

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON TRANSPORTATION**

**Seventy-Fifth Session  
February 5, 2009**

The Committee on Transportation was called to order by Chairman Kelvin Atkinson at 2:01 p.m. on Thursday, February 5, 2009, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/75th2009/committees/](http://www.leg.state.nv.us/75th2009/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Kelvin Atkinson, Chairman  
Assemblyman Mark A. Manendo, Vice Chair  
Assemblyman John C. Carpenter  
Assemblyman Chad Christensen  
Assemblyman Jerry D. Claborn  
Assemblywoman Marilyn Dondero Loop  
Assemblyman Pete Goicoechea  
Assemblyman Joseph M. Hogan  
Assemblyman Ruben J. Kihuen  
Assemblywoman Ellen B. Spiegel  
Assemblywoman Melissa Woodbury

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Marjorie Paslov Thomas, Committee Policy Analyst  
Darcy Johnson, Committee Counsel  
Lona Domenici, Committee Manager  
Marlen Schultz, Committee Secretary  
Sharon McCallen, Committee Secretary  
Nichole Bailey, Committee Assistant

**OTHERS PRESENT:**

Edgar Roberts, Director, Department of Motor Vehicles  
Susan Martinovich, Director, Department of Transportation  
Kent Cooper, Assistant Director, Engineering, Department of Transportation  
Scott Rawlins, Deputy Director/Chief Engineer, Department of Transportation  
Andrew J. MacKay, Chair, Nevada Transportation Authority, Department of Business and Industry

**Chairman Atkinson:**

[Roll called.] We would like to welcome those who are here in the Committee, those who are in Las Vegas, and those who may be listening in on the Internet. Today, as you know, we have three presentations we are going to cover, and the Department of Motor Vehicles (DMV) is at the table already. Therefore, we will begin immediately with our presentations so we can move along.

**Edgar Roberts, Director, Department of Motor Vehicles:**

I would like to present a high-level review of the DMV, note some accomplishments, show our progress with the Federal Real ID Act, and outline a new funding proposal to replace the Department's 22 percent cap. [Mr. Roberts read from prepared text: however, it was not submitted as an exhibit.] The Department of Motor Vehicles has 21 offices statewide. Additionally, there are eight county assessors serving as agents for the registration and titling functions. We have 1,246 authorized positions in Fiscal Year (FY) 2009, eight divisions with 13 budget accounts, and an approved budget of \$148.4 million in FY 2009.

The DMV's divisions include the Director's Office, Administrative Services, Motor Vehicle Information Technology, Research and Development, Central Services, Compliance Enforcement, Motor Carrier, and Field Services. In our handout ([Exhibit C](#)), you will find explanations of each division's operations and the names of the division administrators for your contact requirements.

In mid-January, the Department transitioned our 21 field offices to accommodate a new Central Issuance program. The purpose of changing from an over-the-counter process to a central issuance environment was to address the ever growing threat and number of cases of fraudulent licenses and identification (ID) cards.

The Central Issuance program has two essential components: (1) a highly secure card produced in a central and secure facility, and (2) facial recognition software which allows the Department to search its database for duplicate records. The facial recognition technology compares the person's photo against all Nevada DMV images to determine if fraud has occurred under another name. This system will aid us in our responsibility to reduce identity theft and fraud, prevent multiple drivers' licenses from being issued to one individual, and promote increased driver's license and ID security measures for our citizens.

On December 24, 2008, we rolled out a pilot program called the Electronic Dealer Report of Sale Program, known as EDRS, which allows online registration to customers who have purchased a vehicle from an authorized Nevada dealer participating in this pilot program. These authorized dealers issue a report of sale with a control number beginning with the letters EDRS. Customers who purchase vehicles from participating dealers can register their vehicle online instead of visiting an office. The Administrator of the Compliance Enforcement Division, Troy Dillard, is here today to answer questions on this new program, if the Committee is so inclined.

