4.91 bil in 2005 and \$5.68 bil in 2006, a 15.9% increase
- Topeka
 - Population 122,642
 - Topeka companies exported \$283.8 million in 2005 and \$366.1 million in 2006, a 29% increase

Source: Metropolitan Export Series, USDOC,
Bureau of the Census and Manufacturing &
Services, January 24, 2008

To help bring the impact of international trade home to you, I've selected 3 cities from across the state for which export data *is available*, in alpha order. Note that the KC metro area straddles Kansas and Missouri. Population data for all 3 cities is from Census or the City's public profile. Export data is the most recent data available and was published in July of 2008 by the Office of Trade & Industry Information of the US Department of Commerce.

Kansas City Ranks # 34 of 500 largest metro areas in the nation, exporting \$4.91 bil in 2005 and \$5.68 bil in 2006, for a 15.9% increase

Topeka companies exported \$283.8 million in 2005 and \$366.1 million in 2006, for a 29% increase.



Kansas Metro Area Exports

- Wichita Metro Area
 - Population 545,220
 - Ranks # 39 of 500 largest metro areas in the nation
 - Ranks #13 by % share of State
 - Wichita companies exported \$3.91 bil in 2005 and \$5.26 bil in 2006, a 34.5% increase
 - In 2006, Wichita companies exported 53% of total Kansas exports

Source: Metropolitan Export Series, USDOC, Bureau of the Census and Manufacturing & Services, January 24, 2008

And the 3rd city.... Wichita is an anomaly in that for the size of the city in population terms it ranks very high in exports. It ranked #13 in the nation for percentage share of the State's total exports in 2006. Wichita companies exported \$3.91 billion in 2005 and \$5.26 billion in 2006, for a 34.5% increase. In 2006 Wichita companies exported 53% of the State's total exports

The point I want to make here is that trade is a significant and growing factor for cities in Kansas. I provided population data because it is important to understand that the size of the city, or the company, does not matter to their success in the international arena. What matters is their awareness, their ability to access resources, training and employees to successfully enter and work with foreign markets– all combined with quality products from quality Kansas companies.



Kansas Exports

- \$10.25 billion in exports in 2007— an 18% increase over 06
- National Rankings:
 - Kansas ranked #11 by % & #21 by \$ value change 06-07
 - Kansas export shipments increased by 126 % (\$5.7 billion) from 04-07; 4th largest % increase in nation
- 2008 Estimate=\$12 billion
- Top 5 Export destinations:
 - Canada
 - Mexico
 - UK
 - Germany
 - Japan
- Top export types:
 - Transportation equip.
 - Processed foods
 - Computers/electronics
 - Machinery Mfrs.
 - All others

Source: Office of Trade & Industry
Information, Manufacturing & Services,
International Trade Administration, USDOC

To further illustrate, let's look at Kansas's total exports. Kansas companies and producers exported \$10.25 billion in 2007, the most current data available for a complete year. This was an 18% increase over 2006 and was another record exporting year. In the nation, Kansas ranked #11 by percentage change and #21 by dollar value change from 06 to 07. Kansas export shipments increased by 126% from 04 to 07 – the 4th largest increase in the nation. I've also provided you with the top 5 export destinations for Kansas products and top 5 export product types.

2008 export numbers are not out yet, but I estimate that the total will be about \$12 billion, based on data through the first 3 quarters. The last quarter is a bit of a downer, as you know, so this is my best guess. The numbers will be out very soon. You can watch and see how close I am.

I want to pause here and point out that it's not just the large companies we've all heard of that are successful in international markets. Small & medium enterprises (those with less than 500 employees) generated 24 percent of Kansas' total exports in 2006, the latest year for which this type of data is available. A total of 2,081 companies exported goods from Kansas locations in 2006. Of those, 1,744 or 84 percent were small and medium-sized enterprises.

The smaller companies we, and our advisors work with, report that despite the economy export sales are strong and continuing to grow.

Let me also explain that this *total* export number is conservative. Because of the way the data is collected and because it only includes export shipments of final goods. For example, it does not include any of the Boeing 737 fuselages that are shipped to Seattle for final assembly and sold to foreign destinations. It is also conservative in that it does not represent the total value of our agriculture commodities that are exported. Let's take a quick look at ag exports..



2007 Kansas Agriculture Exports

- In the nation Kansas ranked:
 - #6 in total ag exports
 - #1 in feeds & fodders
 - #1 in hides & skins
 - #1 in animal fats
 - #2 in wheat
 - #3 in live animals
 - #5 in sunflower seed & oil
 - #5 in seeds
- \$3.8 billion in ag exports, up 37.6% since 2005
- 27% of Kansas ag products are exported

Source: Economic Research Service, USDA

The US Department of Agriculture reports that Kansas exported \$3.8 billion in ag products in 2007, a 37.6% increase since 2005. I've also noted that 27% of Kansas ag products are exported, and so that you can quote ag export statistics at your next dinner meeting, I've provided some national rankings for Kansas. Note that we're #6 in the nation for total ag exports, and hold the number 1 position for export of feeds & fodders, hides & skins and animal fats. We're #2 in wheat, #3 in live animals and #5 in sunflower seed & oil, and seeds.

There is some overlap in ag exports and total Kansas exports – the numbers I just shared with you. This makes it nearly impossible to separate the two with any accuracy, because of the way the US government collects and values these products and commodities. A good guess would be that in 2007 Kansas TOTAL exports were about \$12 billion.



