

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 p.m. on January 20, 2010, in Room 783 of the Docking State Office Building.

All members were present except
Representative Jerry Henry - excused

Committee staff present:
Bruce Kinzie, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Jill Shelley, Kansas Legislative Research Department
Chris Courtwright
Betty Boaz, Committee Assistant

Conferees appearing before the Committee:
None

Others attending:
See attached list.

The Chairman called the meeting to order and asked if there were bill introductions.

Representative Worley made a motion to allow transit buses to operate on certain right shoulders. The motion was seconded by Representative Vickrey and the motion carried.

Representative Kersten made a motion to amend the drivers license law to include going to and from religious services. The motion was seconded by Representative Wolf and the motion carried.

Representative Vickrey made a motion to allow for a citation for inattentive driving. The motion was seconded by Representative King and the motion carried.

There being no other bill introductions the Chairman recognized the "InsurNet the Paperless Verification of Uninsured Motorists" presenters. (Attachment #1) The first presenter was Wayne Pettigrew, National Marketing Director of InSureNet. Mr. Pettigrew introduced the other consortium members with them who included Scott Bolkema, Board Member and Human Resources Department of InsureNet, Barry Switzer, Sooner Communications Group and Tinker Owens, Sooner Communications Group and Bonnie Sharp, KS Legislative lobbyist. According to Mr. Pettigrew a couple of changes have allowed InsureNet to become available. One being a decision in 2007 that has allowed interstate and intrastate citations to be collectible in all states. He said today there are no "escapes" and the days of ignoring a citation are over. Vehicle re-registration and drivers license renewal depend on paying and clearing any fines - including those regarding insurance - from any jurisdiction. Mr. Pettigrew then introduced Dr. Jonathan Miller, President and Chairman of the Board of InsureNet.

Testimony was that this system can now meet the exact needs of many divisions of government. In each state, the Departments of Motor Vehicles, Public Safety/Law Enforcement and others can be fully and professionally supported. He said this system is owned and controlled by State Government. This system is connected to over 35,000 U.S. Law Enforcement Agencies and 1.2 million officers. Dr. Miller said this product is an accurate and automatic, non-invasive bridge between insurers and governmental entities, consisting of seven data elements. He said the system is accurate, instantaneous, easy to implement and exceeds all privacy protection laws for vehicle owners and insurers. After the presentation they stood for questions.

When all questions were answered the Chairman thanked the group for their presentation.

Chairman Hayzlett then introduced Deb Miller, Secretary, Kansas Department of Transportation who came to brief the Committee on "The Status of Transportation in Kansas." (Attachment #2)

CONTINUATION SHEET

Minutes of the House Transportation Committee at 1:30 p.m. on January 20, 2010, in Room 783 of the Docking State Office Building.

Secretary Miller said she hoped to provide helpful information to the Committee. She said 'Transportation is not an end, it is a means because economy moves on transportation.' Secretary Miller discussed the 10,000 miles of state highways, the State Highway Fund Sources and Expenditures. She talked about KDOT's 3,100 employees, district employees and the 900 employees at headquarters who are responsible for planning and local projects, road and bridge design, aviation, rail and transit services and signs, access and speed limits. Secretary Miller talked about the impact of the reduced budget. She discussed maps indicating the spending on Total Transportation, State Highway Spending and Results and Transportation Spending on Alternate Modes: Public Transit, Aviation, Rail and Bike/Pedestrian. At the end of her presentation, Secretary Miller stood for questions from the Committee.

After all questions were answered, Chairman Hayzlett thanked Secretary Miller for her presentation.

There being no further business before the Committee the meeting was adjourned.