We are currently working with a task force of insurance industry representatives who are assisting us in the design and development of a web-based insurance verification system. Our new system, which will be operational in approximately one year, will verify insurance coverage (based on the Vehicle Identification Number (VIN), name, and policy number) with the insurance company. Customers will be able to view their insurance information on the DMV website, and law enforcement will also have the ability to view insurance validity. The reason for this redesign is to modernize the system and update our processes. The Administrator of the Central Services Division, Martha Barnes, could not be here today, but she will be discussing this new system further when Assembly Bill 21 is presented before this Committee. The bill contains legal changes to allow the Department to adopt an online insurance verification program.

The final rules for the Real ID Act were published after the legislative session in 2007. We were able to initiate this program by using federal grant monies and Highway Fund money. Therefore, Phase I of the project is well underway. The final rules were released in January of 2008, and it created a set of standards

for the issuance of a state driver's license and an ID card to be used for official purposes, including boarding federally regulated aircraft and entering some federal buildings.

The rules allow for a phased-in implementation. Phase I, Material Compliance, is a set of 18 requirements that must be implemented no later than January 1, 2010. Phase II, Full Compliance, is an additional set of 20 requirements which should be implemented no later than May 10, 2011. Failure to comply with the Real ID Act will force Nevada citizens to obtain and use alternative travel documents to board federally regulated aircraft. Debbie Wilson, Management Analyst, and Izzy Hernandez, Program Manager, are our technical experts on this subject. They are in the audience prepared to answer any questions on the Real ID Act.

Currently, the Legislature can allocate Highway Fund money for the Department's operations up to the 22 percent cap. Over the years, the DMV has used a patchwork of fees, penalty fines, and commissions to directly fund our budgets in order to stay under the funding cap. The upper limitation was set in 1957 with no rationale behind its establishment. In this next biennium, the DMV will be facing a shortfall of approximately \$14 million if the ceiling remains in place.

The Department's pieced-together funding includes commissions from the collection of sales taxes and governmental service taxes, fees for the issuance of titles, fees for providing records to the public, and penalties for late registration, just to mention the larger sources. The risk of using these alternative revenue sources for our budgets is that, should these funding sources not materialize at the projected levels, adequate budgetary resources for operations will not be available.

We are proposing the inclusion of the excise tax on gasoline in our computation of the funding limit, which has been excluded all these years. Additionally, we would send the entire patchwork funding within our current budgets directly to the Highway Fund. This would enable us to lower the 22 percent cap contained in NRS 408.235 to 20 percent. The end result will be that our funding limitation will be based on the entire amount of revenue the Department collects for the State Highway Fund. The Department's funding stream will be simplified and understandable, the DMV will continue to be subject to the fiscal authority of the Legislative Branch, and the Department will continue to send all revenues collected to the Motor Vehicle Fund for its distribution.

This change will position the DMV for long-term funding stability that will withstand future economic fluctuations. The alternative is further cuts, and the continuation of unpredictable, mixed funding methods could lead to office closures. This will impact our current level of services to our customers. Our expert on this new funding proposal is Dennis Colling, Chief of Administrative Services, and he is available to answer questions about this proposal.

In closing, I would like to offer to meet individually with all Committee members to discuss our funding proposal, the Real ID Act, or any other topic of interest. We would be happy to answer any questions the Committee may have at this time.

**Chairman Atkinson:**

Thank you, Mr. Roberts. Are there any questions from the Committee members for Mr. Roberts from the DMV? If not, I do have a question. It came up frequently last session; and for the Committee's edification, I would like you to explain your process on including fiscal notes when we are talking about programming. I want to make sure everyone understands this process, especially the new staff and the freshmen on this Committee, so they will not have to ask as many questions this session.

**Edgar Roberts:**

The Legislative Counsel Bureau has charged us with the task of providing the fiscal impact of any proposal. Usually, a bill takes effect at a specific time, and it was often necessary to hire outside technical expertise or meet with various bill sponsors who would work with the Department. This situation may require an extension of the implementation date to provide our Motor Vehicle Information Technology group adequate time to accomplish the programming.

