

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

**Seventy-Sixth Session
March 15, 2011**

The Committee on Transportation was called to order by Chair Marilyn Dondero Loop at 3:17 p.m. on Tuesday, March 15, 2011, 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/76th2011/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; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Marilyn Dondero Loop, Chair
Assemblyman Jason Frierson, Vice Chair
Assemblyman Kelvin Atkinson
Assemblywoman Teresa Benitez-Thompson
Assemblyman Steven Brooks
Assemblyman Richard Carrillo
Assemblywoman Olivia Diaz
Assemblyman John Hambrick
Assemblyman Scott Hammond
Assemblyman Joseph M. Hogan
Assemblyman Randy Kirner
Assemblywoman Dina Neal
Assemblyman Mark Sherwood
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Jennifer Ruedy, Committee Policy Analyst
Darcy Johnson, Committee Counsel
Jordan Neubauer, Committee Secretary
Sally Stoner, Committee Assistant

OTHERS PRESENT:

Fran Almaraz, Business Agent, Local 631, International Brotherhood of Teamsters
Patrick Domholdt, In-House Counsel, Local 631, International Brotherhood of Teamsters
John Phillipenas, Secretary-Treasurer, Local 631, International Brotherhood of Teamsters
Terry Sumpter, representing Local 631, International Brotherhood of Teamsters
Jack Mallory, Director of Government Affairs, District Council 15, International Union of Painters and Allied Trades; and representing Southern Nevada Building and Construction Trades Council
Anthony Rogers, representing Southern Nevada Building and Construction Trades Council
Rusty McAllister, President, Professional Fire Fighters of Nevada
Robert A. DelaPaz, Private Citizen, Las Vegas, Nevada
Bill Davis, Private Citizen, Las Vegas, Nevada
Michelle R. Jotz, Director of Governmental Affairs, Las Vegas Police Protective Association; and representing Southern Nevada Conference of Police and Sheriffs
Kris Goodman, Private Citizen, Las Vegas, Nevada
Jane Feldman, Secretary, Toiyabe Chapter, Sierra Club
Paul McKenzie, representing Building and Construction Trades of Northern Nevada
Danny Thompson, Executive Secretary Treasurer, Nevada State American Federation of Labor and Congress of Industrial Organizations
Lisa Foster, representing City of Boulder City
Doug Busselman, Executive Vice President, Nevada Farm Bureau Federation
Bryan Wachter, Director of Government Affairs, Retail Association of Nevada

Paul J. Enos, Chief Executive Officer, Nevada Motor Transport Association

Neena Laxalt, representing Nevada Cattlemen's Association

Terry Graves, representing Henderson Chamber of Commerce

George Ross, representing Las Vegas Chamber of Commerce

John Madole, Executive Director, Nevada Chapter, The Associated General Contractors of America

Wayne Seidel, Administrator, Motor Carrier Division, Department of Motor Vehicles

Peter Krueger, representing Nevada Petroleum Marketers and Convenience Store Association

Bill Bainter, Lieutenant, Commercial Coordinator, Nevada Highway Patrol, Department of Public Safety

Carole Vilardo, President, Nevada Taxpayers Association

Susan Martinovich, P.E., Director, Nevada Department of Transportation

Steve Holloway, Executive Vice President, Las Vegas Chapter, The Associated General Contractors of America

Russell M. Rowe, representing American Council of Engineering Companies of Nevada

Wayne Horlacher, representing American Council of Engineering Companies of Nevada

Chair Dondero Loop:

[Roll was called. Rules and protocol were stated.] We will hear two bills today, Assembly Bill 188 and Assembly Bill 212. I will now open the hearing on Assembly Bill 188.

Assembly Bill 188: Revises provisions governing motor vehicles. (BDR 43-899)

Fran Almaraz, Business Agent, Local 631, International Brotherhood of Teamsters:

I would like to introduce Patrick Domholdt, he is going to present a PowerPoint ([Exhibit C](#)), which will give you information as to why we would like to see triple trailers omitted from Nevada highways. John Phillipenas will also be giving testimony and answering questions.

Chair Dondero Loop:

Thank you, go ahead and start, Mr. Domholdt.

Patrick Domholdt, In-House Counsel, Local 631, International Brotherhood of Teamsters:

I am here in support of Assembly Bill 188. Please feel free to interrupt me anytime if there are any questions or concerns. Assembly Bill 188 concerns

triple trailers, which are longer combination vehicles (LCV). Triple trailers have been terrorizing Nevada's roads for decades. [Continued to read from prepared testimony ([Exhibit D](#)), which discussed the PowerPoint ([Exhibit C](#)).]

Chair Dondero Loop:

Thank you very much. Are there any questions from the Committee?

Assemblywoman Neal:

The Department of Motor Vehicles (DMV) Motor Carrier Division has a sentence in the fiscal note that says ". . . the Department may have to refund the remaining three months of fees collected during FY 10/11 to the purchasers." That was also reviewed as a reduction in the money they have received. Are you saying that is not going to be an issue?

Patrick Domholdt:

Refunding the remaining three months will not be an issue if the trucking companies are going to restructure their fleets and continue to have their annual permit fees. If they are going to restructure their fleet to rocky mountain doubles or turnpike doubles, they are still going to have the existing permit. Nevada is unique. These permits do not go on every single trailer; they are attached to the tractor itself. If the companies are going to continue to have rocky mountain doubles or restructure their fleet, they will still need the annual permit. I do not think a refund would be necessary.

Assemblyman Hammond:

You caught my eye when you started talking about studies. I was looking at the slide titled "Triple-Trailer Fatigue" ([Exhibit C](#)), and I have a couple of questions. How many people were in the study?

Patrick Domholdt:

There were 24 people in the study.

Assemblyman Hammond:

How long was the period of time?

Patrick Domholdt:

It was over a seven-day period.