KWTC 2009 Programming

- Unique Programs:
 - Partnership with Agri-Business Council of Wichita to form the Global Agri-Business Innovation Center
 - Wichita-Wuxi EcoPartnership
 - IntelliPORT
- Trade Compliance, Agri-Business, & Advocacy Forums
- Numerous international training seminars

And now to some of the unique programs we offer or are developing at the Kansas World Trade Center.

We recently formed a partnership with the Agri-Business Council of Wichita with the intention of developing the Global Agri-Business Innovation Center. A Task Force with representatives across Kansas and the spectrum of the agri-business industry is now being formed, what will help us develop the entire concept and structure of the Center. This is a marriage of the intellect & technology in the world of agri-business and our global outlook and reach.

On December 4th 2008, I signed an EcoPartnership agreement with Wuxi, China on behalf of the Wichita Mayor & City Council. This bi-national (US and China) federal initiative will allow us to exchange best practices regarding clean air and water on a municipal and industrial level, demonstrating how technologies can better protect the environment in a cost-effective way to promote sustainable development. KWTC has been named as the project manager and considers this an avenue for opportunities for Wichita and Kansas to continue to develop industries by leveraging programs already in place or planned throughout the state, and the power of this agreement to build additional meaningful relationships. Incidentally, there are 7 EcoPartnerships thus far; 2 of them are in Kansas. Greensburg is partnering with Mianzhu, China to build green. You should be very proud.

We are also a main subcontractor for the Wichita International Trade Study – or IntelliPort - which with the guidance of our Business Leaders Working Group, will develop a virtual international trade processing center – a clearinghouse that will provide education and training access, peer-to-peer interaction, and transportation efficiencies for Kansas companies conducting international business.

Finally, we will host various forums throughout the year in the areas of trade compliance and agri-business so that employees can learn from each other and the experts available. The backbone of our business is training – for without this resource Kansas companies cannot be compliant, cannot develop a globally minded-work force and cannot take advantage of future opportunities.



KWTC's Philosophy

- Know our community's attributes
- Know the needs of our companies
- Know the resources available in our community and around the globe
- Know what the goal is

In conclusion, let me tell you about our philosophy... how we determine priorities within our company, how we make decisions on which resources to buy, which relationships to develop and programs to build.

We need to know our community's attributes, the needs of our companies and the resources available in our community and around the globe. Finally, we need to know what *the goal* is.

We continually catalog our international resources so we can guide companies to meet their needs. The needs of companies change over time and vary between industries and products. Needs also differ dependent on the foreign country and change dependent on the actions of another country. For example, a 2004 ban on beef was extremely harmful to our beef industry, and therefore negatively impacted our economy. What did we do about it? We contacted the minister at the Japanese Embassy responsible for dialogue and invited him to Kansas to meet our companies & producers.

What needs does the world have? Can our community fulfill a need by working together? Should we take a group of business and government leaders and go check it out (a trade mission)? Can we use our relationships to involve community leaders to help open doors in foreign countries and increase sales opportunities? Are we then willing to provide the support for follow up, encouragement, etc? Can we leverage a larger corporation's relationships for the benefit of smaller companies? And because we are a private company we must always answer the question: will the market bear the cost of providing these resources? The answer is yes, if there's value.

Our goal is to help Kansas companies achieve greater profits through world trade. Our vision is to share the opportunity that is Kansas with the world. And we daily develop the connections, programs and resources to do it, with a small staff and a lean budget, great partners & advisors throughout the state, nation and world, and a passion to share Kansas with the world to our community's economic benefit.

Thank you.

Karyn Page, President/CEO, Kansas
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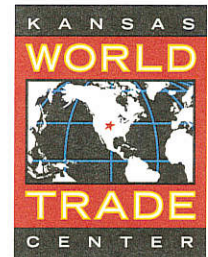
www.kansaswtc.org

2009 Planned Schedule of Events

Basics of Export Compliance Member Rate: \$160 Non-Member Rate: \$200	Jan. 14
Import Compliance Member Rate: \$160 Non-Member Rate: \$200	Feb. 5
Navigating the Import Challenges of 2009 Member Rate: \$160 Non-Member Rate: \$200	Mar. 17*
Export Controls Member Rate: \$250 Non-Member Rate: \$300	Apr. 15*
International Traffic & Arms Regulations (ITAR) Member Rate: \$250 Non-Member Rate: \$300	Apr. 16*
Free Trade Agreements Member Rate: \$160 Non-Member Rate: \$200	May 12*
Business Spanish Member Rate: \$300 Non-Member Rate: \$350	June 2* – Aug. 8*
BIS/ITAR Licensing Exceptions & Exemptions Member Rate: \$160 Non-Member Rate: \$200	Aug. 13*
International Trade Conference 2009 – Russia Member Rate: \$160 Non-Member Rate: \$200	Sept. 24*
Harmonized Tariff Schedule U.S. (HTSUS) Classification Workshop Member Rate: \$250 Non-Member Rate: \$300	Oct. 21 & 22*
HTSUS Classification Workshop <i>Aircraft Specific</i> Member Rate: \$250 Non-Member Rate: \$300	Oct. 23*
Automated Export Systems Member Rate: \$160 Non-Member Rate: \$200	Nov. 18*
Foreign Trade Zones Member Rate: \$160 Non-Member Rate: \$200	Dec. 2*

*Exact date of seminar to be determined

To Register: Watch our website, www.kansaswtc.org for more detailed registration information or contact us directly at (316) 254-5982 or pearson@kansaswtc.org.



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