**Chairman Atkinson:**

If there are no other questions for DMV, we are prepared to move into our next presentation from the Nevada Department of Transportation (NDOT).

**Susan Martinovich, Director, Department of Transportation:**

The Department is a large agency, and I wanted to introduce some of my staff because I have great people who should be recognized before this Committee. Our Deputy Director in Las Vegas is Rudy Malfabon, and sitting next to me is our Deputy Director/Chief Engineer, Scott Rawlins. We also have four separate functional areas, and the assistant directors in each of those areas are here; Tracy Larkin-Thomason is over our Planning Division, Robert Chisel is over the Administration Division, Rick Nelson heads our Operations Division, and Kent Cooper is in charge of our Engineering Division. In addition, our chief financial person, Felicia Denney, is with us today. She manages our daily fiscal

needs and ensures we adhere to the correct expenditure practices. Finally, our Public Information Officer and Legislative Liaison are Scott Magruder and Dennis Baughman, respectively.

We have handouts. First is a binder ([Exhibit D](#)) containing several pamphlets, two booklets, several informational flyers on card stock, and a map of Nevada. Second is a spiral-bound report ([Exhibit E](#)) prepared in 2008 on Assembly Bill No. 595 of the 74th Session, and if any member of the public or the Committee would like additional copies, please contact Scott Magruder.

We are a Highway Fund agency just like the DMV, and the Highway Fund is constitutionally separated from the general funds. We are a statewide organization with over 1,700 employees, and our main headquarters is in Carson City, but we have major maintenance stations in Las Vegas, Elko and Reno. We have smaller maintenance stations with operations out of Winnemucca, Tonopah, and Ely. However, we are truly located statewide because we have personnel waiting to go out on the road when the need arises.

We want to be a leader in delivering project solutions and improving Nevada's quality of life. I would like to highlight a couple of our major focus areas during the last two years and provide a brief summary of our activities. In the area of safety, we have developed the Statewide Strategic Highway Safety Plan, which was done collaboratively with other agencies in engineering, enforcement, education, and emergency response. I am proud and happy to say, in these last two years we have seen a reduction of almost 60 fatalities in each of those years compared to the number reported in 2006. The fact that our traffic deaths have gone down and not just remained constant is a tremendous accomplishment, considering the growth in this state and an increase in visitors.

We are also involved in ongoing efforts to put in median and edge line rumble strips, as well as cable rail, to help drivers maintain their lane. We are using educational methods to constantly improve driver awareness and to further reduce the number of fatalities that are occurring on our highways. I noticed in January that we were down eight fatalities compared to a year ago, even though it is far too soon to tell what the final count will total.

The NDOT initiated an industry/construction advisory committee that looks at key issues like specifications, bidding processes, and partnering to ensure that we have quality projects. Also, one of our focus areas in the construction industry is on the diversity of our workforce. In working with Assemblyman Hogan, we have come up with several great ideas to develop a program that would expand our workforce and encourage more Disadvantaged Business Enterprises (DBE) and more Women-owned Business Enterprises (WBE) to

participate. We also believe there is an untapped labor force that could come in as our industry ages. We have a significant number of people with over 30 years of experience in both engineering and construction, and as they age we do not have the excess labor pool to fill our needs. Almost 25 percent of our staff is eligible to retire in the next five years. Therefore, we created our Leadership Academy which addresses management skills and discusses internal processes distinctive to NDOT.

While we are a road building agency, it is not always feasible to build our way out of congestion. Instead, we have to manage the freeway, and more importantly, give people the opportunity to make smart decisions as they are traveling on our streets and roadways. Over the last couple years, we developed our 511 Program. This is a telephone service that provides current road conditions and weather reports along with emergency messages, such as road closures and Amber Alerts. Since late 2006, we have received over 1.25 million calls on that service line. We are constantly improving it to ensure that we transmit the correct information to our traveling public.