Assemblyman Hammond:

Do you know their age? Did you separate for age? Did you quantify the age differences? You are saying there are significant increases in heart rate while driving a triple trailer. Did you compare that to other configurations? Did you have older people or younger people?

Patrick Domholdt:

This study is in *Ergonomics* journal, Vol. 41, No. 5, 1998. They took several drivers with the same amount of experience and made sure they did not have any accidents over a two-year period of time. If you would like a copy of the study, I can provide it to you.

Assemblyman Hammond:

I have issues with studies that are limited, as this one is. Twenty-four people over seven days is extremely limited. To extrapolate a policy at this magnitude, we need studies that give significant data. They need to be longer with more sampling. I would like to see the study.

Assemblyman Kirner:

As I am listening to this, I am hearing a discussion pitting economics versus safety. Your argument is primarily safety oriented. I want to talk economics. If companies have to restructure their fleet, would that cause a cost to the trucking industry?

John Phillipenas, Secretary-Treasurer, Local 631, International Brotherhood of Teamsters:

Most of the trucking industry already has 40-foot and 45-foot trailers. What we are doing is taking the triple trailer away, so they have to use a combination of a 40-foot trailer with a 28-foot trailer, which is the rocky mountain double. Trucking companies usually have them in their fleet. I know United Parcel Service (UPS), ABF Freight System, Inc., and YRC Worldwide, Inc. have them in their fleets. They will be transferring from one system to another.

Assemblyman Kirner:

Would your assertion be that this change would not create any new jobs for anybody? Would the trucks just be reconfigured?

John Phillipenas:

You asked if there was going to be a severe impact with the employer, and my answer was that they have the equipment if they want to do that. If they prefer to stay with the 28-foot trailers, they would probably need to add a driver and a tractor.

Assemblyman Frierson:

Do you have information on the federal government's justification for the change in 1991? Are you aware of any other states that were grandfathered and subsequently changed the rules?

Patrick Domholdt:

I do not have that information, but I believe the grandfathered states are the states that are blue in the PowerPoint ([Exhibit C](#)) on the slide that shows the map of what states allow longer combination vehicles. I can provide supplement information for you with their justification for implementing the freeze and the combination of the vehicles they did.

Assemblyman Frierson:

Was danger the reason the federal government banned triple trailers in 1991, or was there another reason?

Patrick Domholdt:

It was a public perception of safety, and I do not have the specifics of the legislative intent. They have not changed their stance since. I believe they reviewed it in 1998, and there was another study done between 2004 and 2006. They still have not changed the existing 1991 federal legislation.

Assemblyman Hambrick:

Prior to you throwing the Motor Carrier Division under the bus, did you contact the author of the fiscal note and try to justify your point of view? You have a lot of criticism. I do not know if they are in the audience, but did you at least call them and tell them you differ with them?

Patrick Domholdt:

I apologize; I did not mean to throw anybody under the bus. Yes, I have critiques of the fiscal note. No, I did not contact them. Based on the numbers alone, they show a decrease by 66 percent in the amount of people that are going to have LCVs, which means there is no increase in the amount of rocky mountain doubles or turnpike doubles. The only other option would be that they were going to force somebody to buy a new tractor.

Assemblyman Hambrick:

So the answer is "No."

Chair Dondero Loop:

Thank you. Are there any other questions at this point?

Assemblyman Brooks:

How much are the permits for triple trailers and rocky mountain doubles?

Patrick Domholdt:

They are the same exact permit. The rocky mountain doubles, turnpike doubles, and triple trailers are all classified as LCVs; they are all longer than 70 feet and

heavier than 80,000 pounds. It is one permit. For every 1,000 pounds it is \$60, up to a maximum of \$2,960.

Assemblyman Carrillo:

The lost revenue is not going to be a factor if they can use those permits for other configurations, correct? Will they not be looking for a refund for the last three months?

Patrick Domholdt:

No, if they are going to have rocky mountain doubles or restructure their existing fleet, they will continue to use the permit through this fiscal year, and they will have to renew their annual permit at the beginning of the year. All three of them fall under the LCV classification.

Assemblyman Atkinson:

Can you go back to the PowerPoint ([Exhibit C](#)) to the slide titled "Comparison of Longer Combination Vehicles with Conventional Trucks"? Is there a huge volume difference between the triple trailers and the doubles?

Patrick Domholdt:

The rocky mountain doubles and the triple trailers essentially haul the same amount of weight. The turnpike doubles haul more gross weight. I would say the difference between the rocky mountain doubles and the triple trailers is plus or minus a gross weight of 5,000 pounds.

Assemblyman Atkinson:

So around the same amount?

Patrick Domholdt:

Yes, and the turnpike double actually carries more.

Assemblyman Atkinson:

I am always concerned with how much damage these trucks do to roads and highways in Nevada. Would you say the bigger capacity trucks do more damage? I know something was being done federally with the triple trailer; I think they were trying to outlaw them as well.

Patrick Domholdt:

There are studies that show when there is a higher capacity of weight, it has the impact at a higher scale of 2,000 to 3,000 cars to one triple trailer.

John Phillipenas:

A set of triple trailers runs continuously. The physics of it would be a continuous pounding for a longer time versus a continuous pounding for a shorter time. You would take weight times duration, which would equal more damage. Triple trailers cause more damage. In Nevada they cause other damage too. There is not a set of triple trailers that could make a right or left turn in the city of Las Vegas or Reno, legally. Every turn is illegal. The trucks are taking up two to three lanes to make the turn, and if they do not take up the extra lanes, the last trailer will ride up on the sidewalk, causing damage to the cement.

Assemblyman Hammond:

You said 60 percent of accidents are caused by the crack-the-whip effect. How many more accidents are triple trailers involved in compared to the other LCVs?

Patrick Domholdt:

That is one of the problems with accidents; Nevada does not track triple trailers versus rocky mountain doubles versus everything else, let alone have a comprehensive study on the amount of miles. Some of it is a gross estimate, but there is not a study because of the lack of data to have a proper analysis.

