Approved: _	March 29, 2010

Date

#### MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 p.m. on March 3, 2010, in Room 783 of the Docking State Office Building.

All members were present except:

Representative Richard Proehl- 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 Betty Boaz, Committee Assistant

#### Conferees appearing before the Committee:

Senator Dick Kelsey

Lindsay Douglas, Legislative Liaison, KDOT

Deborah Fischer Stout, President of the Northern Flyer Alliance

Mark Corriston, VP, Kansas of the Northern Flyer Alliance

Carey Maynard-Moody, Station Renovation and Passenger Rail Service, Lawrence

Chris Cardinal, Legislative Coordinator, Sierra Club

Shelby Smith, Former Lt. Governor, Wichita

Vicky Johnson, Chief Counsel, KDOT

Leslie Kaufman, KS Cooperative Council

Mary Jane Stankiewitz, Jointly with KS Grain & Feed and KS Agri-Business Retailers

Martha Neu Smith, KS Manufactured Housing Association

#### Others attending:

See attached list.

Chairman Hayzlett called the meeting to order. He opened the hearing on **SB 409**.

#### SB 409 - Establishing the passenger rail service program

Chairman Hayzlett recognized Senator Dick Kelsey. (<u>Attachment #1</u>) Senator Kelsey spoke in support of <u>SB</u> <u>409</u>.

The Chairman recognized Representative Pauls who also spoke in support of **SB 409**.

The Chairman recognized Senator Roger Reit who spoke in support of **SB 409**.

Chairman Hayzlett recognized Lindsay Douglas, Legislative Liaison for KDOT. (Attachment #2) Ms. Douglas said KDOT supports the general concept of passenger rail service, if economically feasible, and if the service would logically fit into the state's multimodal transportation network. According to Ms. Douglas HB 409 is a broad framework of enabling legislation to allow KDOT to develop and administer a passenger rail program for Kansas at such time that the Legislature decides that a passenger rail program, including funding, is needed and is advantageous to Kansas.

The Chairman recognized Deborah Fischer Stout, President of The Northern Flyer Alliance and Mark Corriston, Vice President of the Northern Flyer Alliance who gave joint testimony in support of <u>SB 409</u>. (<u>Attachment #3</u>) They showed a power-point presentation. They said <u>SB 409</u> provides an appropriation mechanism for a potential state passenger rail funding program. This proposed funding program is designed to size appropriations such that both state and federal revenues can be collected and adjusted under legislative mandate. The proposed program will provide flexibility if the state authorizes supplemental passenger rail services.

Chairman Hayzlett recognized Carey Maynard-Moody, Station Renovation and Passenger Rail Service, Lawrence, KS. (Attachment #4) According to Ms. Maynard-Moody, the future of the Kansas economy will depend on taking full advantage of all modes of transportation: highway, air and rail. She said rail, both

#### **CONTINUATION SHEET**

Minutes of the House Transportation Committee at 1:30 p.m. on March 3, 2010, in Room 783 of the Docking State Office Building.

passenger and freight, are essential and as yet an undeveloped resource. Rail has the added benefit of being more fuel efficient and less environmentally harmful than cars, trucks, and planes.

The Chairman recognized Chris Cardinal, Legislative Coordinator for the Sierra Club. (Attachment #5) According to Mr. Cardinal, rail provides a solution for many of our most urgent transportation, energy and environmental problems. He said transportation generates about one-third of the greenhouse gases emitted in the country. Mr. Cardinal said freight rail transportation is an efficient form of surface transportation in that a freight train can move one ton of freight 438 miles on a single gallon of diesel fuel. He said freight railroads are three times more fuel-efficient than trucks and emit three times less carbon dioxide than trucks for the same transportation service.

Chairman Hayzlett recognized Shelby Smith, Former Lieutenant Governor, Wichita, KS. (<u>Attachment #6</u>) He said a recent financial impact study conducted by the University of Kansas School of Business has demonstrated that increased travel, tourism and employment along a passenger-rail route will return a regional economic benefit of \$3.20 for every \$1 invested. Mr. Smith said according to data from the U.S. Department of Energy, Amtrak is almost 20 percent more efficient on a per-passenger-mile basis than domestic airline travel, and 28 percent more efficient than auto travel.

The Chairman drew the Committee's attention to written testimony submitted by Ty E. Dragoo, Director/Chairman United Transportation Union (<u>Attachment #7</u>) and Matt Zimmerman, City Manager, Emporia, KS (<u>Attachment #8</u>). Both were in support of <u>SB 409</u>.

There were no additional proponents and no opponents so when all questions had been answered Chairman Hayzlett closed the hearing on **SB 409**. The Chairman opened the hearing on **SB 462**.

# SB 462 - Sub for S 462 by Committee on Transportation – Regulating traffic, liability for damage to highway or structure

Chairman Hayzlett recognized Vicky Johnson, Chief Counsel with KDOT. (Attachment #9) According to Ms. Johnson, under existing law a driver and/or owner of a vehicle is liable for all damage caused by the driver to a highway or highway structure caused by illegal operation, driving or moving. She said SB 462 would clarify that the liability of a driver and the owner of the vehicle includes both reasonable direct and reasonable indirect costs associated with the repair. She said currently KDOT asks for reimbursement for the costs of repairs from the responsible party's insurance company and owners of the vehicles for damage caused to a highway or highway structure. Ms. Johnson said occasionally a bridge or an overhead structure sustains extensive damage and costs are incurred by KDOT in repairing the structure. She gave an example of damage to a bridge over I-70. The equipment hauler's insurance company said they would only liable for the damage to the structure and not the associated costs. It cost KDOT over \$350,000 because they could not collect on indirect costs. The other change in SB 462 is to clarify that damages may be recovered when caused as a result of illegal acts "regardless of whether a ticket has been issued or not."

There were no other proponents on this bill so Ms. Johnson stood for questions.

The first opponent to <u>SB 462</u> was Leslie Kaufman, representing KS Coordinating Council. (<u>Attachment #10</u>) According to Ms. Kaufman she understands KDOT's desire to recover all their costs when transportation infrastructure is damaged. She said she has concerns with the open-endedness of their approach. Ms. Kaufman said KDOT was willing to reinstate language linking damage liability to "illegal" operation and substituted "indirect" damages in place of "consequential" damages. She had a proposed balloon amendment attached to her testimony. She said there are still some concerns but adopting the recommendations in the balloon amendment will help.

The Chairman recognized Mary Jane Stankiewicz representing Kansas Grain and Feed Association and the Kansas Agribusiness Retailers Association, as the next opponent. (Attachment #11) Ms. Stankiewicz said even though some of the issues with this bill have been resolved, she still had concerns. She took issue with the proposal that would allow KDOT to receive payment regardless of whether a ticket has been issued or not and the section concerning the indirect costs.

#### **CONTINUATION SHEET**

Minutes of the House Transportation Committee at 1:30 p.m. on March 3, 2010, in Room 783 of the Docking State Office Building.

Chairman Hayzlett recognized the last proponent, Martha Neu Smith, Director of KS Manufactured Housing Ass'n. (Attachment #12) She said KMHA opposed <u>SB 462</u> in the Senate and then met with KDOT to try to reach an agreement. Ms. Neu Smith said her members are part of the oversize/overweight permit users and they understand KDOT's concern regarding damage to highways and their cost recovery. She said there are still two areas that need to be addressed - (1) whether a ticket has been issued or not and (2) indirect cost. She concluded by asking the Committee to adopt the balloon amendment offered earlier.

The Chairman drew the Committee's attention to written testimony from Melissa A. Wangemann, General Counsel and Director of Legislative Services (<u>Attachment #13</u>) and David Monaghan, American Family Insurance, (<u>Attachment #14</u>) in support of **SB 462**.

There were no additional proponents or opponents so after all questions were answered, the Chairman closed the hearing on **SB 462**.

The being no further business before the Committee, the meeting was adjourned.

## HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 3-3-10

NAME	REPRESENTING
Rogen BARA Don Ziegler	NANURE
DON Ziedar	NANURE Mosaic
2.	

### HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 3-3-10

NAME	REPRESENTING	
Chris Cardinal	KS Sierra Club	
Maus Ellin (Julie	Northern Flyer Alliance	:
Fred Share	NARVRE#140	
Kendra Hanson	Hein Law Firm	
Jerry L. Smit	Norther Flyer alliance & De	potRedux
Mary Jane Strakewicz Leske Kaufman	KGFA U	·
	Ks Co-of Council	,
JAN RAMILS	Legistan #102	
Martha Ger millo	KMH	
Spencer Duncan	Capital Connection	
Ton Burger	Midniest Crany	
David Hanson	KAPCIC	
Lori Church	KAPCIC	
Carey Maynard- Moody	Depot Redux	
MARK GERRISTON	Northern Flyer Alligner	
Janus Hoven	Bentrak Comption	
Dolld Hanson	Ks Lyzour Assus	
But most	An Fave	
Kimbely John s.	KMCA/UPS	
U		

DICK KELSEY

STATE SENATOR, 26RD DISTRICT 24047 W. MACARTHUR GODDARD, KANSAS 67052

STATE CAPITOL 541-E 300 S.W. 10TH AVENUE TOPEKA, KANSAS 66612 (785) 296-7367 dandd@carrollsweb.com



COMMITTEE ASSIGNMENTS
COMMERCE

FINANCIAL INSTITUTIONS AND INSURANCE PUBLIC HEALTH AND WELFARE

Testimony: By Senator Dick Kelsey

House Transportation Committee

Re: SB 409

March 3, 2010

Thank you for the opportunity to speak. I stand in support of SB 409. I believe it will be good for the economic development of the state.