The Freeway and Arterial System of Traffic (FAST) program is a collaborative effort with the Regional Transportation Center of Southern Nevada to operate and manage the freeway and arterial systems through ramp meters, Dynamic Message Signs (DMS), timing signs, and signal timing. You may have seen evidence of that through the I-15 corridor with our ramp meters on Flamingo and Tropicana. It helps regulate the traffic onto the freeway so that a huge wave of vehicles does not enter and cause a backup. These metered ramps have been very successful in moderating traffic, as have our DMS that advise people on how long it will take to travel along that corridor. We believe that by providing information to the public, they can choose to stay or exit the freeway.

Another area we are working on is our Traffic Incident Management (TIM) group that focuses on clearing the highway of accidents to alleviate congestion and prevent secondary accidents. Approximately 50 percent of congestion is related to non-recurring accidents or incidents, such as weather. We cannot control the weather, but if there is an accident and you can see the backup is resulting in other mishaps or minor incidents, then the faster we can get people moving down the road, the less congestion we will have resulting from the initial collision. We have worked collaboratively with our southern Nevada partners in the coroner's office, emergency response, and the tow truck industry to suggest how we could clear the roadways faster and more expeditiously. We have a Freeway Service Patrol, which is a moving mechanically-equipped vehicle that has extra gasoline in addition to tire- and oil-changing capabilities, to assist traffic that has broken down along the side of the road and help alleviate congestion.

Maintenance is one of our biggest functions. We have over 800 employees focused on preventative maintenance like snow removal, graffiti removal, trash, and pavement repair. We work all year around not just building roads, but performing transit activities as well, especially in the rural areas. In 1999, we received \$1 million in federal allocations towards transit. Now we are receiving over \$8 million, and we anticipate that to continue. Utilizing these monies has resulted in 1.7 million in transit ridership for rural communities. That is taking people to places when they do not have access to other vehicular forms of transportation.

We are also a component of aviation at rural airports. This Committee and the 2007 Legislature provided \$500,000 as a match to federal funds for airport projects. Eighteen airports have used this money to leverage almost \$19 million for projects devoted towards signage and improving their facilities.

Safe Routes to School is another project the NDOT manages through the Federal Highway Administration. We receive about \$1.6 million in funding. We have coordinated with local schools to develop plans for signing, striping and infrastructure.

We are coming into this biennial fiscal period with a \$1.2 billion budget in the Highway Fund. The Highway Fund receives its funding from the federal gas tax, the state gas tax, county taxes, licenses and fees, and bond receipts. We anticipate future revenues because of Assembly Bill No. 595 of the 74th Session. I would like to take a moment to thank this Committee and the Legislature for passage of this bill which provides much needed additional funding to transportation. We have been using the initial proceeds to advance the design of priority capacity projects such as I-15, US 95 and US 395. The proposed expenditures from the Highway Fund include programs for DMV, the Department of Public Safety, NDOT bond repayment, the Transportation Services Authority (TSA), the Legislative Counsel Bureau (LCB), and the Department of Information Technology (DoIT).

The Department's primary focus is on pavement. That is what we spend the majority of our money on. We do have some challenges in the allocations of our money. The federal money is compartmentalized, and we are required to spend a fixed amount of money on specific items. We currently have over 22 projects under construction, and we have been receiving reasonable bid responses which have allowed us to put out additional projects.



Various projects that we have completed recently are the US 95 west leg; I-15 widening; State Route (SR) 146, which is the St. Rose Parkway, consisting of a new interchange and widening; and SR 160, which is the Blue Diamond Highway, entailing a new grade separation for the railroad and widening. Our first design/build project on I-15 and the express lanes are both under construction.

Monies proposed from the federal stimulus legislation, also known as the American Recovery and Reinvestment Act of 2009, are uncertain, but we are ready if and when the monies are distributed. We have coordinated with Metropolitan Planning Organizations (MPOs) as well as our congressional delegation, and we have over \$1 billion in projects depending upon the amount that Nevada receives. The current estimates in the bills range from \$22 billion to \$30 billion nationally for transportation, and that equates to between \$170 and \$220 million to Nevada, as compared to our usual apportionment of \$250 million. There are some caveats to that money. The projects have to be environmentally certified, and the right of way has to be certified too. We are in the process of identifying these with the locals. There is also a substantial reporting component of the stimulus bill that we will be developing, but we embrace the opportunity to show accountability.