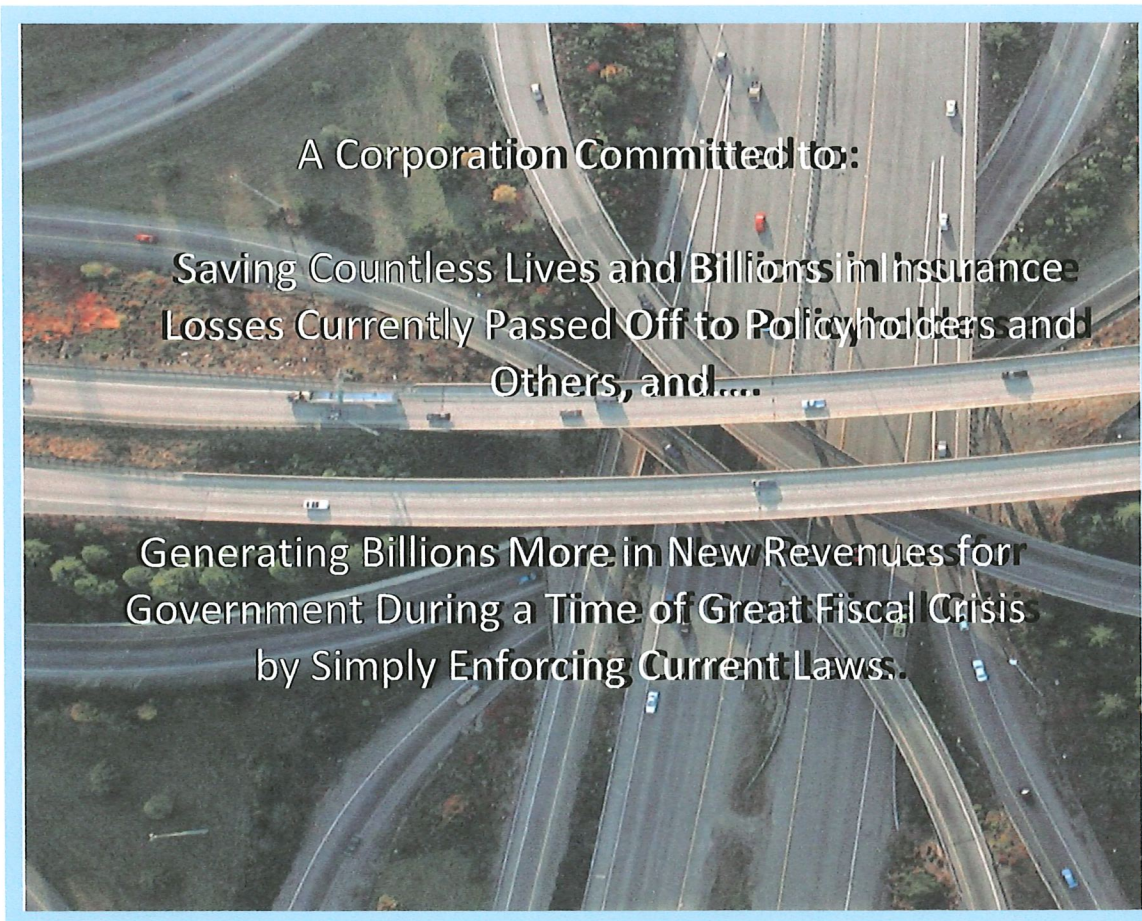
HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 1-20-10

NAME	REPRESENTING
Lindsey Douglas	KDOT
Deb Miller	KDOT
Kyle Schneweis	KDOT
Terry Heidner	KDOT
Nancy Zogelman	Polsinelli
Ashley Shepard	Verity Chamber
Carleen Aueritt	KDOT
Mike Reacht	Hackes Bladen
KEVIN GREGG	KMCA
Barry Switzer	INSURENET
Wayne Pettigrew	INSURENET
JONATHAN MILLER	INSURENET
Scott Burkens	INSURENET
TINKER OWENS	INSURENET
Spencer Duncan	Capital Connection
Ted Smith	KDOR
Claid Manspecker	Labores 1240
Bernie Koch	KEPC
Albanese	Intern
Brad Sargent	AIA
Whitney Jones	KS Good Roads, Inc.
Mike G. Thomas	Boyer Car Comm
Lee Adams	Harper Co Comm

THE INSURENET

(INSURENET, INCORPORATED)



A Corporation Committed to:

Saving Countless Lives and Billions in Insurance
Losses Currently Passed Off to Policyholders and
Others, and....

Generating Billions More in New Revenues for
Government During a Time of Great Fiscal Crisis
by Simply Enforcing Current Laws.

