

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on February 12, 2002 in Room 123-S of the Capitol.

All members were present except: Senator Lynn Jenkins (Excused)

Committee staff present: April Holman, Legislative Research  
Norman Furse, Revisor of Statues  
Sherman Parks, Revisor of Statues  
Lea Gerard, Committee Secretary

Conferees appearing before the committee: Ken Daniel, Chairman National Federation of  
Independent Business  
David R. Downing, NASA Small Airplane  
Transportation Program

Others attending: See attached list.

Chairperson Brownlee welcomed Ken Daniel, Chairman and CEO Midway Sales & Distributing and Chairman, National Federation of Independent Business (Attachment 1). The National Federation of Independent Business (NFIB) represents 6,800 small and independent businesses in Kansas. Mr. Daniel stated that some of the key issues that need to be addressed for the survival of small businesses in the State of Kansas are high taxes, complicated regulations and health insurance mandates. Small businesses provides employment to 53% of the private work force and generates 51% of the gross national product.

The Committee questioned Mr. Daniel if he had any specific recommendations they should consider to address the rising costs of health insurance. Ken Daniel stated the legislators need to make it as easy as possible for small businesses to have group insurance. There was a law passed in 1994 that made it very difficult for new small groups to start a health insurance group. The exception to this is the Wichita Independent Business Association, with 1500 members, has health insurance which was started before 1994. Ken Daniel stated to expand or allow health insurance groups to cross state lines, federal and state laws will have to be amended.

Written testimony regarding the present economic climate for small businesses was submitted by Patrick J. Finn, President and owner of Finn and Associates, Inc. located in Wichita, Kansas and a member of the Wichita Independent Business Association (WIBA)(Attachment 2).

Chairperson Brownlee welcomed Doctor David Downing, KU Aerospace Engineering Department, who presented an overview of NASA's Small Airplane Transportation System Program (Attachment 3). Dr. Downing discussed the following is his presentation:

- Problems addressed by the Small Airplane Transportation System.
- What is the NASA SATS Program?
- What is the SATS Program is successful?
- Status and cost of SATS technology.
- Why SATS for Kansas?
- What is needed?

The goal of the SATS program is to create a multi-mode transportation system that will work with the airlines and will have the capability of being four times faster in transportation than a car. The Small Airplane Transportation System Program would like to implement this program at 83 of the Kansas communities that have at least one paved runway greater than 3000 feet.

In accordance with KSA 75-3715a, the fiscal note concerning **SB 397** was submitted to committee members.

Meeting was adjourned at 9:30 a.m.

The next meeting is scheduled February 13, 2002 at 8:30 a.m.