Our budget contains a couple of new enhancements. We are taking a vacant position and turning it into a new, unclassified position for a Civil Rights Officer. This new position will help us manage and coordinate the Department's internal, external, and contract compliance issues with civil rights programs. We hope to create a high-level and more visible program attuned to the needs of the disadvantaged and minority communities of Nevada.

The Governor appointed a committee to review opportunities to fund transportation. I would like to thank Chairman Atkinson, Assemblyman Hardy, Senator Nolan, and Senator Lee for their participation on this committee. Their efforts brought forward a proposal for a demonstration project on US 95 and I-15 through the Resort Corridor that will provide additional capacity, but it includes user fees and automated enforcement components. We are also developing controls to ensure the proper checks and balances to protect the taxpayers and deliver the projects that we are moving forward within this session.

In the future and in summary, A.B. No. 595 of the 74th Session required reporting and accountability as well as funding. We heard you clearly at the last session and agree we do need to be accountable and transparent. As engineers, we tend to make things more complicated, so any thoughts you might have to help us in this regard would be deeply appreciated. Our funding

and business is complex, and due to all the federal constraints, we do require flexibility in order to obligate all the money allocated to ensure we do not risk the possibility of returning it. This situation has never occurred during the tenure of directors before me, and I do not want to be the first to leave money on the table.

Our roads and bridges rank in the top five nationally for condition and smoothness. We have great partnerships with the local entities and spend a significant amount of time in Las Vegas. I work closely with those in Reno as well as the rural entities. We visit every rural county at least once each year. We have award-winning programs in both landscaping and technology. Additionally, we are reducing our traffic fatalities, which is the best news that we have. We will continue to be accountable and transparent and look forward to working with you this session as well as in the future.

**Chairman Atkinson:**

Are there any questions from the Committee members before I start with mine?

**Assemblywoman Spiegel:**

Can you please explain the difference between design, bid/build, and design/build? I am wondering where the bidding comes in and how that works?

**Susan Martinovich:**

Currently, our NDOT will complete the design or hire a firm to help us. Then we will package it and put it out to bid. The contractor will submit his bid, and the Department will take the lowest bidder who will build the project. Under the design/build scenario, we complete about 30 percent of the design to meet the National Environmental Policy Act (NEPA) requirements, which is basically a footprint of the project showing what we want. Then we will send out our solicitations to teams, defining what we expect. They will be asked whether they care to bid on it under these parameters. Teams will return and offer bids to us. Teams are comprised of the primary contractors and the design team. A portion of the proposal is funding-based, but another portion of the proposal is evaluated on project quality and is ideas-based. It is not strictly a low bid. We are able to negotiate with them and then award the contract. Another benefit of the design/build process is the risk is shifted to the contractor. When we issue and prepare the designs, then it is our responsibility.

**Assemblyman Hogan:**

You made mention of a mobile service vehicle that provides services to drivers who are having problems. I was not aware of that program and have not seen one of the vehicles. Could you tell me what I should be looking for? In Mexico,

they are bright green and called Green Angels, and they are always welcome when they drive into sight. What do ours look like?

**Susan Martinovich:**

Nevada's vehicles are white, and they have a logo that resembles Superman. It is clearly marked "Freeway Service Patrol" and it also carries the NDOT logo. They are driving on I-15 and a few other areas on a 24-hour-a-day basis, depending on need. They also have them in Las Vegas. It is paid for by utilizing federal funds because it does help relieve congestion through those areas. I recall that Assemblyman Kihuen had an experience with them recently when he ran out of gas. During the time when gas prices had risen so dramatically, a significant number of people found themselves stopped under similar circumstances.

**Assemblywoman Spiegel:**

For the record, I also had a positive encounter with the Freeway Service Patrol and was very thankful they were there. I also am wondering approximately what percent of the work done by your Department is performed by Nevada-based businesses versus companies from out of state?