Assemblyman Hammond:

So it is hard to make that comparison.

Assemblyman Sherwood:

If this bill passed, would there be more trucks and drivers on the road? I thought I heard you say on the fiscal note that there would be greater diesel tax because there would be more drivers. Then I thought I heard you say the trucking companies would just reconfigure their fleets, so we would not have triple trailers.

Patrick Domholdt:

The reason I pointed out the increase in state registration fees and the increase in the diesel tax is because I was trying to explain the fiscal note. They did not look for an increase in rocky mountain doubles or turnpike doubles under their explanation, so the only assumption would be that someone would be forced to get another tractor. That is what I was saying. Would there be? Potentially, if someone decided they were going to buy another tractor instead of restructuring their fleet. If somebody wanted to buy an extra tractor and run doubles then, yes, there would be an increase. But if I had an existing fleet of 40-foot and 48-foot trailers, I would use those instead of buying new tractors. There is a possibility though.

Assemblyman Sherwood:

There is the possibility that there would be more engines?

Patrick Domholdt:

If someone wanted to buy more tractors instead of restructuring their fleet, yes.

Chair Dondero Loop:

Are there any other questions from the Committee? [There were none.] Thank you very much. Do you want to say something, Ms. Almaraz?

Fran Almaraz:

I would like for Mr. Phillipenas to give his testimony.

John Phillipenas:

Thank you for giving me this opportunity to speak today on Assembly Bill 188. [Continued to read from prepared testimony ([Exhibit E](#)).]

Assemblywoman Benitez-Thompson:

You said right-hand turns are illegal for triple trailers. Is that true for the other LCVs?

John Phillipenas:

It is unique to triple trailers because the inside track is so much farther over. With 40-foot doubles, both lanes must be used, but that is mechanically required because the trailers will pinch each other. The construction does not have the problem because they have the extended tongues that keep them from doing that. There are some issues with the 40-foot doubles, but the rocky mountain doubles turn legally.

Assemblyman Hammond:

How long have triple trailers been driving on the roads?

John Phillipenas:

Since 1956.

Assemblyman Hammond:

The study about fatigue you referred to earlier was done in 1998?

Patrick Domholdt:

That is correct.

Assemblyman Kirner:

Is there a special license for people who drive triple trailers?

John Phillipenas:

In Nevada we passed a law about four or five years ago which required a person to have possession of a commercial driver's license for six months. The employer has the right to certify a person on a triple trailer or a 40-foot double. There is no special training other than testing a person around the block.

Chair Dondero Loop:

Are there any other questions from the Committee? [There were none.] Thank you very much. Ms. Almaraz, do you have anything to say?

Fran Almaraz:

No.

Chair Dondero Loop:

Thank you. We will start with people who support A.B. 188.

Terry Sumpter, representing Local 631, International Brotherhood of Teamsters:

Good afternoon. My name is Terry Sumpter. I worked and drove for UPS for 30 years. [Continued to read from prepared testimony ([Exhibit F](#)).]

Jack Mallory, Director of Government Affairs, District Council 15, International Union of Painters and Allied Trades; and representing Southern Nevada Building and Construction Trades Council:

We are here in support of A.B. 188 for a specific reason. The working men, women, and families of both District Council 15 and the Southern Nevada Building and Construction Trades Council are exposed to the threat that is posed by triple trailers. Even in moderate weather conditions, driving on the valley freeways is difficult for triple trailers. When you pass a triple trailer you can see they constantly have to correct, and not necessarily because of their own actions or their own inability as a driver, but because of traffic that is around them. They constantly have to step on the brakes and swerve out of the way because of other distracted drivers and people who do not pay attention to what is going on around them. We are deeply concerned about the threat posed to the safety of the lives of our working families, and for that reason we are supportive of this bill.

Anthony Rogers, representing Southern Nevada Building and Construction Trades Council:

We support the bill as written. It is dangerous to drive behind triple trailers. You can see them swaying back and forth when you are behind them. When you have to pass them you find out they are longer than a regular truck, and it is very unsafe, especially driving on the two-lane highways in Nevada. We support this bill because of the safety aspect.

Chair Dondero Loop:

Thank you. Are there any questions from the Committee?

Assemblywoman Diaz:

If I am driving behind a triple trailer, I cannot see that it is a triple trailer. Is that correct?

Terry Sumpter:

That is correct. You cannot see until you actually pull out beside the trailer to make a pass.

Assemblywoman Diaz:

In your experience driving the triple trailers, how many accidents do you feel triple trailers caused?

Terry Sumpter:

As far as a specific number, I could not tell you. The risk for an accident is considerably higher for a driver pulling a triple trailer as opposed to a driver pulling a rocky mountain double. There are accidents with the motoring public, on their own, because they panic alongside a triple trailer, or they just get scared and freeze up.

Assemblyman Carrillo:

When you were in control of the triple trailer and it started to turn over, what was going through your mind?

Terry Sumpter:

Once the rear trailer started tipping over, the only thing I remember thinking was to try and get the truck stopped as quickly as possible. I wanted to get the speed down as low as possible to minimize any effects it was going to have.

Assemblyman Carrillo:

You have control of something a lot of us will never experience. To go through the steps you do to ensure the safety of all the other people that are on the roadway, thank you very much. Hats off to you for being able to do what you do and do it safely. Thank you for your testimony.

Chair Dondero Loop:

Are there any other questions from the Committee? [There were none.]
Thank you.

Rusty McAllister, President, Professional Fire Fighters of Nevada:

I agree with what the previous speakers said. We should do anything we can to improve the safety of Nevada roadways. I think you have an obligation to make them safer, and that makes my job easier.

Robert A. DelaPaz, Private Citizen, Las Vegas, Nevada:

My name is Bob DelaPaz, and I have been employed by UPS for almost 33 years. I drove a package car for more than 12 years, and have been driving a semi for 20 years. [Continued to read from prepared testimony ([Exhibit G](#)).]

