

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Third Session
April 28, 2005**

The Committee on Government Affairs was called to order at 8:12 a.m., on Thursday, April 28, 2005. Vice Chairwoman Peggy Pierce presided in Room 3143 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. David Parks, Chairman
Ms. Peggy Pierce, Vice Chairwoman
Mr. Kelvin Atkinson
Mr. Chad Christensen
Mr. Jerry D. Claborn
Mr. Pete Goicoechea
Mr. Tom Grady
Mr. Joe Hardy
Mrs. Marilyn Kirkpatrick
Mr. Bob McCleary
Mr. Harvey J. Munford
Ms. Bonnie Parnell
Mr. Scott Sibley

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Eileen O'Grady, Committee Counsel
Susan Scholley, Committee Policy Analyst
Nancy Haywood, Committee Attaché

OTHERS PRESENT:

Russell Rowe, Legislative Advocate, representing Churchill County,
Nevada

Bob Erickson, Mayor, City of Fallon, Nevada

Vice Chairwoman Pierce:

[Meeting called to order and roll called.] I will now open the hearing on S.B. 210.

Senate Bill 210 (1st Reprint): Revises provisions governing county-owned telephone systems. (BDR 58-741)

Russell Rowe, Legislative Advocate, representing Churchill County, Nevada:

I'm here on behalf of Churchill County Communications, one of the last few remaining publicly owned telephone companies in the country. You may know that Churchill County started as a telegraph company back in the 1800s when there was no private service out in those rural areas. Churchill County created its own company, and it's grown since then into telephone and—more generally now—telecommunication services.

I'm going to be very brief on this bill, because we've worked extensively with our friends at SBC Nevada, who had interest in this bill. We were able to work out language with them and with others in the telecommunication industry. This bill enjoys the support of the entire telecommunication industry in Nevada, in addition to the PUC [Public Utilities Commission of Nevada]. It passed out of the Senate Commerce and Labor Committee unanimously and passed the Senate unanimously, so I'm just going to go over this briefly, and if you have any questions, I'll be happy to answer them.

There are three parts to this bill. The most important part that Churchill County Communications deals with is the method by which the County would divest itself of the company—if it ever chose to do that—and have it become a private company. Essentially, the heart of those provisions is that it gives the County a little more control over how it would sell the company and allows them to enter into negotiations for the sale of it, rather than having to do a straight bid and being required to accept the highest bidder.

The second part of the bill deals with where Churchill County Communications provides services beyond the county jurisdiction. When it does so, it competes

on a level playing field with its partners in the telecommunication industry, pays taxes like a private company would, and is subject to the same regulations as a private company, both in traditional telephone service and other telecommunication services.

[Russell Rowe, continued.] Finally, with respect to the PUC, it clarifies provisions with the State Universal Service Fund that Churchill County Communications can participate in that Fund, pays into it and could collect from it, should it ever qualify.

Vice Chairwoman Pierce:

Are there any questions for Mr. Rowe?

Assemblyman Parks:

Mr. Rowe, would you explain the expansion of the boundaries and how far beyond Churchill County that boundary might extend?

Russell Rowe:

Let me be clear about one thing. This bill does not authorize Churchill County Communications any greater ability to expand beyond their jurisdiction than they currently have.

Under statute as it is now, they have some ability to provide telecommunication services beyond their jurisdiction. For example, they do provide some wireless telephone services. One license they have covers Churchill County itself, but the license jurisdiction provided by the FCC [Federal Communications Commission] is broader than they boundaries of Churchill County, so they necessarily have to go beyond it. There were then some additional wireless communication licenses they picked up that were in unserved areas. They were called "unclaimed licenses." They picked them up and provided services to those areas that were not being served as well.

Those are instances where they've provided services beyond their jurisdiction. The bill doesn't provide any ability to expand that or expand the jurisdiction beyond what is currently provided in the statutes. We wanted to make that clear. That's not the intent of the bill, nor why we brought this up. Again, the biggest part of the bill is to clarify the divestiture provisions.

Because of the trend in telecommunications—the convergence of technologies—there may be a time where it would be better for the County to have this be a private company. The County wants to make sure they can protect their economy and their citizens, because Churchill County Communications is a significant economic base for Churchill County. It's an employment base, and it

provides significant revenues for the County itself. If they were ever to sell it, they need to have some ability to make sure, for example, that a company doesn't buy it and then take 90 percent of the jobs out of Churchill County. That's the most important provision.

[Russell Rowe, continued.] The other provisions regarding services outside the county just make sure that when they do, they compete fairly. They would pay the same taxes a private company would, and they're subject to the same regulations. It's important for the commissioners of Churchill County in their relations with their sister counties, because they're going to be operating in another county. Because they're a county entity, they're not subject to taxation. Even if they wanted to, they couldn't pay taxes to that county, such as property taxes. This bill clarifies that and allows them to do that. Just like they would want if a county was operating in Churchill County, they'd want them to pay taxes as well. That's what it does, and that's the intent behind it.

Vice Chairwoman Pierce:

Any other questions for Mr. Rowe? Is there anyone else you would like to bring forward to testify on this bill?

Russell Rowe:

No, ma'am.

Bob Erickson, Mayor of Fallon, Churchill County, Nevada:

The City of Fallon, which is within Churchill County, is fully in support of this bill. We support the Churchill County telephone company and the Churchill County Commissioners in this effort.

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Vice Chairwoman Pierce:

I will close the hearing on S.B. 210.

There is no other business before the Committee, so Government Affairs will adjourn [at 8:22 a.m.].

RESPECTFULLY SUBMITTED:

Paul Partida
Transcribing Attaché

APPROVED BY:

Assemblyman David Parks, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: April 28, 2005

Time of Meeting: 8:12 a.m.

Bill	Exhibit	Witness / Agency	Description
	A	*****	Agenda