A Perfect Storm...Solving Two Major Problems

House Transportation
Date: 1-20-10
Attachment # 1

ASA27.12.09

Introduction: Vehicle Insurance Verification and Compliance Made Easy

InsureNet, Inc., (or simply, “the insurenet”), has developed a product that solves all problems regarding uninsured vehicles on our roads. This solution is more significant than it may first appear as today, one vehicle in five is uninsured and the cost to Society is in the tens of billions of dollars annually. For the average State, this solution can result in far safer streets and roads and hundreds of millions of dollars annually in new revenues. The “one in five” comment is well-researched. Simply taking the number of vehicles in service according to USDOT and the NADA, (National Automobile Dealers Association), then the number of vehicles insured as reported by the Insurance Information Institute, (iii.org), “proves the math.” InsureNet’s product has been accepted as “The National Law Enforcement Standard” by NLETS, (founded as the National Law Enforcement Telecommunications System ...now the International Justice & Public Safety Network), which is the sole link for all law enforcement agencies in the United States. The InsureNet solution has the potential to not only generate massive new revenues for States and local jurisdictions, it will ensure that our roads are far safer and will also force reductions in the cost of vehicle insurance.

InsureNet provides a complete turnkey system including the installation of scanners, (cameras and other equipment in all-weather housings), “safety cars”, scanners mounted in existing law enforcement vehicles and much more. Interfaces, software implementation, detection of non-compliant vehicles and issuance and collections regarding citations for both interstate and intrastate traffic are all provided as part of our solution. These processes and vendors involved have been well vetted for decades by government and are well-known to InsureNet as well. Partners include Federal Signal, the largest law enforcement equipment company in the world and the City of Chicago’s CANVAS System, considered the Nation’s best fine collection system. Adesta Group, Telvent, Intelligent Imaging Systems and others are all Consortium Members with InsureNet and ensure both seamless communications and solution modules, They all play a key role in also ensuring ultimate success.

InsureNet has confirmed that the percentage of citation revenues being paid to third parties where camera technology is deployed averages over 50% of collected ticket revenue. InsureNet by comparison, requires only 30%.

Today, the opportunity to provide a real answer to the problems of each and every State has regarding uninsured vehicles been greatly enhanced. The future regarding both enhanced safety and new, additional revenues is very bright...and that future.... is here.

What has provided this opportunity? An almost “Perfect Storm”....that Solves Two Major Problems for State Governments has recently occurred. It is not an overstatement to say that there exists today, a near-perfect environment for this solution. Eleven factors have “aligned like stars” to ensure success for State Governments. They solve both revenue and safety problems. Consider the following and their implications:

1. Increasing Frustration with Owners of Uninsured Vehicles

At this time, at least one vehicle in five is uninsured in the U.S. The prevalence of undocumented and uninsured aliens on our roads and much else has resulted in a situation in which the Public sees a problem of almost “epidemic” proportions and one that it is increasingly unwilling to pay for. Uninsured coverage costs are also now quickly rising along with the unemployment rate, making matters even worse.

2. The Communications “Miracle”

The release of UHF channels from the transition to digital television and the ability to use that bandwidth to transfer massive data at very high speed over cellular at very low cost, ensures freedom from hard-wired pole sites except for basic power. The systems are so efficient that in many locations, solar panels can even handle power requirements. The biggest single obstacle to placing scanners at roadside is thus, now certainly *over*.

3. Affordability of System Elements

Recent advances in technology have seen price reductions of almost 50% for License Plate Recognition Systems and more reductions are anticipated, while the efficiency of such systems continues to soar. This greatly advantages State Clients.

4. Smart Cruisers

The amazing growth and acceptance of Smart Cruisers or Safety Cars around the Nation enables a vast new source of revenue for government. There are no prohibitions anywhere regarding the use of scanners or other technologies in a police vehicle or any other vehicle manned by Certified Law Enforcement Officers and...no prohibitions of any kind regarding these technologies at all if for non-moving violations.

5. The Ability to Collect on Citations

Prior to September 18, 2007, and the activation of the National Offenders Clearing House under NRVC, (Non-Resident Violator Compact), it was difficult if not impossible, to ensure payment of citations regarding out-of-state vehicles and difficult to collect for even some intrastate citations. Today, there is no “escape” and the days of just ignoring a citation, (even an interstate citation), are over. Vehicle re-registration and drivers

license renewal depend on paying and clearing any finesincluding those regarding insurance....from any jurisdiction.

6. A Complete Answer

This system alone can handle all requirements regarding vehicle insurance. Other approaches are limited to only private passenger vehicles, and usually only a portion of those and seldom handle motorcycles and many types of trucks. This system handles all forms of both private and commercial vehicles. That includes snowmobiles, RVs and all interstate trucking, ("big rig" or IRP requirements)....our relationship with our Strategic Partner IIS, enables us in fact, to handle ***everything with wheels and an engine***. Via its NLETS connectivity, this system also supports Homeland Security/ICE, Amber, and Hot List Alerts.