Bill Davis, Private Citizen, Las Vegas, Nevada:

My name is Bill Davis. I have lived in Las Vegas for 30 years. I am a retired Teamster. I have over one million safe driving miles, and 12 years of triple trailer experience. [Continued to read from prepared testimony ([Exhibit H](#)).]

Chair Dondero Loop:

Thank you. Are there any questions from the Committee? [There were none.]

Michelle R. Jotz, Director of Governmental Affairs, Las Vegas Police Protective Association; and representing Southern Nevada Conference of Police and Sheriffs:

We are here today in support of A.B. 188. In the early morning hours of November 21, 2009, Las Vegas Metropolitan Police Department Corrections Officer Daniel Leach was involved in an accident with a triple trailer, and he lost his life. He did not see the third trailer and ended up T-boning it. We are in support of this bill.

Kris Goodman, Private Citizen, Las Vegas, Nevada:

I am a 25-year safe driver at UPS and I am a 26-year employee. On March 19, 2010, I had an accident while pulling a set of triple trailers for UPS. I had exited the highway to avoid traffic congestion, and I decided to turn my triple trailer around and head in the opposite direction to take an alternate route to my destination. I exited the highway onto a street where I knew I could travel back to an on-ramp and get back onto the highway. I had plenty of room to make a U-turn. Halfway to three-quarters of the way through the maneuver, I heard what sounded like tires chirping. I looked into my mirror and saw that my rear trailer was tipping over. I hit the brakes to stop, and the trailer kept tipping. My second trailer was brought down as well, which would be the middle trailer. The trailers ended up on the dirt shoulder. I felt that I had enough room for the maneuver. I was not cited by the investigating officer; I did not hit or damage anyone or any property. Three months prior to the accident I had obtained my 25-year safe driving honor from UPS, five of those

years driving tractor trailers. I had made similar maneuvers with a single trailer and a double trailer without any incident.

Jane Feldman, Secretary, Toiyabe Chapter, Sierra Club:

I am speaking in support of Assembly Bill 188, on behalf of the Toiyabe Chapter of the Sierra Club. We have approximately 5,000 members in Nevada. Trucking transport is inefficient from an incredible number of perspectives. We support A.B. 188 because it prevents increases in pollution and damage to the environment and highway infrastructure. [Continued to read from prepared testimony ([Exhibit I](#)).]

Assemblyman Hammond:

Are you advocating railroad transport over trucking? You are not only talking about triple trailers, you are talking about all trucks.

Jane Feldman:

Not exactly. We would not advocate the complete replacement of truck traffic with rail traffic, but we have an underutilized rail system that we can create great opportunities with. Triple trailers divert a lot of cargo off other modes of transportation, and we really do not want to see that happen.

Chair Dondero Loop:

Are there any other questions? [There were none.] Thank you very much.

Paul McKenzie, representing Building and Construction Trades of Northern Nevada:

We support this legislation. I wanted to add personal insight to why I feel that oversized trucks are a hazard on the road. In an earlier time, I drove a tow truck in Wells, Nevada. Pequop Mountains, Silver Zone Pass, and Hunter were wind-prone areas that often caused truck wrecks. In those areas, we picked up twice as many triple trailers as we did doubles.

I got a bad taste for trucks when I was in high school. I was competing in parliamentary procedure, and we had a team that we competed against adamantly for a year. They were headed to San Luis Obispo, California for the state competition, and they were killed by a truck. The whole team was in a van, and the rear trailer of a truck on Interstate 5 flipped over in the wind and knocked the van off the road; it killed all five members. We never did get a chance to find out who was the best in the state. I truly miss that team and think they would have been a great asset to California if they would have lived to make the competition that day.

I have long thought that oversized trucks are a detriment to the safety of the roads in Nevada. When the winds come up, it is hard enough to control a single trailer, let alone three trailers.

Danny Thompson, Executive Secretary Treasurer, Nevada State American Federation of Labor and Congress of Industrial Organizations:

We fully support this bill. You have heard from the experts about the problems with triple trailers. On a personal note, I have members in every county, and I travel to every county. Anyone that gets off the beaten path in Nevada, on U.S. Highway 50 or U.S. Highway 93, knows that when you come upon a triple trailer, it is dangerous. You can look at the trailer and see that the person driving is in control of the first two trailers, but the last trailer is not under control. You can tell if it is a heavy load because the trailer will literally go from one lane to another. Most of the two-lane roads in Nevada have dirt shoulders. I have seen triple trailers go off the road and into oncoming traffic. They are truly a hazard, and we think they should be outlawed. I do not think there is going to be a massive loss of revenue; companies will restructure their fleets. I do not believe it would result in any requirement for new drivers. Some people say that there are not enough drivers to meet the demand. Nevada has the highest unemployment rate in the nation, and I can get you as many commercial licensed drivers that you would want right here in Nevada. We support this bill and urge its passage.

Assemblyman Hammond:

We have heard a lot of anecdotal stories today. Most of the time when I look at policy, I try to remember the facts. Stories sway me a little bit, but I want to make sure I understand what the facts are. In your testimony you mentioned many of the tractor trailers you towed off a specific Nevada highway were triple trailers. I just want to make sure because there are not studies, but you used the word "probably," which tells me you are not sure.

Paul McKenzie:

Yes, to the best of my memory, the majority, two to one, were triples over doubles. The one single trailer we towed off of Silver Zone Pass was the only single trailer I recovered in the 1 1/2 years I worked there. During that time period, I recovered over 50 wrecked vehicles with a semi wrecker off of Interstate 80 and U.S. Highway 93 north of Wells.

Assemblyman Hammond:

Sometimes in our collective memories, because you had a bad experience in high school, we tend to remember these things. So every time you towed a triple trailer off of the road, I can see that coming back to you. For example, my friends and I are sitting around in college and we talk about how we have

never seen a license plate from South Dakota, and the next day after we talk about it we see one for the first time because we are thinking about it. So I cannot help but think that happens sometimes. I think I have heard really good testimony today. There are good arguments about why we should not have triple trailers, but I want to make sure we are dealing with the facts.