**Susan Martinovich:**

I am sorry, but I do not have that percentage. The majority of our contracts are in-state. We do have a couple contractors that are out-of-state. I know of one project in particular, and perhaps two out of the twenty-two are being constructed with out-of-state contractors. The remaining projects are being done by in-state contractors, and we will definitely research that and provide the correct figures to you.

**Chairman Atkinson:**

I have a few questions, but I realize some concerns I have will not be addressed today. Hopefully, we can have an open dialog this session about the list of projects that are going to be on the Assembly list and have been identified by you during your presentation. However, due to the fact that I have just heard about them, I am not prepared to ask too many questions at this time. We understand it will be a challenge again this session. Transportation issues are not always in the forefront of decision making with all of the difficult tests being faced by our state, but it is my job to ensure they receive due consideration. I am promising you I will do everything I can to make sure that we are funding our transportation needs. I do have a question that Mr. Cooper could possibly address. How is the Safe Routes to School project going?

**Kent Cooper, Assistant Director, Engineering, Department of Transportation:**

That project is going very well. The first round of solicitation requests has been sent out. We have received applications on the second round and are in the selection process now. The partnerships that we have developed through the Nevada KIDS COUNT program with other jurisdictions have worked well, and the program is running smoothly. We are able to obligate the federal funds in a timely fashion, and we can prepare a report on that if you would like.

**Chairman Atkinson:**

That is exactly what I want. Thank you for anticipating my request. The report will serve as an educational tool for the Committee, and it would be informative for us to have an overall grasp of the Safe Routes to School Program. Now, I would like to ask Scott Rawlins to come up for a few questions. Scott and I had an interesting discussion yesterday about tolls. I know that it is a topic some people do not like to talk about, but it will come up this session. Scott, if you could go over the 19-mile stretch and explain to the Committee the things we looked at to bring them up-to-date on this issue.

**Scott Rawlins, Deputy Director/Chief Engineer, Department of Transportation:**

The project is 19 miles long, and runs from the northwest Las Vegas Valley to the airport along I-15/US 95 (at Ann Road), down through Summerlin Parkway, over the Spaghetti Bowl, and to the southern Las Vegas Beltway (I-215). The project includes new capacity within the median, new connections from Summerlin Parkway to US 95, a new direct connection from the median of US 95 to the median of I-15, and new connections to the Resort Corridor. Right now, there are grade separations at Harmon and Hacienda. There are increased capacity and new connections to these lanes. These lanes would also provide for new high-speed bus routes in concert with the Regional Transportation Commission of Southern Nevada.

We could supply a transit service on the freeway system that would use these new connections and take you to the back door of the Resort Corridor. High Occupancy Vehicle (HOV) lanes, Ride Share Program, and the transit service could ride in these proposed lanes basically for free. This system would be a user-fee system, so anybody who does not meet the criteria of the transit service would be paying a fee to use the transportation system, but it would be an option. The existing lanes are being used today would still be a viable way to get to where you need to go. However, if you needed to be at the day care facility or at work on time, this would be an expedient way, providing you are willing to pay a small fee to get there.

We would solicit an outside private entity to build these lanes for us in exchange for collecting these user fees. It is potentially an economic stimulus

for the valley. We are estimating almost \$1 billion of transportation investment coming in with this project which will create jobs, provide reliable trip times for our citizens, and relieve congestion.

**Chairman Atkinson:**

That was well done. I will say, Ms. Martinovich, you sent a persuasive guy yesterday because I have been against toll roads in the past, and Mr. Rawlins almost had me convinced.

**Assemblyman Goicoechea:**

Will a driver have a card in the window that will automatically get scanned and post the correct fee, or would it be necessary to stop for a toll station?

**Scott Rawlins:**

It is exactly like systems in California where they have a card reader located in the E-Z Pass window. It would be entirely automated, so there would be no stopping at toll booths. We are still evaluating the technology side of it, but it would create free-flow conditions. A driver would see a sign advising the public what the expected travel time would be from Ann Road to the airport using the express lanes or the general purpose lanes. At that point, the driver would decide if the price to travel via the express lanes was worth the shortened travel time.