Sincerely,

Senator Dick kelsey

House Transportation

Attachment #



Mark Parkinson, Governor Deb Miller, Secretary

http://www.ksdot.org

## TESTIMONY BEFORE HOUSE TRANSPORTATION COMMITTEE

# REGARDING SENATE BILL 409 RELATED TO ESTABLISHING A PASSENGER RAIL PROGRAM

March 3, 2010

Mr. Chairman and Committee Members:

Good afternoon. I am Lindsey Douglas, Legislative Liaison for the Kansas Department of Transportation (KDOT). We appreciate the opportunity to testify regarding Senate Bill 409.

KDOT, as a matter of public policy, supports the general concept of passenger rail service, if economically feasible, and if the service would logically fit into the state's multimodal transportation network. The bill you have before you is a broad framework of enabling legislation to allow KDOT to develop and administer a passenger rail program for Kansas at such time that the Legislature decides that a passenger rail program, including funding, is needed and makes good economic sense for Kansas. This bill as currently written does not authorize funding for such a program and may be premature. At such time that the Legislature might approve funding, KDOT will request some minor language changes to allow additional flexibility in implementation.

In an effort to determine whether such a program makes good economic sense, KDOT has contracted with Amtrak to perform a feasibility study of potential passenger rail service from Kansas City to Oklahoma City to Fort Worth. This Study, which is expected to be completed in March 2010, will provide estimates for costs, ridership, revenues and any annual operating subsidies that might be required. Any local costs associated with station development and annual station operating costs will not be included in the study. As part of KDOT's due diligence, this Study will provide Kansas with information critical to the decision making process pertaining to any type of passenger rail program in the state, potential expanded passenger rail service, and any estimated financial commitments that might follow.

In addition to the KDOT sponsored Amtrak Expansion Feasibility Study, the Northern Flyer Alliance sponsored a Return on Investment Study of that same Kansas City to Oklahoma City to Fort Worth route. KDOT staff is currently reviewing the content and findings of that study. Until we have completed the Amtrak Study and completed our review of the Northern Flyer Alliance Study it is difficult to know whether the authority provided in this bill is needed or not.

Recently, Kansas also received a \$250,000 federal grant to develop a "service development plan" for the aforementioned route from Kansas City to Oklahoma City to Fort Worth. This study would be a detailed, comprehensive business and operating plan for implementing passenger rail service along this corridor. This study should further inform Kansas' decision about whether to enter the passenger rail business.

Thank you, Mr. Chairman, for the opportunity to testify before the Committee. I will be glad to answer any questions at the appropriate time.

House Transportation
Date: 3-3-/0
Attachment # 2

#### SENATE BILL NO. 409

### **Intercity Passenger Rail Service Development Act-2010**

An Act establishing the passenger rail service program; providing for powers and duties of the Secretary of Transportation; establishing a passenger rail service revolving fund.

#### Legislative Brief and Background Notes

This Act authorizes the Kansas Department of Transportation (KDOT) to develop intercity passenger rail service in the state and interstate connection with Oklahoma and Texas over the BNSF Railway system.

Legislative action has developed from widespread city council, civic, and public interest. This interest is affirmed through receipt of formal resolutions and letters and emerging federal passenger rail funding programs. A coalition of corridor communities has been organized through the Northern Flyer Alliance, Inc. (NFA). The NFA serves to brief state legislators with timely facts and background based upon community interest, economic impact studies, and general transportation need. This effort culminated in the development of a forthcoming Amtrak Feasibility Study, and federal grants which include a High Speed Intercity Passenger Rail (HSIPR) program under the American Recovery and Reinvestment Act of 2009.

Senate Bill No. 409, provides an appropriation mechanism, for a potential state passenger rail funding program. This proposed funding program is designed to size appropriations such that both state and federal revenues can be collected and adjusted under legislative mandate. The proposed program will provide flexibility if the state authorizes supplemental passenger rail services. A similar appropriation mechanism exists in Oklahoma through the Oklahoma Tourism and Passenger Rail Revolving Fund.

KDOT must receive legislative authorization and direction, including appropriation, to establish a passenger rail service program. Such a program must include authorization to exercise administrative control over fiscal and operational service management responsibilities

A revolving fund and program establishment provides a method to satisfy a federal grant eligibility requirement. The requirement is referenced within HSIPR and other federal programs. A formal authorized state rail plan including fiscal passenger rail operational funding provision demonstrates to federal authority's serious development intent. At present KDOT is drafting a comprehensive state rail plan including a passenger component. The plan, which will be released in 2010, requires a legislative authorization. As proposed this program would allow obligation of that portion of the Comprehensive Transportation Plan for operational contracts and capital requirements necessary for federal grant approval and program initiations.

No appropriation for funding is requested in this bill. Operational and capital funding requirements will be specified through proposals by contract operators and/or construction companies. It is anticipated that program appropriations shall be considered on a case by case basis. The program outlined within this act does not obligate the state of Kansas to develop such programs. It does; however, provide a method for the state of Kansas to develop service and be approved for federal rail funding grants.

Note: Fourteen other states fund supplemental intercity passenger rail services. Many states are aggressively moving to secure landmark federal grants in hopes of sparking economic development corridors. The fact that Kansas is centrally located provides an extraordinary opportunity for connection with other state and interstate routes. These connections will attract significant numbers of visitors and provide convenient transportation to cities where existing travel options are inconvenient, expensive, or unavailable.



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House Transportation
Date: 3-3-10
Attachment # 3

### Senate Bill: 409

### **Intercity Passenger Rail Service Development Act-2010**

An Act establishing the passenger rail service program; providing for powers and duties of the Secretary of Transportation; establishing a passenger rail service revolving fund.

#### Kansas Communities Request Intercity Passenger Rail Service

The Governor and Kansas Department of Transportation have received over 80 resolutions and letters of support from 62 city councils, county legislatures and community organizations requesting the restoration of intercity passenger rail service in the state. The letters and resolutions may be viewed on the website of the Northern Flyer Alliance at <a href="https://www.northflyer.org">www.northflyer.org</a>, under the Community Action tab. The Governor has also received at least 2500 communications from citizens requesting new passenger rail service.

The Northern Flyer Alliance is a consortium of city councils and civic groups promoting the development of intercity passenger rail service in Kansas, Oklahoma and Texas. The Alliance is led by civic leaders and consultants who convey a collective message to the Kansas State Legislature, the Governor and the Kansas Department of Transportation that their constituents request affirmation legislative authorization for passenger rail service.

The Alliance is unanimously committed to daytime passenger rail service over the Burlington Northern Santa Fe system running from Kansas City through Lawrence to Topeka, continuing southwest to Emporia and west through Strong City to Newton, and then south through Wichita, and Arkansas City. The trains would run continue service to Oklahoma City and terminate in Fort Worth. Northbound service would run on a reverse transit over this same corridor.

The Kansas Department of Transportation commissioned a Feasibility Study with Amtrak in December 2008, and scheduled for release in February 2010. In addition, the Wiedemann Foundation of Wichita, Kansas funded a return on investment study that was released in December 2009. The ROI study, completed by the University Of Kansas School Of Business, revealed a 3-1 economic return to the State including significant tax revenue that would offset a major percentage of the modest service contract between Amtrak and the State of Kansas.

The cities of Lawrence and Strong City have taken active steps to renovate their train stations, taking ownership of their station and seeking federal and state grants for the development.

The vision and objective of this community based initiative respectfully asks the Kansas State Legislature to exercise their vested authority to restore passenger rail service in Kansas.

Note: Amtrak passenger rail service operated over this corridor until 1979. This train was the fifth most popular train in the Amtrak system and carried over 250,000 passengers annually. During its final abbreviated year of service it was on target to carry 289,000 passengers.



© 2009, The Northern Flyer Alliance, Inc.

#### Senate Bill No. 409

#### **Intercity Passenger Rail Service Development Act-2010**

An Act establishing the passenger rail service program; providing for powers and duties of the Secretary of Transportation; establishing a passenger rail service revolving fund.

#### **Amtrak State Passenger Rail Service**

Amtrak, authorized under the Rail Passenger Service Act of May 1, 1971 allowed railroads to enter into agreements and legally transfer passenger rail operations to the newly established National Railroad Passenger Corporation. The act also included legal protections authorizing Amtrak to operate over freight railroads at fair usage rights costs.