7. Availability of Law Enforcement Officers

During a period in which crime is rising significantly, the number of law enforcement officers continues to fall due to the failing economy. Former Officers now constitute the largest-ever pool of available Officers in U.S. history. This source is a significant element of what is needed for cost-effective **law enforcement** review of photos from scanners, for sign-off of citations, and also as dedicated operators/drivers of Smart Cruisers/Safety Cars.

8. Failure of Other Efforts

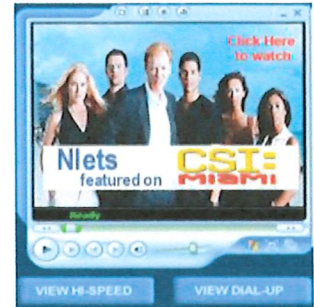
Fourteen States now receive electronic daily reporting and more are initiating demands for such reporting. This greatly supports State Governments and this system at a time when other concepts have failed. Some large insurers have promoted a system that forces the government to go to the internet and try and find insurance status one-file-at-a-time then use a person's name and address to find status over the internet, (broadcast email to hundreds of insurers), which is in clear violation of Federal law, (DPPA - Driver's Privacy Protection Act). Called the IICMVA "Web-Enabled" Model, it has failed, without exception, in every trial and operates successfully nowhere. It seems obvious that the time could thus not be more perfect for this real solution, especially as our solution cannot accept or maintain names or addresses and of course, has no need for broadcast emails, etc. We have the support of privacy advocates and the NAACP. **This system is totally non-invasive.**

9. Selection of a National Standard

The selection of this system by NLETS as the national standard for vehicle insurance verification has been the most important event in ensuring success for State Government. The system can now meet the exact needs of many divisions of government. In each State, the Departments of Motor Vehicles, Public Safety/Law

Enforcement, Revenue, Insurance, Homeland Security and Emergency Management, Attorney General, Courts and other stakeholders can all be fully and professionally supported. NLETS is owned and controlled by your State Government, (and all other State Governments. Operational since 1961 and handling over 90 million transactions each month, it has never been compromised.

NLETS connects InsureNet to over 35,000 U.S. Law Enforcement Agencies and 1.2 million Officers. NLETS is the National Recovery System for the FBI which like InsureNet, is a Strategic Partner. Other NLETS Strategic Partners include U.S. Coast Guard, NCIS, CID, NCIC, NICB, and USDOJ. NLETS' link to CPIC provides InsureNet with connectivity to all Canadian Provinces and the NLETS link to INTERPOL links this system around the world.



10. Partnerships

This system is implemented by a Consortium of five companies, including the largest law enforcement equipment company in the world, (Federal Signal), the most respected ITS infrastructure company in the U.S., (Adesta), the worldwide organization with the most advanced technology, (Telvent), and the premier interstate trucking/commercial vehicle monitoring system, (IIS). The Consortium Members represent a "Dream Team" of well-known and respected entities, (three of them public with operations in over 60 countries), and a complete solution to any and all State Government requirements.

11. Government Deficits

The most significant catalyst for implementation at this time are current and, (at least for the next two years), continuing government deficits. With almost no exceptions, States and major cities are facing financial shortfalls of historic proportions. Even if the economy improves, (as is now being claimed will happen or has "started" to happen), that improvement will be very gradual and leave Society with a long-term legacy of debt and the loss of much infrastructure. States now realize that this system cannot only deliver a very popular program without the requirement to pass a funding bill, but greatly assist to balance their budgets and enable critical, targeted projects.

InsureNet's proprietary technology...its product... is an accurate and automatic, non-invasive bridge between insurers and governmental entities, consisting of seven data elements. Through patent-pending approaches and Unique Codes, the system is accurate, instantaneous, easy to implement, and exceeds all privacy protection laws for both vehicle owners and insurers. NLETS controls all communications, not InsureNet and since NLETS is an extension of each state government, there can be no question of data ownership or control

issues. Once the data is passed to a state URL which happens to be at NLETS, it has passed to the government just as has been the case for decades...nothing changes. Insurer data indicating whether the vehicle is insured or not passes through NLETS and is accessed via camera reading technology (ALPR) and similar technology mounted in the grills or on top of Police Cruisers or by an officer or DMV staff member entering a license plate or other linked data in a computer. .