**Assemblyman Goicoechea:**

Does a driver have the ability to get on or off that lane?

**Scott Rawlins:**

Obviously in a system like this, you want to keep the liability down so you need to limit the amount of access points available. However, there would be access points at certain locations throughout the corridor where you could get on or get off the general purpose lanes.

**Chairman Atkinson:**

I have been informed about this project for a while, but did not realize that we would not be using existing lanes. I understood during this presentation that we were actually talking about adding new lanes. My own caucus has continually stressed that Nevadans refuse to pay twice for the same service; once to build the freeway and again to drive on it. Therefore, I was surprised and happy to hear you were talking about new construction. We discussed it being a 20- to 25-year project if we were able to find funding, versus coming up with a creative mechanism where it would require only 4 or 5 years to complete.

**Assemblyman Manendo:**

I told a couple constituents we were having a presentation today, and they said they would listen in on the Internet. So could you provide a brief update on the sound walls in District 18?

**Scott Rawlins:**

We are going to advertise that sound wall project in your district by the end of the month, and we should be starting construction by the June/July time frame.

**Assemblywoman Spiegel:**

My question is for you, Mr. Chairman. Are we going to have additional hearings where we will discuss toll roads?

**Chairman Atkinson:**

Yes, you can be assured they are coming. Are there any other questions for NDOT?

**Assemblyman Carpenter:**

I do not have a question, but I want to thank you for the transit money. It really helps in rural Nevada, and last year we received \$250,000 from the Legislature. The documentation I received indicated you were able to turn that into over \$3 million in federal funds.

**Chairman Atkinson:**

Are there any other questions? Seeing none, we will move on to our last presentation from Mr. MacKay with the Department of Business and Industry.

**Andrew J. MacKay, Chair, Nevada Transportation Authority, Department of Business and Industry:**

The Nevada Transportation Authority is a division of the Department of Business and Industry. We were created in 1997 when the Public Services Commission was split into two entities: the Public Utilities Commission and the Transportation Services Authority. Our name was formally changed pursuant to Assembly Bill No. 497 of the 74th Legislative Session, and now we are referred to as the Nevada Transportation Authority (NTA). Thanks to Mr. Goicoechea for his work at the 11th hour in the conference committee, because I am telling you unequivocally that the number of people coming into our office looking for the Federal Transportation Services Authority has been reduced practically to zero. [A handout, ([Exhibit F](#)) was given to the Committee and distributed to the audience.]

I would like to introduce Commissioners Monica Metz and Michael Kloberdanz. They are in the Las Vegas hearing room. The Nevada Transportation Authority has a total of 26 employees. There are 20 in Las Vegas and 6 in northern Nevada. Included therein are three commissioners: myself, Commissioner Metz, and Commissioner Kloberdanz.

The agency is broken down into five areas of responsibility. Administration encompasses budgeting, public information requests, and docketing of legal items. Our Applications Division is in charge of applications for new authority, tariff rate modifications, and expansions of authority. The Compliance/Audit area is responsible for criminal background investigations on all applicants. They also conduct new vehicle safety inspections as well as operational inspections that are required every year on approximately one-third of the carriers. Our Compliance/Enforcement group is made up of Police Officer Standards Training (POST) certified officers. The primary goal is targeting illegal operators. Illegal operators are the No. 1 threat to the safety of the traveling and shipping public. The purpose of the NTA is to ensure the public that when they hire a limousine or ride in a taxi the vehicles are properly insured and the driver has been subjected to the requisite substance abuse testing.

The final area is the judicial aspect of our agency. The three of us serve as administrative law judges with respect to any citations for motor carrier violations, and we sit as hearing officers for applications for new authority. We also serve as administrative law judges and hearing officers for other divisions of the Department of Business and Industry.