Today, Amtrak serves as the primary US intercity passenger rail service provider. Its trains make stops at over 500 destinations in 46 states covering 22,000 miles. Amtrak owns and operates a limited system of track, chiefly in the Northeast. However, its trains mainly operate over freight railroads. Fourteen states, including Missouri and Oklahoma, supplement Amtrak's federally supported routes, adding 230,000 Amtrak riders to the system annually. These passengers carry positive economic impacts to on-route communities.

An Amtrak service gap exists between Kansas City and Dallas/Fort Worth through south central Kansas and northern Oklahoma. The federally supported, Chicago – Los Angeles *Southwest Chief* travels through Kansas in the late night/early morning hours. As such, it serves only a fraction of a potential daylight market. The state supported *Heartland Flyer* operates between Oklahoma City and Fort Worth. A promising new proposed route between Kansas City, Wichita, Oklahoma City, and Fort Worth would fill this gap, spur economic development, and provide a new transportation resource for Kansas citizens and visitors. This demographic is presently only served by one major carrier airport. SB 409 is a legislative authorization for KDOT to develop intercity passenger rail service.

Passenger rail infrastructure is already in place for the proposed route. A continuous freight mainline exists between all points. Three of the seven proposed Kansas stations are currently in use as Amtrak stops. Efforts are underway to redevelop Wichita Union Station as a railroad station. The Arkansas City station presently serves as a BNSF Railway office with a former waiting room space. The Strong City station, presently being restored, sits just 3400 yards from a National Park Service headquarters.

Supplemental Amtrak operations in Kansas represent a low cost, low maintenance, state transportation opportunity. The proposed service, with a population base of approximately 14 million on the corridor, will connect small to large community centers; some bypassed by interstates and major highways. It would invigorate economies, and promise an increased standard of living for those residing even some distance from a stop. A large number of universities with unique transportation needs exist along the route. Wichita's *Old Town* would receive many new visitors, especially attending the *Intrust Arena* events. The *Tall Grass National Prairie Preserve* borders the route at Strong City.

Amtrak is a chartered national rail travel franchise providing a niche transportation function. Amtrak operates over a limited system that restricts the full potential of its operations. New routes should be considered especially the proposed route in Kansas. The University of Kansas return on investment study released in December revealed a remarkable economic development potential.

The total 2008 Amtrak budget was \$1.2 billion. In the same year the Kansas transportation budget was roughly half that of Amtrak at \$577 million. An operational contract for state intercity passenger rail service is estimated at \$7 million annually. Significant tax revenue would offset a major percentage of the contract.

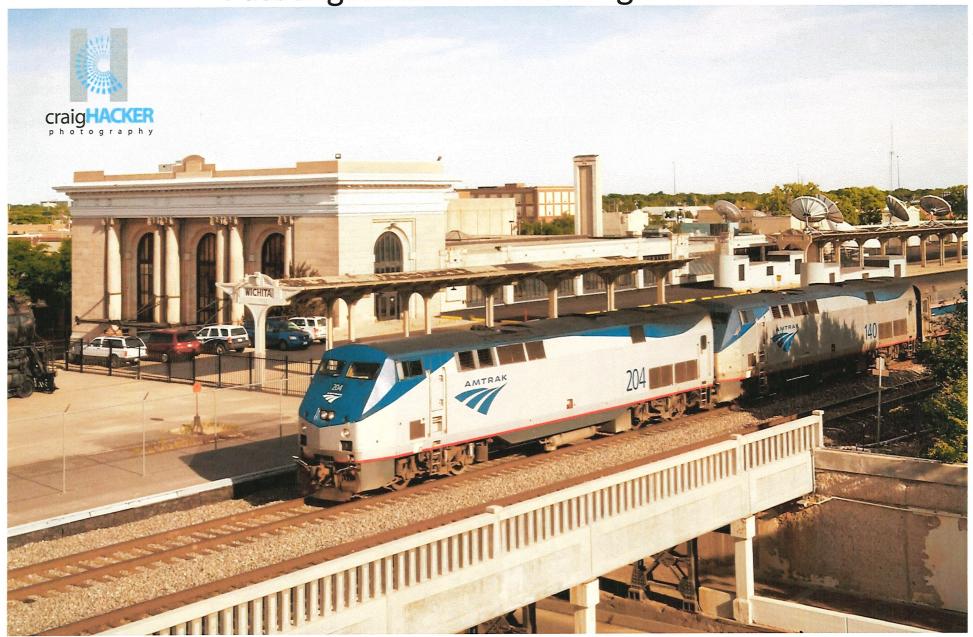
Amtrak has become an increasingly popular transportation option that is increasing in importance. In 2008 over 28 million passengers, representing a tenth of the US population, used Amtrak. Amtrak ridership grew over the last decade while other major US transportation sources showed decline.

Note: The former Santa Fe and Burlington Northern Railroads benefited from the passage of the 1970 Rail Passenger Service Act. This act allowed both railroads to pass their passenger rail divisions to Amtrak under a covenant that eliminated a cost component of their business and, mandated Amtrak access over their system for any states developing passenger rail service.



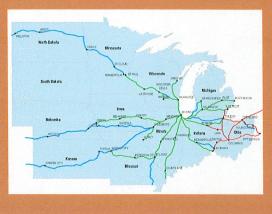
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# Senate Bill – 409 Passenger Rail Service Program Act



### Thank You for HR 2552

• Authorizes Kansas to join an Interstate Commission and Compact for State Passenger Rail, MIPRC



## Other States Receive Federal Funds Why is Kansas Left Out?

#### Google News Alert for: Amtrak January 29, 2010

#### Amtrak stations to be renovated

With \$40 million in federal stimulus dollars from the US Department of Transportation, Amtrak stations in Troy and Battle Creek will be renovated and a new ...

Washington's Rail Corridor Lands \$590 million
HeraldNet
The federal government has awarded \$590 million in rail improvement projects in Washington state to enable Amtrak trains to travel faster and more ...

New Penn Station tunnel, BWI rail stop get federal boost
Baltimore Sun
Replacement of the tunnel, a significant bottleneck for Amtrak and MARC Penn Line trains as they pass through Baltimore,
is expected to eventually cost on ...

Amtrak's Texas Eagle upgrades part of Obama budget
News-Journal.com
Thursday's White House announcement of \$8 billion for high-speed rail projects nationwide includes \$4 million to improve on-time performance for Amtrak's ...

#### High-speed rail grants include \$244 million for Detroit-to-Chicago Amtrak ...

AnnArbor.com

Ann Arbor's Amtrak station won't get renovation dollars from federal stimulus money awarded today, but travelers who take the train to Chicago may see ...

### Supporting Cities, Communities And Civic Organizations

- City of Wichita, Kansas
- City of Mulvane, Kansas
- City of Udall, Kansas
- City of Emporia
- City of Strong City, Kansas
- City of Wellington, Kansas City of Rose Hill, Kansas
- City of Oxford, Kansas Mayor of Krum, Texas City of Hesston, Kansas Harvey County
- City of Sedgwick, Kansas
- City of Lawrence, Kansas
- Newton, Kansas Chamber
- City of Emporia
- Wichita Metropolitan Planning Organization
- **Sumner County Economic Development Commission** Grand Central Hotel, Cottonwood Falls, Kansas Topeka Chapter of Retired Railroad Employees
- City of Bonner Springs, Kansas

City of Arkansas City, Kansas City of Derby, Kansas

City of El Dorado, Kansas

Edmond, Oklahoma CVB

**Sumner County** City of Perry, Oklahoma

City of Ponca City, Oklahoma City of McPherson, Kansas

City of Clearwater, Kansas City of Guthrie, Oklahoma

City of Midwest City, Oklahoma City of Pauls Valley, Oklahoma

Mayor of Winfield, Kansas

Mayor of Ponca City, OK

Mid-America Regional Council

Tallgrass Prairie National Preserve

Wichita Downtown Development Corporation

City of Halstead, Kansas

City of Bel Aire, Kansas

City of Haysville, Kansas

City of Winfield, Kansas

City of Cassoday, Kansas

City of Park City, Kansas

City of Peabody, Kansas

Ponca City, OK Main Street

Chase County, Kansas Chamber

Arkansas City Chamber of Commerce

City of Topeka, Kansas

**Cowley County** 

City of Purcell, Oklahoma

Old Town Association, Oklahoma City, OK City of Cottonwood Falls, Kansas Chamber

Mulvane, Kansas Chamber

City of Edwardsville, Kansas



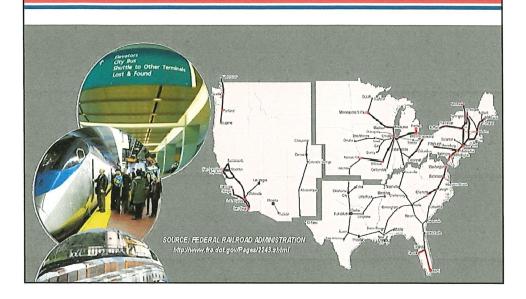
## SB-409 Passenger Rail Service Program Act

- Authorizes A State Passenger Rail Program
- Creates Revolving Fund for Federal Funds and Grants KDOT and CTP
- Supported by 29 city councils in Kansas alone
- Supported by 4 county legislatures
- · Supported by thousands of citizens

# Passenger Rail Investment and Improvement Act - 2008

- PRIIA contains a legislative mandate to develop long range National Rail plan
- The act directs FRA to develop the plan consistent with approved state rail plans

# PRELIMINARY NATIONAL RAIL PLAN



# Passenger Rail Investment and Improvement Act - 2008

#### PRIIA also tasks states with:

- establishing or designating a state rail transportation authority to:
- developing statewide rail plans to set policies for freight and passenger rail transportation,
- establishing priorities and implementation strategies
- enhancing rail service in the public interest
- serve as a basis for federal and state investments within the state.