This is the only possible solution. All other approaches have failed.

Basically:

No other approach can:

- produce revenue; instead they must be funded
- is National in scope...all are one-State-only systems
- provide status on Canadian or Mexican vehicles
- provide status on commercial, IRP/ interstate trucking
- provide accurate data to law enforcement at the roadway and do so instantly
- interface with scanners, the primary revenue source
- is non-invasive. They contain names and addresses and may distribute that data to hundreds of insurers over the internet, clearly violating Federal and State Laws
- ensure stability and success. They all have serious known problems
- support a State automatically. They are all manual approaches, forcing government to obtain status from one company at a time over the net for each individual policy/vehicle combination and thus creating a vast amount of new, additional effort.

InsureNet is the only patentable system, the only accurate system, the only national system, the only Nlets-approved or hosted system, the only non-invasive system, the only all-vehicles system and the only way to solve this serious problem and thus benefit Society by removing the vast majority of cost and danger regarding uninsured vehicles on U.S. roads.

We welcome any opportunity to speak with you further about the system. Please contact us at your convenience on 800.853.7267 or go to theinsurenets.com.



What Makes This Different in 25 Words or Less.....It's:

Web-Enabled,
Accurate,
Secure,
Noninvasive,
Non VIN-Reliant,
No Cost to & NLETS-Based for Law Enforcement
Real-Time,
Interstate
International,
Automatic,
No Cost/Extra Effort – Insurers,
.....Complete

Additional Explanation: "Real Time" must mean instant access to and response from the information source for all users. Every Agent has a secure portal and benefits greatly from entering transactions as they occur. Those portals are being certified by insurers and the insurers involved alone decide who can and cannot bind coverage, etc. Likewise, each insurer has a secure portal for reporting as transactions occur but it is important to note that no insurers actually update as transactions occur. Instead, binders are in place and requirements are handled in batch each night. This system is updated each night at that time so insurer data is just as current and Agent-generated data **more so**. Unlike an IICMVA-style approach, this involves all insurers in a state, not a small number of large insurers increasing market share at the expense of smaller companies. This system accommodates all insurers equally... and in fact requires nothing new of insurers, (actually less than what they do now). This system also involves not only DMV, but Law Enforcement, (both interstate and interstate use), the Courts, the Insurance Commissioner and Staff, a Turnpike Authority, (if there is one), vehicle dealerships, vehicle rental agencies, every lien holder, DAs, MADD, AARP, ACLU, other privacy and consumer groups and many other organizations, and... every Citizen and Resident.



**HOUSE COMMITTEE ON
TRANSPORTATION**

January 20, 2010

Transportation is a means to an end:

It's about...

enhancing **safety**

supporting **the economy**

creating **jobs**

**Transportation Moves People
and the Kansas Economy**



- 10,000 miles of state highways
- 2 million+ registered vehicles
- Nearly 2 million licensed drivers
- \$160 billion+ of goods shipped to, from and within Kansas each year

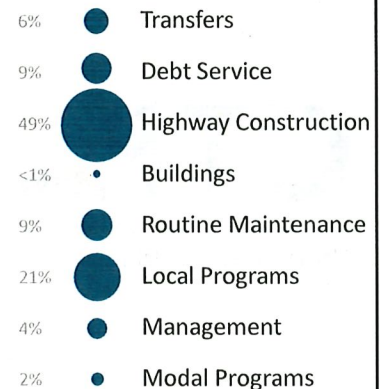
**KDOT's Resources
Strategically Deployed**

- 3,100 employees
- 2,200 employees in 6 districts / 26 areas
Road maintenance and construction inspection
- 900 employees at headquarters
Planning and local projects
Road and bridge design
Aviation, rail, and transit services
Signs, access, and speed limits

**State
Highway
Fund
SOURCES
'00-'09**



**State
Highway
Fund
EXPENDITURES
'00-'09**



20 Years of Transportation

- **Comprehensive Highway Program (CHP)**
 - 1989-1997
 - Funded highways and transit
- **Interim Program**
 - 1998-1999
 - Funded highways and transit
- **Comprehensive Transportation Program (CTP)**
 - 2000-2009
 - Funded highways, transit, aviation & rail