Paul McKenzie:

For clarification, the accident in California was not a triple trailer; it was a double, but it was an oversized double. The oversized loads are the loads that draw my attention because of the instability in the wind. I encountered the instability in the wind by towing the trucks because when you hook them on the back of a tow truck, you encounter the same conditions that a person driving the truck does. I have encountered those conditions towing the trucks as well as driving down the road and observing the trucks. When you have a large box trailer and you put it in a crosswind, it is not easy to control what that trailer does. That is one of the major causes of accidents for oversized trucks that I have encountered and have experience with.

Assemblyman Sherwood:

Does this bill go far enough? The turnpike doubles and the rocky mountain doubles are just as long as or longer than the triple trailers. Would it be appropriate to ban all LCVs?

Danny Thompson:

Listening to the testimony, that is not what they are saying. The problem is when you add the extra pivot point of the third trailer, you lose control. In a double configuration, you can have a longer trailer and still be in control. It is adding the third pivot point that causes the person who is driving the truck to lose control of the third trailer. You heard testimony from expert drivers and trainers that the control of the third trailer is oftentimes lost. The testimony was a person could safely drive the turnpike doubles and the rocky mountain doubles.

I am a boater and I used to drive through Boulder City to go to Lake Mead to launch my boat. After the Hoover Dam Bypass bridge opened, trucks poured over the bridge and they still do today. They bottleneck into Boulder City starting at the Hacienda Hotel and Casino. The irony is they are configuring those trailers at the Hacienda Hotel and Casino. They drop trailers there because they are illegal in Arizona; a double will come through and pick up the trailer, making their truck a triple trailer. As a boater, I do not go through Boulder City anymore; I take the long way around Lake Mead to launch my boat. In the summertime I go every weekend. Triple trailers are dangerous

enough, but they all come to that one area which creates congestion and it is a problem.

Chair Dondero Loop:

Are there other questions from the Committee? [There were none.] Thank you. Is anyone else in support of Assembly Bill 188?

Lisa Foster, representing City of Boulder City:

The City of Boulder City is in support of A.B. 188. Mr. Thompson just mentioned some of the things I was going to say. If you live in southern Nevada, you are probably aware that Boulder City has had an issue with truck traffic for a while. Since the Hoover Dam bypass bridge opened, it has become a significant problem. City representatives told me exactly what Mr. Thompson said. Arizona does not allow triple trailers; therefore, the third trailer is added at the Hacienda Hotel and Casino and driven through Boulder City. There is a terrible impact on the roads in Boulder City. They are in support of this bill, and I am available for questions.

Assemblyman Sherwood:

Arizona does not allow any LCVs at all. If we passed this bill, it would seem that the problem of congestion would not go away because Arizona has zero tolerance for LCVs. So you would just have single trailers now hooking up to be doubles. How does that solve the problem of congestion in Boulder City?

Lisa Foster:

The way the police chief explained it to me is the third trailer is being added at the Hacienda Hotel and Casino after they come through Arizona with a single or double trailer. The third trailer is then going through Boulder City. That is what the problem is; they are hooking it up at the Hacienda Hotel and Casino and then driving through Boulder City.

Assemblyman Sherwood:

Instead, they would have a single long trailer coming from Arizona, and they would come to the Hacienda Hotel and Casino and pick up a trailer to make it a double. That problem probably will not go away because Arizona has a completely different model; they do not allow LCVs at all. Until we build Interstate 11, we are going to have traffic in Boulder City.

Chair Dondero Loop:

Are there any other questions from the Committee? [There were none.] Thank you very much. Is there anyone else in support of A.B. 188? [There was no one.] Now we will hear from those who oppose A.B. 188.

Doug Busselman, Executive Vice President, Nevada Farm Bureau Federation:

We are here today to speak in opposition to A.B. 188. Alfalfa hay is our state's largest cash crop and is reliant on sales to out-of-state customers. Moving that hay to the buyers is accomplished predominantly with the use of triple trailer combinations. Not having this option will further put Nevada agricultural producers at a disadvantage with higher transportation costs. We urge your rejection of this proposal. [Submitted prepared testimony ([Exhibit J](#)).]

Bryan Wachter, Director of Government Affairs, Retail Association of Nevada:

We are also in opposition to A.B. 188. We believe if this bill is passed, it will raise transportation costs that will ultimately make goods that retailers sell in Nevada more expensive. Everything travels in trucks at some point. Even if it comes in on railroad, it has to go from the railroad to the store, and they do that by truck. When you increase any portion of the supply chain, there will be the potential for increase on the cost of products.

Assemblyman Atkinson:

I believe there was testimony stating the rocky mountain double has just as much capacity as the triple trailers. How are you indicating it will decrease the amount of volume they can deliver? Where does that come from?

Bryan Wachter:

I was not indicating the volume would change. We heard testimony earlier that there was a potential to increase the cost of diesel taxes to the state.

Assemblyman Atkinson:

How is that? It sounds like you are just picking pieces out that you like.

Bryan Wachter:

When you decrease the efficiency of a triple trailer while you are adding an increase to gasoline or you are causing more gasoline to be spent, there is an increase in cost to the trucking industry.

Assemblyman Atkinson:

If you are going to decrease it, it has to do with volume. How else are you going to decrease it or add to it?

Bryan Wachter:

I do not think there is a requirement for how you redistribute the load when you have to get rid of the third trailer. There could be less volume. That could lead to a potential increase. There is no guarantee that it will increase the cost, but we believe the potential exists.

Assemblywoman Neal:

What is the cost of adding a driver versus the typical cost for gasoline on the route? Can you do a comparison for me?

Bryan Wachter:

I do not have that answer.

