

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE  
Joint Meeting with Senate Commerce Committee

The meeting was called to order by Chairperson Lana Gordon at 9:45 A.M. on March 4, 2005 in Room 526-S of the Capitol.

All members were present except:

Terrie Huntington- excused  
Tom Burroughs- excused  
Don Hill- excused  
Carl Krehbiel- excused  
Annie Kuether- excused  
Ed O'Malley- excused  
Mark Treaster- excused

Committee staff present:

Renae Jefferies, Revisor of Statutes  
Carlene Maag, Committee Secretary

Conferees appearing before the committee:

Senator Sam Brownback  
Congressman Jerry Moran

Others attending:

See attached list.

The joint meeting of the House Economic Development Committee and Senate Commerce Committee was called to order by Chairperson Lana Gordon at 9:45 a.m. on March 4, 2005 in Room 526-S of the Capitol.

Chairperson Gordon welcomed Senator Sam Brownback and Congressman Jerry Moran.

Senator Brownback thanked Chairperson Gordon for the opportunity to talk to the committees. He also thanked Speaker Doug Mays for being a member of the audience and for doing a great job as Speaker.

Senator Brownback spoke on several topics concerning economic development. The aviation industry is a key platform for the state of Kansas. Much is happening in that industry. Tax incentives for aviation manufacturing and grants to support aviation research, especially at Wichita State University, are a necessity. The aviation business needs to be a cutting edge. The science needs to be cutting edge and globally competitive. The best manufacturing jobs in the world are in the aviation industry. Other people know that, so they recruit heavily to try and get the aviation jobs.

There are a lot of exciting developments occurring in the biosciences field. The medical industry and the percentage of the economy continues to grow. Kansas should explore expansion of medical research. The use of adult stem cells shows promise in helping people with spinal injuries, heart problems and Alzheimer's disease.

On a recent trip to Germany, Senator Brownback learned that a number of cities and states are going to the European union to solicit investment and investor visas. With the EU dollar ration being favorable, they can invest here and secure a visa with a half million dollar investment. Cities and States are going over and recruiting individuals to invest in the United States. With the favorable exchange rates, from their perspectives, this has been effective. Looking into this could be well worth it for the State of Kansas.

Congressman Jerry Moran thanked Chairperson Gordon for the opportunity to speak to the committees. He also thanked Senator Brownback for asking him to join him on the trip to Kansas.

With regards to economic development, Kansas is a transportation dependent state. Highways, railroads and aviation are very important. WACO, KYLE and other short line railroads are taking advantage of tax incentives to upgrade their transportation.

## CONTINUATION SHEET

MINUTES OF THE House Economic Development Committee at 3:30 P.M. on March 4, 2005 in Room 526-S of the Capitol.

Congressman Moran said providing affordable health care to Kansans, especially in rural areas, was an economic development issue. There is little incentive for a business to relocate to an area of the state not served by a hospital or physician. One of the fastest ways to depopulate many places in Kansas is to lose our health care infrastructure. Health care costs must be manageable.

Agriculture is very important to the economic development of Kansas. Kansas cattle producers have lost an estimated \$2 billion since Japan cut off imports of U.S. beef. The U.S. has the safest beef in the world. It exceeds international standards. There is a tremendous trade imbalance between Japan and the U.S. It is important that a clear message is sent that trading is a two way street.

If weather conditions prevail as they have to date, the condition of wheat in Kansas may be the best there has been for a decade. This is very good for the economy.

Expanding force strength at the U.S. army base at Fort Riley is a positive development for Kansas. 34 hundred soldiers and their families will start arriving this year. If housing needs can be met, the surrounding communities should see economic growth.

Congressman Moran commended the committee for recognizing good things happen in Johnson County and also in rural Kansas.

The meeting adjourned at 10:30 a.m.