NUMBER OF DAILY TRAINS		FY08 OPERATING SUPPORT/ CONTRACT AMOUNT	REVENUE SOURCE(S)	RIDERSHIP FY07	TICKET REVENUE FY07
68	1)Oakland-Fresno- Bakersfield 2)Sacramento-Oakland-San Jose 3)Santa Barbara-LA-San Diego	\$76,600,000	Portion of gasoline tax	4,962,042	\$89,391,956
28*	1)Chicago-Carbondale 2)Chicago-St. Louis, MO 3)Chicago-Milwaukee* 4)Chicago-Quincy	27,999,978	General revenue	1,402,096*	*27,770,668
10	Portland-Boston, MA	**7,209,623	1)CMAQ 2) General revenue	361,634	4,800,036
4	1)Grand Rapids-Chicago, IL 2)Port Huron-Chicago, IL	6,124,306	General revenue	232,461	6,223,632
4	Kansas City-St. Louis	7,400,000	General revenue	116,517	2,508,912
2	New York City-Montreal	4,260,562	General revenue	101,097	5,065,860
4	1)Charlotte-New York City 2)Charlotte-Raleigh	***4,938,736	Lease fees derived from freight railroad operating on state- owned track	306,763	14,343,745
2*	Oklahama City Fort Worth	2 209 500	Conoral royanya	*69.246	*1 260 570

Re SB 409 AN ACT establishing the passenger rail service program; providing for powers and duties of the secretary of transportation; establishing the passenger rail service revolving fund.

Dear House Transportation Committee Members,

SB 409 is the beginning of getting transportation for Kansas back to the future. There was a time when rail was treated as an important means of moving people and products. Since the late sixties, however, it has fallen on disfavor, with preference going to highways and air ports. The future of the Kansas economy will depend on taking full advantage of all modes of transportation: highway, air, and rail. We need to connect our communities, large and small, providing economic opportunities across the Midwest and beyond. Rail, both passenger and freight, are essential, yet undeveloped, resources in our great state. Rail has the added benefit of being more fuel efficient and less environmentally harmful than cars, trucks, and planes. It is an essential component in the future of multi modal transportation. This bill is a critical step in that direction.

Passenger rail is 17% more energy efficient than either commercial airlines or automobiles. It has a much smaller carbon footprint. Cars use 3,445 *BTUs* per passenger mile. Planes use 3,264 *BTUs* per passenger mile. Trains use 2,709 *BTUs* per passenger mile. Freight rail has a fuel consumption rate 11.5 times more energy efficient on a BTU per ton mile basis than trucks. Trucks are responsible for 6-12 times more pollution than freight trains. Being out of compliance with the Clean Air Act reduces urban areas' highway subsidies. Rail mitigates this. A single intermodal freight train can take up to 280 trucks or 1,100 cars off the highways. This is a savings for the environment as well as a savings in the cost of highway maintenance. Furthermore, passenger rail-driven improvements help increase rail line capacity, and because freight lines use the same tracks as the passenger lines, freight lines benefit. Therefore, SB 409 helps protect not only the environment, but also the Kansas economy from a future when fuel will be scarce and expensive.

Finally, more of your constituents than ever before are reaching the age when driving and flying are out of the question. They not only want to stay connected with family and friends, but they want to be able to access medical attention outside their regions. They want transportation alternatives and they remember when Kansas trains provided this. Younger constituents are costing their companies losses associated with windshield time. Putting a business professional behind the wheel for 6 hours to drive from Kansas City to Oklahoma City is a loss of productive time. The businesses in your districts deserve the option of cutting this expense by having closer access to passenger rail lines. This makes travel time productive time for Kansas businesses that benefit from interfacing with businesses in our neighboring states. This bill opens doors for a variety of your constituents.

SB 409 provides a much needed jump start to our languishing public transportation system. Thank you for your vote in favor of SB 409.

Sincerely,

Carey Maynard-Moody

1645 Barker Avenue

Lawrence, KS 66044

House Transportation

Date: 3-3-10
Attachment # 4

careymm@sunflower.com

785.842.6517



#### Sierra Club, Kansas Chapter 9844 Georgia, Kansas City, KS 66109

#### STATEMENT OF CHRIS CARDINAL, LEGISLATIVE COORDINATOR

#### MARCH 3RD, 2010

Before the House Transportation Committee Hearing on the Passenger Rail Service Program (SB 409)

Chairperson Hayzlett, and honorable members of the committee:

Thank you for the opportunity to testify today, and for the fine work this committee and its members do for the state of Kansas. My name is Chris Cardinal, and I am here on behalf of the Kansas Chapter of the Sierra Club, the nations largest and oldest grassroots environmental organization, to testify in support of SB 409 - the Passenger Rail Service Program.

Rail provides a solution for many of our most urgent transportation, energy and environmental problems. Transportation generates about one-third of the greenhouse gases emitted in the country - second only to electricity generation - and Passenger Rail offers an alternate for a reduced impact on the environment. Rail can reduce pollution and our dependence on foreign sources of energy.

The U.S. Department of Energy (DOE) has reported that Passenger rail travel is 18 percent more efficient than airline travel and 24 percent more efficient than automobile travel. Intercity passenger rail travel uses about 20 percent less energy measured in BTUs (British Thermal Units) of energy per passenger mile than car or air travel.

Freight rail transportation is an efficient form of surface transportation. A freight train can move one ton of freight 438 miles on a single gallon of diesel fuel. It also helps control air emissions. If 10 percent of long-haul freight now moving by truck moved by rail, annual greenhouse gas emissions would fall by more than 12 million tons. American railroads move 40 percent of our nation's freight, but account for just 2.2 percent of all transportation-related greenhouse gas emissions, and just 0.6 percent of total U.S. greenhouse gas emissions.

Freight railroads are three times more fuel-efficient than trucks and emit three times less carbon dioxide (CO2) than trucks for the same transportation service. In 2003 alone, railroads increased their efficiency by consuming 2.8 billion fewer gallons of fuel in the United States — and emitted 31.5 million fewer tons of CO2 — than they would have if their efficiency had remained constant since 1980.

Investment in passenger rail would create jobs in both the near and long terms through direct job creation (temporary construction-related jobs during the building of the network) and indirect job creation (permanent jobs created as a result of the growth generated by the rail network). Also, when you upgrade the tracks - farmers and manufacturers - get their goods to markets faster.

SB 409 would spur economic growth in communities across Kansas, provide faster and more energy-efficient means of travel, and establish a new industry in the state that provides stable, well-paid jobs over time in areas like track-laying, manufacturing, planning and engineering, and rail maintenance and operations. As noted in the recently released study by

<sup>1</sup> DOE 2008 Transportation Energy Date Book

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Jayhawk Consulting of Kansas University's School of Business, the proposed Northern Flyer is also expected to produce a regional economic benefit of \$3.20 for every \$1.00 invested.

A major investment in passenger rail would decrease congestion at our airports and on our highways. A single railroad track, just six feet across, has the capacity of a superhighway 10 times wider. Increasing intermodal freight shipments on rail also can reduce greenhouse gas emissions; every ton mile of freight that moves by rail instead of long-haul truck reduces greenhouse gas emissions by at least two-thirds. A coordinated approach of rail and truck shipping is already showing substantial efficiencies and net reductions in potential carbon emissions.

This piece of the clean-energy transformation brings economic and environmental benefits from diversifying and de-carbonizing the transportation sector, but it is particularly relevant to improving U.S. national security, which remains severely compromised due to our heavy dependence on oil, and on foreign oil imports in particular. We will only kick this dependence by renewing and rebuilding our transportation infrastructure around efficiency, reduced vehicle-miles-traveled, and clean and domestic fuel resources.

Mr. Chairman and Members of the Committee, passenger rail is vital to the overall health of our economy. It offers huge societal benefits that need to be maximized, and while we are currently dealing with the economic downturn, we have a great future. Thank you for the opportunity to testify in support of this legislation, I urge you to vote favorably.