Assemblywoman Benitez-Thompson:

Is there a specific reason why triple trailers are used to move alfalfa?

Doug Busselman:

The primary reason is because of the efficiency. Hay is a very bulky commodity to move, and by stacking it on triples, we are able to transport it more efficiently in terms of fuel cost.

Chair Dondero Loop:

What happens when you go into a state that does not allow LCVs?

Doug Busselman:

When a triple trailer needs to go into California, it will drop the third trailer.

Chair Dondero Loop:

Where are those dropped?

Doug Busselman:

I believe they are staged at Boomtown Hotel and Casino, at least in northern Nevada.

Assemblyman Atkinson:

Is there a huge difference in capacity from the triple trailer and the rocky mountain double? Do you use the rocky mountain doubles?

Doug Busselman:

I believe the hay transportation is done on triple trailers; they are not using rocky mountain doubles.

Assemblyman Atkinson:

I get that. My question is about the volume. Do you know the answer to my previous question? Is the volume the same, as far as the amount of hay you can move, between the triple trailer and the rocky mountain double?

Doug Busselman:

I will check and get back to you.

Assemblyman Atkinson:

You indicated how triple trailers are handled between states. California does not allow LCVs. Am I correct?

Doug Busselman:

Yes.

Assemblyman Atkinson:

Arizona does not allow them either?

Doug Busselman:

That is correct.

Assemblyman Atkinson:

Obviously there is a system. There is a place the exchange from the triple trailer to the double trailer is happening. Somewhere the trailers are getting split, and there is a cost associated with it; there is additional money being used or received. Nevada is not benefiting. I need to know where the exchanges are being made. We do not have ports of entry in this state, so it is occurring somewhere. I think you indicated where the exchange is being made before entering California, and someone spoke earlier about where the exchange is being made before entering Arizona. I want to know the cost association. Someone is paying for it; no one is allowing the trailers to just sit there.

Doug Busselman:

I will work at getting an answer to you.

Paul J. Enos, Chief Executive Officer, Nevada Motor Transport Association:

I am here today to speak in opposition to Assembly Bill 188. I would like to answer a few questions that were previously asked to provide clarification. There are multiple places trailers get broken down and put back together. They can be broken down in terminals or on the customer's property; it depends on the area. They can also do it at logistics and distribution facilities.

Assemblyman Atkinson:

California and Arizona do not allow LCVs. I am having a problem with where the exchange occurs. You are telling me it can happen anywhere, but I doubt that. If that was the case, they would not need to do it. There is a cost associated, I am sure, because it would not happen for free. I believe the exchange is occurring closer to the borders of California and Arizona. We know the logistics bill was brought forth for this state, and I am sure we will have that soon. I want you to be more specific about where they are making the exchange.

Paul Enos:

Yes, it is happening at the borders. It is happening in Reno, Sparks, the Tahoe-Reno Industrial Center, Henderson, and North Las Vegas; it happens in multiple areas throughout the state. It is hard to be completely specific, but it will usually happen at a terminal, or in the case of a farm or ranch, it could happen right on the customer's property. Usually they are close to the border.

Assemblyman Atkinson:

Is there a cost associated with it?

Paul Enos:

Absolutely there is. If you need two trucks to transport something you were transporting one load with, yes, there is a cost.

Assemblyman Atkinson:

If there is a cost, people who are opposed to this bill are saying it will go up. I do not think it would because money is not going to be paid to exchange the trailers. I do not see where the cost difference is. I would appreciate it if you could get the cost difference to me.

Paul Enos:

I want to start talking about safety because that seems to be where the testimony has focused today. I would be the first person to tell you if triple trailers were more unsafe than any other truck configuration on the road. If there were more deaths, accidents, and property damage caused by triple trailers, I would tell you to outlaw them. If there is one thing the trucking industry is about, besides productivity and moving goods and freight, it is safety. Safety plays an important part in the trucking industry's productivity.

There was a study done by the U.S. Department of Transportation Federal Highway Administration in 1997, *Accident Rates for Longer Combination Vehicles*, using data back to 1982. The study looked at all configurations of trucks. For every 100 million miles traveled by a triple trailer, 0.83 property damages and fatalities occurred. When they looked at 28-foot doubles, 1.73 property damages and fatalities occurred. With the single tractor, 1.93 property damages and fatalities occurred. When you look at a mile-per-mile basis, triple trailers are safer than most configurations on the road. The only configuration triple trailers are not safer than is the rocky mountain double. When looking at rocky mountain doubles, 0.79 property damages and fatalities occurred. It is a fractional difference between the triple trailer and the rocky mountain double when you look at the two of them from a safety point of view. We talk about the big trucks being unsafe; however, the data from the

Federal Highway Administration proves that longer combination vehicles are some of the safest vehicles on the road.

I want to clarify some testimony that was given earlier about the drivers of triple trailers not receiving training. I think Lieutenant Bill Bainter will agree with me on this; every single driver of triple trailers in this state has to have a triple trailer endorsement. They have to be tested, and they need to prove they can drive the configuration safely. I know we have heard a lot of horror stories today, and it breaks my heart. The last thing I want to hear about or see is an accident with a truck. Whenever I hear that a truck was in an accident, I hope it is a pickup truck and not a big rig. There is already a negative stereotype on the trucking industry.

Look at what the trucking industry has done for safety. In 1975, the Federal Highway Administration started keeping data on truck safety. Today we are at our lowest number of fatalities and truck-related injuries. I think that is a lot to say for the drivers of these trucks. We have some of the most professional, safe drivers on the road. If you are in a room with truck drivers and regular drivers, the truck drivers are going to be the safest ones. Conversely, if you are in a room full of truck drivers, the safest driver in the room is going to be the driver who drives a triple trailer.

We can talk about the damage to pavement and infrastructure. Another study the Federal Highway Administration completed was the *Western Uniformity Scenario Analysis: A Regional Truck Size and Weight Scenario Requested by the Western Governors' Association*; the base year for the study was 2000. It showed that we could see up to a 4 percent savings on our pavement if we had fewer trucks on the road.