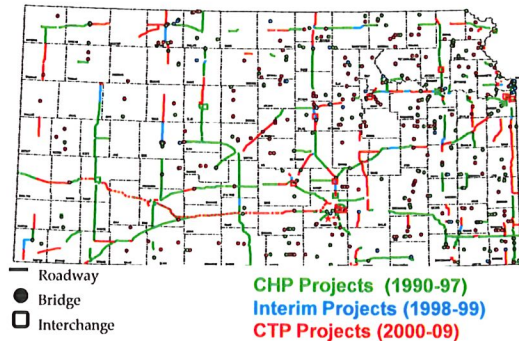
Different Programs for Different Goals

	CHP	CTP
Highways	\$3.1 B	\$5.6 B
Transit	\$8 M	\$52 M
Aviation	--	\$30 M
Rail	--	\$30 M

How they were funded

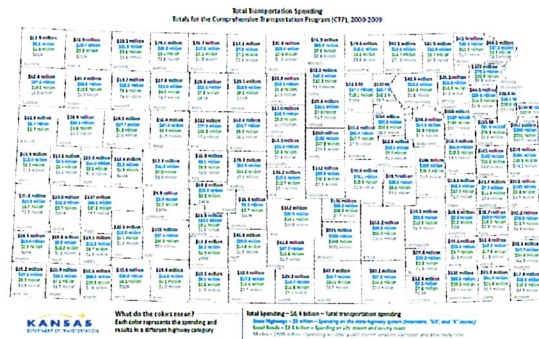
	CHP	CTP as passed	CTP adjusted
MFT	7¢ phased	4¢ phased	6¢ phased
Sales Tax:			
-- Direct Deposit	.25¢	--	.45¢ increase
-- Transfer	10% → 6%	12%	0%
Reg. Fees			
-- cars	50% increase	none	\$5 per
-- trucks	33% increase	none	\$2-10 per
Bonds	\$890 M	\$995 M	\$1.272 B

Highway Projects from 1990-2009

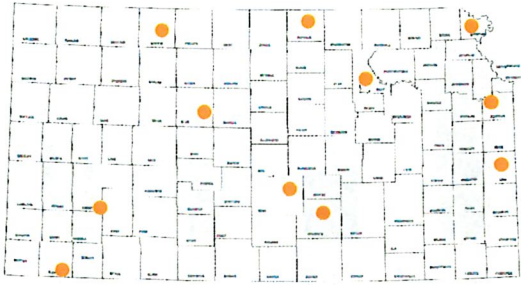


CTP  1999-2009
 KANSAS COMPREHENSIVE TRANSPORTATION PROGRAM
 Planned. Executed. Delivered.

Handouts: CTP Spending Maps



The Impact of Construction



The Impact of Construction

Total payroll of **\$43,421,346**

3,387 people employed

2,467 businesses benefitted

Economic impacts: 5 Case Studies

Project	Project Cost	Jobs Added	Economic Value Added
Parsons - US-400 Bypass	\$27 M	1,400	\$56 M
Wichita - K-96 Bypass	\$103 M	24,000	\$1.6 B
WY County - 110 th St Interchange	\$50 M	5,700	\$186 M
Overland Park - Nall Ave Interchange	\$48 M	17,500	\$4.1 B
Hays - Commerce Pkwy Interchange	\$3.5 M	2,200	\$111 M
TOTAL	\$231 M	50,800	\$6.1 B

2009 Update

KDOT's 2010 budget has been reduced by **\$229 million**

Governor makes sweeping cuts



FILE PHOTO COURTESY OF THE CAPITAL JOURNAL
On Monday, Gov. Mark Parkinson announced cuts he will make to the state, according to reports, to bring the Kansas government's budget into balance before the end of its fiscal year.

BY TALI CARPENTER

Published September 21, 2009 at 10:08am
Updated November 23, 2009 at 11:07pm

Cuts to Kansas public schools, highway maintenance and Medicaid reimbursements served Monday as the foundation of Gov. Mark Parkinson's strategy for eliminating a \$666 million deficit in the state government's budget.

Parkinson said he left no sacred cows standing in the quest for a reasonable response to unprecedented declines in state tax revenue that triggered four previous rounds of cuts.