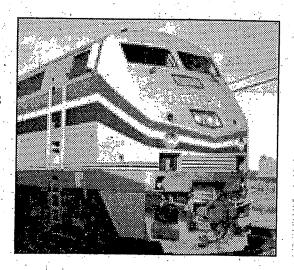
# Support for train at a critical mass

In a political context, critical mass can often be difficult to measure. I'm increasingly confident, however, that we're approaching substantial support for high-speed long-distance passenger trains as a vital cog in both our regional and national systems of transportation.

A recent financial impact study conducted by the University of Kansas School of Business has demonstrated that increased travel, tourism and employment along a passenger-rail route will return a regional economic benefit of \$3.20 for every \$1 invested. Oklahoma's experience is also reassuring. Towns along the route averaged \$4 million in expanded economic activity the first year after the train's arrival.

For all its rigor, the KU study did not address such benefits as reduced costs of maintenance on roads and highways. These arguments will weigh heavily in persuading the Kansas Legislature to approve subsidies for operational costs two or three years down the road. All of the startup capital costs — locomotives, passenger coaches and necessary improvements to the track — would be federally funded.

Railroads can move more people and more goods, using less energy, than other modes of transportation.



According to data from the U.S. Department of Energy, Amtrak is almost 20 percent more efficient on a per-passenger-mile basis than domestic airline travel, and 28 percent more efficient than auto travel.

The arguments in favor of renewed passenger-rail.service for Kansas have now reached critical mass. All aboard now for this important new initiative for our individual and collective economic well-being.

SHELBY SMITH Former lieutenant governor Wichita

**House Transportation Committee** 

March 3, 2010

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TY E. DRAGOO DIRECTOR/CHAIRMAN KANSAS STATE LEGISLATIVE BOARD

3741 S.W. KINGS FOREST ROAD TOPEKA, KS 66610 OFFICE (785) 418-1280 CELL (785) 817-9607 FAX (785) 408-1420 EMAIL utukansas@att.net WEBSITE kansas.utu.org

March 3, 2010

The Honorable Gary Hayzlett Chairman of Transportation Kansas House of Representatives State Capitol, Room 274 -W Topeka, KS 66612

# RE: SB 409--ESTABLISHING THE PASSENGER RAIL SERVICE PROGRAM

Dear Honorable Hayzlett:

The United Transportation Union (UTU) supports Senate Bill 409.

As America and Kansas struggles to create jobs, Kansas needs better passenger rail service more than ever. A new rail corridor from Kansas City - Wichita - Oklahoma City - Fort Worth, will dramatically improve our state's long-term competitiveness. Investments in passenger rail create construction jobs, operating jobs, and improve our competitiveness. Trains consume less energy per passenger than cars and planes, so we can increase mobility while reducing pollution and our reliance on foreign oil.

Feasibility studies have concluded that a 1 mile stretch of new rail line cost approximately \$2 million to construct, while for the same 1 mile stretch of highway it can nearly 10 times as much. This is an affordable investment in Kansas' future. Included with my written testimony you will find An Amtrak 2009 Fact and Figure sheet for Kansas. Support Resolutions and Letters from Towns and cities all over Kansas that have supported this type of legislation. Also included is a map representing how Kansas could potentially become the key state to someday provide the critical Mid Continent North-South link that the National Passenger Rail System so desperately needs.

Now is the time for Kansas to act. The federal government has just committed to investing \$8 billion to improve our nation's passenger rail system through the stimulus bill, but Kansas is going to need to make a commitment to compete for these federal dollars.



Importantly, the vast majority of these vital investments will stay close to home where citizens can see the energy and environmental benefits of rail service. UTU has and will continue to encourage the Kansas congressional delegation to support federal funding towards this type of legislation. I look forward to our continued strong working relationship and cannot say enough about the excitement growing in the state in anticipation of passenger rail once again becoming an integral part of our nation's surface transportation system.

As always, we appreciate your continued leadership and support for passenger rail development in the United States and Kansas.

Thank you for your consideration.

Sincerely,

Ty Dragoo

Director - Kansas State Legislative Board United Transportation Union



# Amtrak Fact Sheet, Fiscal Year 2009 **State of Kansas**

#### **Amtrak Service & Ridership**

Amtrak operates one long-distance train through Kansas, the *Southwest Chief* (daily Chicago-Kansas City-Los Angeles via Topeka and Newton).

During FY08 Amtrak served the following Kansas locations:

City	Boardings + Alightings
Dodge City	4,248
Garden City	6,930
Hutchinson	4,045
Lawrence	4,500
Newton	12,751
Topeka	7,513
Total Kansas Station Usage:	39,987

#### **Procurement/Contracts**

Amtrak expended \$24,502,021 for goods and services in Kansas in FY09, \$23,529,633 of which was spent in Wichita.

#### **Employment**

At the end of FY09, Amtrak employed 12 Kansas residents. Total wages of Amtrak employees living in Kansas were \$779,229 during FY09.

#### **Expansion Planning**

Kansas Department of Transportation requested a study of options for the return of passenger rail service along a route between Kansas City, Missouri, and Oklahoma City, Oklahoma, running via Lawrence, Topeka, Newton, and Wichita. Amtrak is analyzing potential service scenarios, schedules, ridership and revenue estimates, required state operating contribution, and capital requirements to establish new service. The results of a route study should be complete in late 2009 and delivered to the State at that time.

Amtrak Government Affairs: November 2009

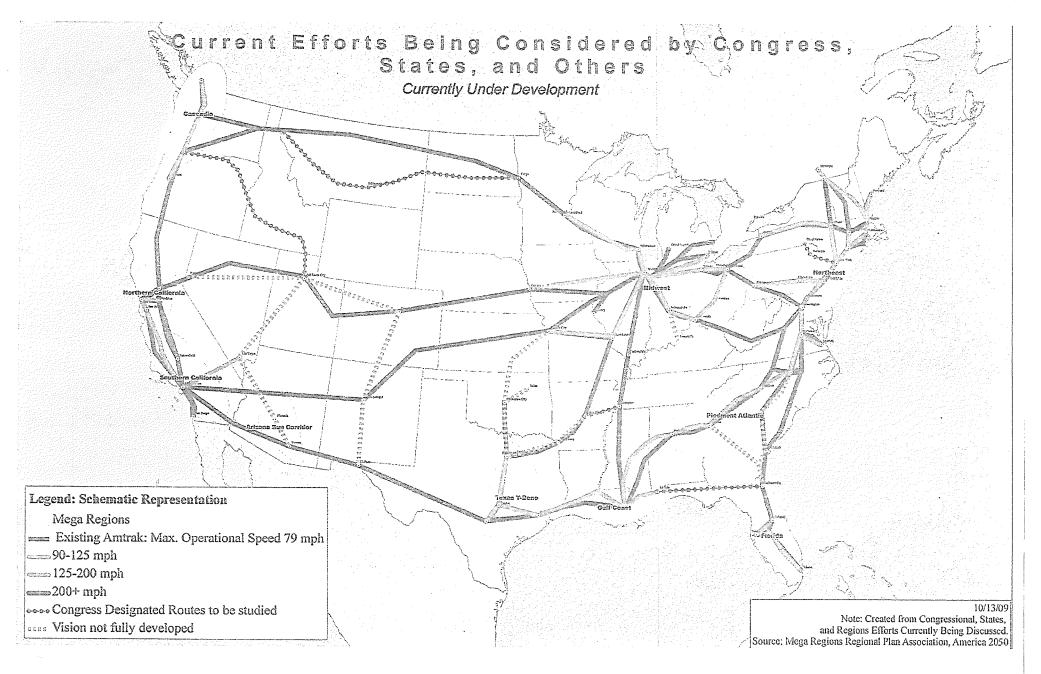
#### **Station Development**

Amtrak has worked with the City of Lawrence and a local citizens group in developing plans for acquiring the former Santa Fe Railway depot from the BNSF Railway for a thoughtful rehabilitation, returning it to its as-built, 1955 "moderne" styling. Local citizens have sponsored heritage exhibits and art fairs to enliven the depot at all hours. Late night musical performances have been held to entertain passengers waiting to board the nightly *Southwest Chief*. Amtrak has contributed to the project by installing a new display kiosk that provides train schedules, and ticketing, safety, and security information while enhancing the Amtrak brand visibility.

#### Stimulus Funding, Fiscal 2009

The American Recovery and Reinvestment Act of 2009 (ARRA) provided Amtrak with \$1.3 billion for capital investments, including \$446 million for security and life safety improvements and \$842 million for rebuilding and modernizing infrastructure and equipment. Included in the latter category is a Mobility First program, designed as an immediate-action program to reduce as many accessibility barriers as possible prior to Amtrak's deadline of July 26, 2010, to bring stations into compliance with the Americans with Disabilities Act. Mobility First investments can include wheelchair lifts, connecting walkways, and designated parking spaces. Investments planned for Kansas include:

Dodge City	Information kiosk	\$ 11,000
Dodge City	Mobility First	\$ 79,200
Garden City	Mobility First	\$ 27,000
Hutchinson	Information kiosk	\$ 11,000
Hutchinson	Mobility First	\$ 14,000
Hutchinson	platform tactile edge	\$ 75,000
Lawrence	Information kiosk	\$ 10,000
Lawrence	Mobility First	\$ 9,000
Lawrence	new 550-foot platform	\$ 600,000
Newton	Information kiosk	\$ 11,000
Newton	Mobility First	\$ 70,000
Topeka	Information kiosk	\$ 11,000
Topeka	Mobility First	\$ 14,000
Topeka	platform tactile edge	\$ 100,000
Total Kansas ARRA funds:		\$ 1,042,200



# **Support Resolutions and Letters**

June 2009

• The Wichita Area Metropolitian Planning Organization issued a letter supporting the Northern Flyer Alliance and extension of Amtrak service between Oklahoma City and Kansas City, with a stop in Wichita.