I love trucking jobs because the more trucks that are on the road, the more likely my check will clear, and the more likely we have a strong industry that is going to support my trade association. While we are one of the engines in the economy, we are not a creator of jobs. When you increase costs in the trucking industry, it does have an economic impact on agriculture, retail, manufacturing, mining, construction, and hospitality. Trucks touch every single one of those industries, and we are looking at some tremendous infrastructure challenges, not only in our state but in our nation. We are also looking at a projected increase of freight: 30 percent in the next 10 years. Hopefully that is true. If it is, it means the economy has improved.

To move freight in the most efficient and effective way is with efficient vehicles, and triple trailers are the most efficient. Yes, you may be able to haul the same amount on a rocky mountain double, but operationally there are

different challenges. The triple trailer provides a lot more flexibility for a truck that is going to serve three different customers. It provides operational flexibility. The cost savings are passed onto the customers. The trucking industry is a competitive, cutthroat business. They are always challenging each other on their rates. Because of the competition and increased productivity, our shippers benefit, consumers benefit, the entire economy benefits, and when the entire economy benefits, trucks benefit. Creating truck driving jobs by having more trucks on the road would prove false in the long run, especially when you are damaging other sectors of the economy.

Right now we have a driver shortage in this country of about 200,000 people nationwide; I know Mr. Thompson has a hard time believing that. By 2015 the driver shortage is expected to be 400,000. That is because in this country, since 2009, we have had 3,000 trucking companies go out of business. That decreases our capacity. When you have that number of companies no longer operating and more drivers retiring, it is difficult to move the amount of freight we need whether it is clothes, medicine, school books, food, et cetera. One of the ways we are going to move the amount of freight we need is by making trucks more efficient.

We have also talked about railroads. Heavier, bigger trucks damage our ability to have good railroad service. In this country, 80 percent of our communities are served exclusively by truck because they do not have railroad service. We do not have railroad spurs to Wal-Mart. There are some things that make no sense to ship by truck. If you are shipping wheat, coal, or bulky non-time-sensitive commodities, it would be a lot smarter to ship them by railroad. For lighter, high value, or time-sensitive commodities, it makes a lot more sense to ship by truck, especially if you are going to a place that does not have railroad spurs. I know not having railroad service is something that a lot of our industries in northern Nevada have complained about, and it is difficult to get Union Pacific Railroad to have a railroad spur in Reno, Nevada. That has been a challenge at the Tahoe-Reno Industrial Center, so they rely on trucks. Triple trailers, rocky mountain doubles, and turnpike doubles are the most efficient way to move our freight.

Getting back to the driver shortage, this is anecdotal evidence. For every one truck driver we need to hire, we have to interview eight. It is very difficult to find people who want to commit to this kind of job. I am very thankful to the gentlemen who have testified, even though I do not agree with their testimony and their position on this bill. As you can see, I think the trucking industry is a graying industry. It is getting older, and more people are retiring, and we are not filling the positions with people from a younger generation. We need to find

a way to move freight as efficiently and effectively as possible, and one of the ways we do that is with triple trailers.

I want to talk about energy and the price of fuel. Right now diesel fuel is \$4 a gallon; I saw that driving down here this morning. If it gets up to \$5 a gallon, it will be a challenge. Twenty-nine percent fewer emission tons per mile go in the air from the turnpike doubles and triple trailers. In 2004, the Environmental Protection Agency did a study, *Longer Combination Vehicles: A Glance at Clean Freight Strategies*. During that time diesel fuel was \$2.35 a gallon, and they said if you drove triple trailers you would save \$5,000 a year. Today you could expect that to be double with this type of configuration. We are taking a look at diversifying our economy, and we are looking at other industries we can attract. One of the beautiful things we have in this state right now is the use of LCVs, and that does make Nevada more attractive to our logistics and distribution facilities. It is a safe, efficient, cost-effective way. Opposed to anecdotal evidence, the data that the Federal Highway Administration and the Environmental Protection Agency have presented has shown that triple trailers are one of the most efficient ways to move our freight.

Chair Dondero Loop:

Just a point of clarification, you made a comment about the aging of drivers. But correct me if I am wrong, when you were in my office, you talked about having 25-year-old drivers.

Paul Enos:

To receive a triple trailer endorsement, you have to be at least 25 years old. Currently you have to be at least 18 years old to get a commercial driver's license. Most insurance companies will not cover anyone until they are 21 years old. Besides obtaining the commercial driver's license and the endorsement, they have to go through a LCV training class and get a special permit at the DMV, which can cost upwards of \$3,500 in Nevada. There is a higher threshold for triple trailer drivers than there is for other drivers.

Assemblywoman Benitez-Thompson:

I like research, data, and being able to quantify things. I believe you mentioned three different studies: two by the Federal Highway Administration and one by the Environmental Protection Agency. The presenters provided me with a copy of the study completed by the University of Michigan. I was wondering if you had copies of the studies you mentioned or if you could get those studies to us, so we can compare these different sets of data.

Paul Enos:

I would be more than happy to get you copies. One study is 152 pages long, and I was not going to burden the Committee with that.

Assemblyman Atkinson:

How many states outlaw this practice now?

Paul Enos:

There are 11 states that allow triple trailers. Arizona allows triple trailers on Interstate 15 between Utah and Nevada; it is a total of 21 miles. There are 38 states that do not allow widespread use of triple trailers.

Assemblyman Atkinson:

I do not know where the legislation is, but the federal government was trying, or is trying, to outlaw them. Do you know why? Is it because of safety?