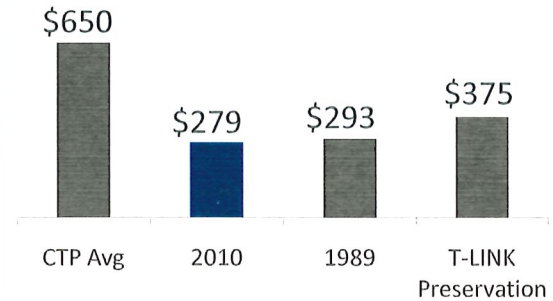
"There is no way to sugarcoat this," the Democratic governor said at the Statehouse. "After this fifth round of budget cutting, there will not be a single

The result is a **28% loss** in agency revenues in 2010

Revenue Losses

	2009	2010	2011
Receipt Losses	-\$24 M	-\$52 M	-\$51 M
CTP Debt Transfer	---	-\$25 M	-\$25 M
Loan Repayment	-\$31 M	-\$31 M	-\$31 M
KHP	---	-\$36 M	-\$36 M
SCCHF Transfer	---	-\$5 M	--
Governor's Budget		-\$80 M	-\$80 M
TOTALS	-\$55 M	-\$229 M	-\$223 M

Construction Spending



Managing Uncertainty

Federal Update

Federal Update

- SAFETEA-LU expired on September 30th and has not been reauthorized
- The Federal Trust Fund is going broke
- Jobs for Main Street would extend SAFETEA-LU and fix the HTF

Managing Uncertainty

KDOT operates on a cash flow basis

Cash Flow Example

A preservation project let and programmed in 2009:

\$10 million

Cash Flow Example

A preservation project let and programmed in 2009:

\$10 million

But the project is paid for as it is completed:

2009	2010	2011
\$6M	\$3M	\$1M

Expansion projects pay out longer

An expansion project let and programmed in 2009:

\$100 million

But the project is paid for as it is completed:

2009	2010	2011	2012
\$15M	\$40M	\$30M	\$15M

What It Means

- Costs are paid out for years after a project is let
- \$2 in cuts are required to save \$1 in a given year's budget
- If revenues fall too far, existing construction contracts could be at risk

The Christmas Storm



Equipment	\$1,000,000
Labor	\$600,000
Materials	\$700,000
Total	\$2.4 million

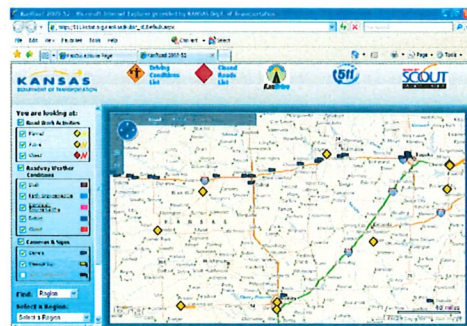
Testimonials

"My Missouri hat is off to Kansas DOT for the road information web site and keeping your roads clear"

"Thanks to you and your employees for helping make our holidays safe."

"The KTA and KDOT employees deserve a lot of praise for their efforts."

www.kandrive.org



Collaboration in new ways



KANSAS TRANSPORTATION ONLINE COMMUNITY

www.ktoc.net

Strong Foundation



Looking Forward

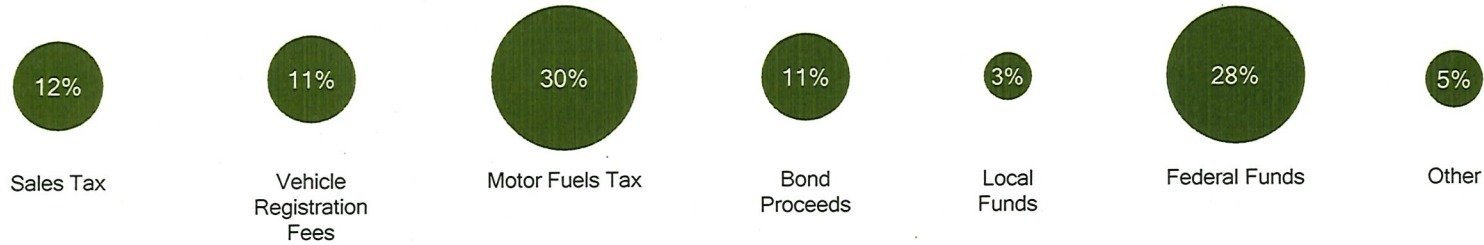


STATE HIGHWAY FUND
Sources and Expenditures
FY 2000-2009

Based on 2009 Cash Flow

2-7

SOURCES



EXPENDITURES