The regulation authority falls into two realms, fully regulated and partially regulated carriers. Fully regulated carriers include, but are not limited to, charter limousine operators, taxicab companies operating outside of Clark County, household good movers, contract carriers, airport transfer services, and scenic tour operators. The distinction between that and the partially regulated carriers—intrastate charter bus operators and intrastate tow car operators—is the Transportation Equity Act for the 21st Century has preempted the state's ability to regulate tow cars and charter bus operators, with the exception of safety and insurance. We cannot require an applicant to prove that there is a market. We are strictly limited to overview of safety and insurance. Federal preemption does not apply to rates for non-consensual tows (without the permission of the owner of the vehicle). The NTA has regulatory authority over the rates charged for non-consensual tows.

There was a bus accident Friday on the Arizona side of the Hoover Dam. If there is good news in this incident, it is the carrier involved was not Nevada-based. The bus company is not authorized to operate point-to-point in

the state of Nevada. The bus company is certified and regulated by the California Public Utilities Commission who revoked their authority effective this past Monday morning when their insurance lapsed. Our Chief of Enforcement has been in contact with the Arizona Department of Public Safety because the trip did originate out of Las Vegas, but the transport actually originated out of California, entered Nevada, then travelled beyond the state line into Arizona, and was heading back when the accident occurred. At the point when the trip became interstate transportation, the state's regulatory oversight was effectively nullified. I can say that part of the function of the NTA would have been to conduct a risk-based operational inspection had this carrier been under our regulatory powers. The inspection would have verified all the annual vehicle inspections were done, and the requisite driver qualifications were in order, including substance abuse testing.

The NTA is serious about its responsibilities toward insurance and safety. Every vehicle that is operated by one of the carriers and subject to NTA regulation must have an annual vehicle inspection a minimum of once a year. Although the NTA does not perform the investigations, those investigations are usually facilitated in-house by the carrier using a certified inspector, or the car may go to a garage that has a certified inspector on staff. Also, with respect to insurance, pursuant to *Nevada Administrative Code* (NAC) 706.191, there are various levels of insurance all carriers must maintain. Should the insurance lapse or expire, we are notified directly because the National Transportation Safety Board (NTSB) lists us as an additional insured. We are notified beforehand that the insurance will lapse. In the event it gets to the point where the insurance is about to lapse, enforcement staff of the NTA goes to that carrier's domicile and temporarily puts the carrier out of business until the insurance issues are rectified.

That is a basic overview, and if there are any questions from the Chairman or the Committee, I am available.

**Chairman Atkinson:**

Thank you, Mr. MacKay. Are there any questions from the Committee members? I did want to go on record saying that when I was first elected and sat in one of these seats there were many issues with NTA. I understand you have faced possible dissolution during more than one session because of these issues. However, I will say that you have come a long way, and the work you are performing is valuable and needed. I do believe that the Department is functioning better and things are running smoother.



**Andrew J. McKay:**

Thank you for your kind words and I will relay them to staff, because they are the ones deserving of your praise.

**Chairman Atkinson:**

Is there anyone in Las Vegas who has public comment to offer? Is there anyone in Carson City who has public comment before we close? Seeing none, we are adjourned [3:01 p.m.] until next Tuesday, the 10th.

RESPECTFULLY SUBMITTED:

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Marlen Schultz  
Committee Secretary

APPROVED BY:

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Assemblyman Kelvin Atkinson, Chairman

DATE: \_\_\_\_\_

**EXHIBITS**

**Committee Name:** Committee on Transportation

**Date:** February 5, 2009

**Time of Meeting:** 1:30 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
	C	Edgar Roberts, Director, Department of Motor Vehicles	Handout consisting of Department Overview, Power Point Presentation in Folder
	D	Susan Martinovich, Director, Department of Transportation	Binder, "NDOT 2009", contains booklets & map
	E	Susan Martinovich, Director, Department of Transportation	FY2008 Annual Report for 2007 AB 595 to the Board of Directors
	F	Andrew J. MacKay, Chairman, Nevada Transportation Authority	Handout, Overview of NTA