#### January 2009

 The City of Arkansas City passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.

#### December 2008

- The Wichita Downtown Development Corporation issued a *letter* of support for expanding passenger rail service to Wichita
- The City of El Dorado passed a *resolution* endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.

#### November 2008

- Cowley County passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Haysville passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Wellington passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Udall passed a *resolution* endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Rose Hill passed a *resolution* endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of *Mulvane* passed a *resolution* endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- Sumner County passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.

#### October 2008

- The City of Winfield passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Cassoday passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Park City passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Oxford passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Clearwater passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of McPherson passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.

#### September 2008

- The City of *Peabody* passed a *resolution* endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Bel Aire passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.
- The City of Halstead passed a resolution endorsing passenger rail in the 10-year State-wide Comprehensive Transportation Program.

#### August 2008

- The City of *Guthrie* passed a *resolution* supporting the extension of passenger rail through Guthrie.
- The City of Midwest City passed a resolution supporting the extension of passenger rail northward from Oklahoma City.
- Ponca City Main Street sent a *letter* to Oklahoma Gov.
   Brad Henry supporting extension of the Heartland Flyer north into Kansas.
- The Old Town Association endorsed the extension of passenger rail from Oklahoma City to Kansas City through Wichita.
- The City of *Hesston* passed a *resolution* endorsing passenger rail service in the 10-year Comprehensive Transportation Plan.
- The Edmond Convention & Visitors Bureau sent a letter to Oklahoma Gov. Brad Henry supporting the extension of Amtrak service to Newton.
- Harvey County passed a resolution endorsing passenger rail service in the 10-year state-wide comprehensive transportation plan.

 The City of Sedgwick passed a resolution endorsing passenger rail service in the 10-year state-wide comprehensive transportation program.

#### July 2008

- The mayors of Ardmore, Pauls Valley, Purcell, Norman, Oklahoma City, Edmond, Guthrie, Perry, and Ponca City sent a joint letter to Oklahoma Gov. Brad Henry requesting support for northward expansion of the Heartland Flyer.
- The City of *Pauls Valley* passed a *resolution* supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.

#### June 2008

- The City of *Derby* passed a *resolution* supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.
- The City of Edwardsville passed a resolution supporting the NFA and extension of Amtrak service between Oklahoma City and Kansas City.

#### May 2008

- The City of Ponca City passed a resolution supporting the expansion of Amtrak from Oklahoma City through Perry and Wichita to Kansas City.
- The Mayor of *Guthrie* sent a *letter* to Oklahoma Governor Brad Henry expressing support for an expansion of Amtrak service to Kansas.
- The City of Oklahoma City passed a resolution supporting the NFA and the expansion of the Heartland Flyer.
- The City of Perry passed a resolution supporting the expansion of the Heartland Flyer through Perry to Kansas City.

#### April 2008

- The Chase County Chamber of Commerce sent a letter of support encouraging consideration of a Strong City stop on an extended Heartland Flyer.
- The Edmond Chamber of Commerce sent a letter to Oklahoma Governor Brad Henry asking that the city be included in any future expansion of the Heartland Flyer.
- The City of Newton passed a resolution supporting the NFA and the expansion of Amtrak service between Oklahoma City and Kansas City.
- The City of Norman passed a resolution supporting the expansion of Amtrak service from Oklahoma City through Wichita to Kansas City.

- The City of Topeka passed a resolution supporting the NFA and extending the Heartland Flyer to Kansas City through Topeka.
- The Mayor of *Strong City* sent a *letter* to Amtrak requesting that Strong City be considered a stop on a passenger rail route through Kansas.
- The Topeka Santa Fe Railroad Retired Employees Club sent a *letter* to the NFA supporting the expansion of passenger rail service in Kansas.
- The Superintendent of *Tallgrass Prairie National Preserve* sent a *letter* of support for including Strong City as a stop on passenger rail service through Kansas.
- The Arkansas City Area Chamber of Commerce sent letters of support for the NFA to Kansas Governor Sebelius, State Sen. Goodwin, KDOT, and State Rep. Ed Trimmer.
- The National Association of Retired and Veteran Railroad Employees #140 sent a letter to the NFA supporting expansion of passenger rail service from Kansas City to Oklahoma City, via Topeka.
- The Executive Director of Camp Wood YMCA sent a letter of support encouraging inclusion of Strong City as a stop on passenger rail service through Kansas.
- The City of *Valley Center* passed a *resolution* supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.
- The Mayor of *Edmond* sent a *letter* to Oklahoma Governor Brad Henry requesting inclusion in an extended Heartland Flyer.
- The City of Wichita passed resolution supporting the extension of Amtrak service between Oklahoma City and Kansas City, with a stop in Wichita.
- The proprietor of the *Grand Central Hotel* sent a *letter* urging inclusion of Strong City as a stop on passenger rail route through Kansas.
- The City of Cottonwood Falls sent a letter of support encouraging inclusion of a Strong City stop on an extended Heartland Flyer.

#### March 2008

- The Shawnee County Commission passed a resolution supporting the expansion of Amtrak services in Topeka and Shawnee County.
- The City of Winfield's Mayor and Chamber of Commerce sent letters of support for the NFA to KDOT and State Representative Ed Trimmer.
- The City of Osage City passed a resolution supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.
- The Sumner County EDC sent a letter of support for the extension of Amtrak services through Mulvane.

 The City of *Peabody* passed a *resolution* supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.

#### February 2008

- The Mayors of Krum and Denton sent a *letter* to TxDOT indicating they are investigating a stop in Krum on the existing Heartland Flyer route.
- The Mulvane Chamber of Commerce passed a resolution supporting the NFA and the extension of Amtrak service between Oklahomas City and Kansas City.
- The City of Lawrence passed a resolution supporting the NFA and the extension of Amtrak service through Lawrence between Oklahoma City and Kansas City.
- The City of Arkansas City passed a resolution supporting the NFA and passenger rail expansion from Oklahoma City through Arkansas City to Kansas City.
- The City of Mulvane passed a resolution supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.

#### January 2008

 The City of Sedgwick passed a resolution supporting the NFA and the extension of Amtrak service between Oklahoma City and Kansas City.

#### December 2007

- The City of Strong City passed a resolution supporting the NFA and passenger rail expansion between Oklahoma City and Kansas City.
- The City of *Emporia* passed a *resolution* supporting the NFA and passenger rail expansion in Kansas.

#### October 2007

 The U.S. Senate passed S.294 (Passenger Rail Investment and Improvement Act of 2007) with a 70-22 vote; referred to House of Representatives the following day. The 6-year authorization provides matching funds for capital costs to start or improve state-sponsored routes.

#### July 2007

 The Kansas Department of Transportation requested that Amtrak study an extension of the Heartland Flyer between Oklahoma City and Kansas City through Wichita.

#### March 2007

 The Colorado Passenger Rail Association sent a letter of support to Kansas Gov. Kathleen Sebelius for passenger rail expansion in Kansas. See KDOT's response.

#### November 2004

 The Newton Chamber of Commerce sent a letter to Kansas Governor Kathleen Sebelius supporting the expansion of the Heartland Flyer to Newton.

#### October 2004

 The Mayor of Ponca City sent a letter to the Oklahoma Department of Transportation in support of making that city a stop on the existing Heartland Flyer.

#### TESTIMONY TO THE HOUSE TRANSPORTATION COMMITTEE

March 3, 2010 (Written only)

My name is Matt Zimmerman and I am serving as the City Manager for the City of Emporia. Emporia is an initial stakeholder in the proposed passenger rail service between Kansas City and Dallas-Ft. Worth via Wichita and Oklahoma City. Emporia has been a supporter of restoring daytime passenger rail, and the Northern Flyer Alliance, since 2007. Daytime passenger rail is a unique way to bring more quality of life, and economic development dollars, to a community of our size. Emporia has a historic downtown that was the first National Main Street community in Kansas. Daytime passenger rail will bring visitors to shop and dine in our downtown. The City has a location selected right on the commercial corridor for a stop if service is funded. It would also provide affordable and safe transportation for citizens from Emporia to Topeka, Kansas City and Wichita for work, shopping and recreation. The City and Emporia State University also recognize the benefits in easily and securely getting students to and from their homes. ESU has over 500 foreign students on campus with plans to double this number in the next 5 years. Train service would ensure a safe cost-effective method of bringing these students to campus. The proposed train station is less than a mile from campus.

Emporia is not the only community that supports new daytime passenger rail. Over 55 communities have adopted resolutions supporting new passenger rail. They also see significant economic development opportunities from this service. A list of communities that have passed resolutions is attached. Many of these communities have expressed hope to the NFA that passenger rail will be extended to their region in the future.

The proposed service will have a second benefit, of connecting many college communities in Kansas. The proposed route would include Kansas, Washburn, Emporia State and Wichita State, 4 of the 6 Regents universities. K-State students would have a reasonable drive from Topeka. The train service would also connect many Big 12 universities, including KU, K-State, Oklahoma State, and OU. Short train connections to Missouri, Texas, Baylor, and Texas A&M are all currently available.

Thank you for this opportunity to provide my testimony on the value of daytime service to the Emporia area.

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## TESTIMONY BEFORE HOUSE TRANSPORTATION COMMITTEE

#### REGARDING SUBSTITUTE FOR SENATE BILL 462 RELATED TO COLLECTION OF DAMAGES

#### March 3, 2010

Good afternoon Mr. Chairman and members of the committee. I am Vicky Johnson, Chief Counsel with the Kansas Department of Transportation (KDOT). Thank you for giving KDOT this opportunity to express its strong support for Substitute for Senate Bill 462.

Under existing law a driver and/or owner of a vehicle, object or contrivance is liable for all damage caused by the driver to a highway or highway structure caused by illegal operation, driving or moving. Senate Bill 462 would clarify that the liability of a driver and the owner of the vehicle includes both reasonable direct and reasonable indirect costs associated with the repair. Indirect costs would be defined as, but not be limited to, costs associated with damage assessment, engineering and design, mobilization, traffic control and detour costs.

Currently, KDOT seeks reimbursement for the costs of repairs from the responsible party's insurance company, and owners of vehicles for damage caused to a highway or highway structure. Over the last five years, KDOT has, on average, collected over \$1 million per year to reimburse KDOT for expenditures in repairing damage caused to highways and highway structures. The most common damage sustained by KDOT property is damage to traffic control signs and guardrail. Those items are generally replaced in kind and damage assessment, engineering and design work, mobilization, significant detours, and extensive traffic control are generally not required in the repair. Consequently, the costs associated with the majority of KDOT repairs are recovered, under existing law, without much difficulty.

However, occasionally a bridge or an overhead structure sustains extensive damage and costs are incurred by KDOT in repairing the structure that are not directly associated with replacing the damaged portion of the structure, but are necessary to the repair process. For example, on February 13, 2006, a tractor-trailer carrying a track loader impacted a span of the Hall Street Bridge over I-70 in Hays, Kansas. (See attached picture.) KDOT initiated an emergency repair with a local contractor, and on January 24, 2007, the project was completed. The cost to KDOT for the repair of the bridge was approximately \$673,000. This figure included \$297,000 of necessary indirect costs such as damage assessment, engineering and design, mobilization, traffic control and detour costs. The equipment hauler's insurance company maintained that under K.S.A. 8-1913 they were only liable for the damage to the structure, and were not liable for the costs associated with assessing the damage to the bridge, designing the repair, maintaining detour roads, nor providing traffic control for the closed bridge and detour. After extensive negotiations, KDOT was forced to accept the insurance company's offer of \$426,000 as the amount recoverable under K.S.A. 8-1913.

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Senate Bill 462 would clarify that KDOT and other governmental entities are entitled to recover both direct and indirect costs associated with damage to a highway or structure.

The other change to K.S.A. 8-1913 which is proposed in Substitute for Senate Bill 462 is to make clear that damages may be recovered when caused as a result of illegal acts "regardless of whether a ticket has been issued or not". This change was proposed to facilitate collection in situations where damages result from an illegal act but no ticket is issued, such as in many fatal accidents where tickets are rarely issued to the decedent.

KDOT strongly supports Senate Bill 462. I would be happy to stand for questions at the appropriate time.

# Hall Street Bridge over I-70 in Hays, Kansas





#### Kansas Cooperative Council

P.O. Box 1747 Hutchinson, Kansas 67504-1747

Phone: 785-233-4085 Fax: 620-662-1144 Toll Free: 888-603-COOP (2667) Email: council@kansasco-op.coop

www.kansasco-op.coop

**House Transportation Committee** March 3, 2010

### Sub. SB 462 - Liability for damage to highways and structures.

Chairman Hayzlett and members of the House Transportation Committee, thank you for the opportunity to comment, on behalf of our members, and share concerns we still have with Sub. SB 462. I am Leslie Kaufman, Executive Director for the Kansas Cooperative Council.

The Kansas Cooperative Council (KCC) represents all forms of cooperative businesses across the state -- agricultural, utility, credit, financial and consumer cooperatives. Approximately half of our members are grain elevator/farm supply cooperatives. Another significant member segment is our utility sector - both REC and telecommunications. These members operate larger vehicles, haul sizable loads and use heavy equipment in their daily business operations. Thus, the bill before you today is of interest to our members and our association.

We understand the Kansas Dept. of Transportation's (KDOT) desire to insure they can recover all their costs when transportation infrastructure is damaged. We have had several concerns with the breadth and open-endedness of their approach, though. KDOT staff has been very willing to discuss our concerns, and those we share with several colleagues. We truly appreciate their willingness to hear our concerns and the substitute bill before you today was an attempt to provide some mitigation.

KDOT was willing to re-instate language linking damage liability to "illegal" operation. They also substituted "indirect" damages for the original "consequential" damages. Additionally, the deletions in lines 18-21 align the bill with the current KDOT practice that damage caused while operating on an over-size permit must be related to "illegal" operation before cost recovery is sought. We are particularly appreciative of this clarification. Thus, Sub. SB 462 is better but, as we told KDOT previously, we are still not fully comfortable with the measure. It is just one of those situations where we appreciate each others' concerns, yet differences remain.

There are basically two areas where KDOT and our group of associations were unable to agree:

1. Regardless of whether or not a ticket is issued; and

2. Indirect damages not limited to a specific list of costs.

We solidly believe that the statute should clearly specify what types of "indirect" costs are recoverable so people know their extent of exposure.

"Indirect" allows for a broader recovery than the current direct cost model. There is reasonableness, in many instances, for KDOT to seek recovery of associated costs incurred as a direct result of the damage. However, we want to make sure that those "indirect" costs are not vague or open-ended so that in future years, after the KDOT staff we are working with now and our current association staffers have all retired or moved on to other endeavors, these "indirect" damages still bear a tight nexus to the damage event.

In order to accomplish this goal, we would suggest the changes noted in the balloon attached to this statement. We appreciate the opportunity to share our concerns with Sub. SB 462 with you today. We respectfully request that you consider our

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amendments favorably should you take action on this measure. Thank you. House Transportation

The Mission of the Kansas Cooperative Council is to promote, support and advance the interests and understanding of agricultural, utility, credit and consumer cooperatives and their members through legislation and regulatory efforts, education and public relations.

#### Substitute for SENATE BILL No. 462

By Committee on Transportation 2-17

AN ACT regulating traffic; concerning liability for damage to highway or structure; amending K.S.A. 8-1913 and repealing the existing section.

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Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 8-1913 is hereby amended to read as follows: 8-1913. (a) Any person driving any vehicle, object or contrivance upon any highway or highway structure shall be liable for all damage reasonable costs, direct or indirect, associated with the repair of damages which said such highway or structure may sustain as a result of any illegal operation, driving or moving of such vehicle, object or contrivance, or as a result of operating, driving or moving any vehicle, object or contrivance weighing in excess of the maximum weight in this act but authorized by a special permit issued as provided in this article regardless of whether a ticket has been issued or not. Indirect costs may include, but not shall be limited to, reasonable costs associated with damage assessment, engineering and design, mobilization, traffic control and detour costs.

On line 21 delete all after "article". On line 22 delete all up to "Indirect". On line 22 after "costs" delete "may include, but not".

(b) Whenever such driver is not the owner of such vehicle, object or contrivance, but is so operating, driving or moving the same with the express or implied permission of said the owner, then said the owner and driver shall be jointly and severally liable for any such damage costs.

On line 22 before "be" add the word "shall".

- (c) Such damage costs may be recovered in a civil action brought by the authorities in control of such highways or highway structure.
- 31 Sec. 2. K.S.A. 8-1913 is hereby repealed.
- 32 Sec. 3. This act shall take effect and be in force from and after its
- publication in the statute book.





816 SW Tyler, Suite 100 Topeka, Kansas 66612

(785) 234-0461 Fax (785) 234-2930 www.KansasAg.org

# Kansas Grain & Feed Association Kansas Agribusiness Retailers Association

# House Transportation Committee March 3, 2010 Substitute for SB 462

Good afternoon Chairman Hayzlett and members of the House Transportation Committee. I am Mary Jane Stankiewicz, COO and Senior Vice President of the Government Affairs of the Kansas Grain and Feed Association (KGFA) and the Kansas Agribusiness Retailers Association (KARA). KGFA is a voluntary state association with a membership encompassing the entire spectrum of the grain receiving, storage, processing and shipping industry in the state of Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA's membership includes over 700 agribusiness firms that are primarily retail facilities which supply fertilizers, chemicals, seed, petroleum and agronomic expertise to Kansas farmers.

On behalf of KGFA and KARA, I appear before you in opposition to Substitute for SB 462. However, before I begin with my concerns with this bill, please know that I sincerely appreciate the willingness of the KDOT staff to work with us on our concerns. Some of the issues were resolved, however, now we are at a point that we respectfully disagree with them.

Our concern centers around two main issues: 1) the change in the law that would allow KDOT to receive payment regardless of whether a ticket has been issued and 2) the section that would allow indirect costs. First, let's address the ticket issue. We have heard from KDOT that they would like the law changed so that individuals cannot use the fact that they did not receive a ticket as a defense when KDOT seeks a damage claim against the individual. KDOT claims that the highway patrol does not always issue a ticket when an accident occurs. While we know KDOT be-

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Attachment # 11

lieves this will make their life simpler, we think the proposed change actually will force everyone to litigate the issue of whether they were driving illegally or not and that is not a good change in the law. We are not sure this will end up with KDOT recouping more money. However, even if it does, is it really right to place the burden on the individual to fight the issue in the courts and prove that they were operating legally when the damage occurred so that KDOT can more easily seek and receive damages from someone?

In regards to the indirect damage issue, we can understand and even support to some extent, that KDOT should be able to recover more than just structural costs when someone that is operating a vehicle illegally causes damages. However, we think the statutory ability of KDOT to seek indirect damages should be limited and the indirect costs that someone might be liable for should be specifically listed. Without such parameters, it will be up to KDOT to determine what costs they seek from individuals and then if there is a disagreement we will be in the situation of having to litigate each and every item and that seems counterproductive. While we believe the current chief counsel is a very reasonable and rational person, this statute will be in place long after her retirement, thus we cannot rely on her judgment as a backstop and need the law to be more clear and concise and not leave the door totally open to any cost that the agency may seek to be recovered.

We realize the Hays accident caused extensive damage and costs, however, this type of massive damage claim are fairly rare and thus we do not think it warrants the wholesale changes that KDOT is seeking. Therefore, we request that the committee adopt the balloon amendment that has been submitted for consideration that would strike the "regardless of whether a ticket has been issued or not" and would limit the direct costs.

Thank you for your time and consideration. I will be happy to answer questions at the appropriate time.



3521 SW 5th Str.
Topeka, KS 66606
785-357-5256
785-357-5257 fax
kmha1@sbcglobal.net

TO:

Representative Gary Hayzlett, Chairman

And Members of the

House Transportation Committee

FROM:

Martha Neu Smith Executive Director

DATE:

Wednesday, March 3, 2010

RE:

SB 462 - Regulating traffic, liability for damage to highway or structure

Chairman Hayzlett and members of the Committee, my name is Martha Neu Smith and I am the Executive Director for Kansas Manufactured Housing Association (KMHA) and I appreciate the opportunity to provide comments in opposition of SB 462 – Regulating traffic, liability for damage to highway or structure.

KMHA is a statewide trade association, which represents all facets of the manufactured and modular housing industry including manufacturers, retail centers, community owners and operators, finance and insurance companies, service and supplier companies and transport companies.

KMHA opposed SB 462 in the Senate and we were included in the group that met with Kansas Department of Transportation (KDOT) in an effort to come to an agreement on the bill. I would like to thank KDOT for working with us, while we were unable to come to a complete agreement; we appreciate the changes in the Substitute Senate Bill.

My members are part of the oversize/overweight permit users and they do understand the agency's concern regarding damage to highways and cost recovery. Nonetheless, the changes made to K.S.A. 8-1913 in Sub. SB 462 do broaden the statute substantially. With that said there are two areas of Sub. SB 462 that KMHA feels need to be addressed:

Line 21 - regardless of whether a ticket has been issued or not.

Line 22 – but not limited to

KMHA would like to suggest the attached language that would strike "regardless of whether a ticket has been issued or not". The second change we would like to suggest is limiting the "indirect cost" to reasonable costs associated with damage assessment, engineering and design, mobilization, traffic control and detour costs. We feel these changes still provides KDOT with the cost recovery which is greater than existing law, but it does limit that recovery to: reasonable costs associated with damage assessment, engineering and design, mobilization, traffic control and detour costs.

KMHA would respectfully ask that the Transportation Committee consider adopting the attached amendments if the bill advances.

Thank you for your consideration.

House Transportation
Date: 3-3-10
Attachment # //

### Substitute for SENATE BILL No. 462

By Committee on Transportation 2-17

AN ACT regulating traffic; concerning liability for damage to highway or
structure; amending K.S.A. 8-1913 and repealing the existing section.
Be it enacted by the Legislature of the State of Kansas:
Section 1. K.S.A. 8-1913 is hereby amended to read as follows: 8-
1913. (a) Any person driving any vehicle, object or contrivance upon any
highway or highway structure shall be liable for all damage reasonable
costs, direct or indirect, associated with the repair of damages which said
such highway or structure may sustain as a result of any illegal operation,
driving or moving of such vehicle, object or contrivance, or as a result of
operating, driving or moving any vehicle, object or contrivance weighing
in excess of the maximum weight in this act but authorized by a special
permit issued as provided in this article regardless of whether a ticket has
been issued or not. Indirect costs may include, but not shall be limited to,
reasonable costs associated with damage assessment, engineering and design,
mobilization, traffic control and detour costs.
(b) Whenever such driver is not the owner of such vehicle, object or
contrivance, but is so operating, driving or moving the same with the
express or implied permission of said the owner, then said the owner and
driver shall be jointly and severally liable for any such damage costs.
(c) Such damage costs may be recovered in a civil action brought by
the authorities in control of such highways or highway structure.
Sec. 2. K.S.A. 8-1913 is hereby repealed.
Sec. 3. This act shall take effect and be in force from and after its
publication in the statute book.



# TESTIMONY TO THE HOUSE TRANSPORTATION COMMITTEE ON SB 462 MARCH 3, 2010

Chairman Hayzlett and Members of the Committee:

The Kansas Association of Counties appreciates the opportunity to submit written testimony in support of Senate Bill 462.

This bill modifies KSA 8-1913, which is the statute that counties use to recover damages to roads, culverts, and related facilities resulting from vehicle accidents on county roads. The current statute restricts the amount to be recovered to actual damages. The counties, and ultimately the taxpayers, absorb the incidental costs such as damage assessment, temporary repairs, traffic control, and engineering if structural damage occurs. SB 462 allows these additional costs to be recovered similar to damages that can be recovered in a civil lawsuit.

We ask that you support SB 462.

Respectfully Submitted,

Melissa A. Wangemann General Counsel and Director of Legislative Services

300 SW 8th Avenue 3rd Floor Topeka, KS 66603-3912 785•272•2585 Fax 785•272•3585 House Transportation
Date: 3-3-/0
Attachment # /3

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David Managhas Gevernment Alters

March 3, 2010

Representative Gary Hayzlett Kansas State Capitol Room 274-W 300 SW 10<sup>th</sup> Street Topeka, KS 66612

Re: American Family Insurance's position on Senate Bill 462

Dear Chairman Hayzlett and Members of the House Transportation Committee:

American Family Insurance insures approximately sixteen percent of the automobiles and homes in the state. We offer insurance products through some 250 agents who reside throughout the state.

We support the concept behind Senate Bill 462. We believe KDOT should have the ability to recover "consequential costs" as set forth in the bill.

We are concerned that the scope of the bill is not clearly defined. We recommend the bill be amended to clarify its scope,

Specifically, we recommend that the bill be amended to define "illegal operation." As you know, the term "illegal operation" is not defined in the current version of K.S.A. 8-1913 which is amended in Senate Bill 462. Further, we could not identify any reported court decisions that define the term "illegal operation" for purposes of K.S.A. 8-1913.

Senate Bill 462, as adopted by the Senate, extends the term "illegal operation" to include certain events "regardless of whether a ticket has been issued or not." However, the bill provides no indication of what events are encompassed under the term "illegal operation."

To clarify the scope of the bill, we suggest that the term "illegal operation" be defined as a violation of the provisions of certain specified statutes, relating to violations to towing or the size, weight, or load of a vehicle; that is, as provided for in Article 19. It is our understanding that is the intent of the amendment offered in K.S.A. 8-1913. This change will clarify the intent of the measure and reduce unnecessary litigation regarding the meaning of the term "illegal operation".

House Transportation
Date: 3-3-10
Attachment # 14

We appreciate the opportunity to offer testimony.

Sincerely,

David Monaghan

Dow AMunghe

cc: Brad Smoot

14-2