Paul Enos:

There are a couple of different bills you are talking about. The LCV freeze in 1991 was created by the passage of the highway reauthorization bill, or the Intermodal Surface Transportation Efficiency Act, which had less to do with safety and more to do with the railroads doing a better job than the trucking industry in lobbying the federal government. That bill hurt a lot of people who used LCVs around the country. In South Dakota, when Senator Daschle was the U.S. Senate Majority Leader, they had a number of new roads built, and they did not allow LCVs to use them. The roads were built to interstate standards and to handle LCVs and heavier vehicles. There are incidents that have hurt productivity. There is also a bill that has been floating around for the last 10 years called the Safe Highways and Infrastructure Preservation Act.

Assemblyman Atkinson:

Is there something currently?

Paul Enos:

The Safe Highways and Infrastructure Preservation Act has been sponsored by Senator Frank Lautenberg of New Jersey. It has never been passed as law, but it is sponsored every session.

Assemblyman Atkinson:

You indicated that the rocky mountain doubles, capacity wise, will haul the same amount as the triple trailer. In your opinion, are the rocky mountain doubles safer than the triple trailers, or are you saying the safety is the same?

Paul Enos:

The Federal Highway Administration data shows that a rocky mountain double is safer: 0.79 fatalities or property damages per 100 million miles compared to 0.83 fatalities or property damages for the triple trailer. Yes, rocky mountain doubles are fractionally safer.

Assemblyman Frierson:

How many miles?

Paul Enos:

Per 100 million miles.

Assemblyman Frierson:

I do not know if this is a good comparison, but oftentimes they say you are safer in an airplane than a car because there are more cars. Is that a function of whatever data you are reflecting? Are there more or fewer triple trailers on the road than doubles?

Paul Enos:

No, that is an apples-to-apples comparison. It is taking 100 million miles in a triple trailer, rocky mountain double, straight truck, and 28-foot double and comparing them. They are doing an apples-to-apples comparison to every type of configuration of vehicle on the road.

Assemblyman Frierson:

Can I get that study?

Paul Enos:

Absolutely.

Assemblyman Frierson:

I suspect it is similar to the airplane analogy, and I would like to see it.

Assemblyman Kirner:

Our presenters and supporters of the bill raised the issue of the fiscal note by the DMV. It has to do with the elimination of permits for triple trailers. The fiscal note is pretty substantial, almost \$8 million over the biennium. Can you comment on that?

Paul Enos:

I am sorry if my testimony goes long, but there are a lot of nuances in the trucking industry, so I want to make sure I give clear, correct answers. We do not know if trucking companies could reconfigure. To say everyone will move

to rocky mountain doubles is a hard thing to say. I cannot answer that question.

Assemblyman Hammond:

I am interested in the study that took place between 1982 and 1997. Is that the study that was conducted by the Federal Highway Administration?

Paul Enos:

Yes.

Assemblyman Hammond:

Can you tell me about the sampling?

Paul Enos:

They were looking at accident data from 1982 to 1997.

Assemblyman Carrillo:

You mentioned that it takes eight people to interview for one position. What if one of the interviewing questions was "Do you want to drive a triple trailer?" Obviously some people might be fearful of driving a triple trailer, especially if they just turned 25 years old and they are a new driver. If they do not want to drive a triple trailer, do they have that option?

Paul Enos:

That question is very difficult for me to answer. The United Parcel Service is a company we talked a lot about today, and I have been speaking with some of the employees who have told me it is up to the drivers whether or not they want to drive a triple trailer. If they do not think the vehicle is safe, it is up to them. We put a lot in the hands of the drivers as far as determining the safety of the vehicles. They are required to go out and look at the vehicle and make sure it is safe before and after they drive it.

Chair Dondero Loop:

If I was a driver for any company, I find it hard to believe I would tell them I did not want to drive a certain vehicle.

Assemblywoman Diaz:

We have heard testimony today from several different drivers who work for different companies. It is loud and clear to me that they feel unsafe driving triple trailers. I was wondering if their input gets considered. Are the companies listening to them? How often are the drivers' opinions taken into account?

Paul Enos:

The United Parcel Service has safety committees where the drivers can meet and voice their concerns. If they have issues with safety or about driving a specific vehicle, there is ample room for them to have that conversation. My representative at UPS checked in Nevada, and they have not heard one complaint from drivers in the safety committees about driving triple trailers. We like to work with our drivers; we need happy drivers, especially when we are confronted with a driver shortage like we are. We want to make sure they are operating that vehicle in a safe, professional matter. There are opportunities the companies provide, and we want to hear from the drivers. Safety affects productivity, and productivity affects whether we are profitable or not. One accident can wipe out profits for an entire year or close the company down.

Assemblywoman Diaz:

I am hearing that accidents are not a good thing for the trucking industry. If a rocky mountain double can carry the same weight as and is safer than a triple trailer, what would be the impediment to embrace the other two alternatives versus just axing the triple trailer? We are hearing from the drivers today that they are safer and can be maneuvered a lot better. This bill is not doing away with all LCVs, it is the triple trailer that is an issue.

Paul Enos:

There are studies done that show triple trailers have a tighter turning radius, up to 23 inches, than a rocky mountain double. One of our member companies, Puliz Moving and Storage, participated in a study in the 1980s. Usage of the triple trailer is about the operational flexibility. You can service more customers or different customers in the same area with fewer trucks and loads using the triple trailer. It is a lot more efficient to go and drop off trailers at particular places, have them unloaded and then pick them up again, as opposed to having half a trailer unloaded, and waiting. Triple trailers allow operational flexibility to the trucking industry and benefit our customers.

Chair Dondero Loop:

Are there any questions from the Committee? [There were none.] Thank you, Mr. Enos.

Neena Laxalt, representing Nevada Cattlemen's Association:

As you heard from Doug Busselman earlier, he had concerns and was in opposition to Assembly Bill 188 because of the price of agricultural products. Alfalfa hay is what I am concerned about because the trickle-down effect becomes a burden upon my client. Nevada Cattlemen's Association opposes A.B. 188.

Terry Graves, representing Henderson Chamber of Commerce:

One of my clients is the Nevada Motor Transport Association; however, we have members of the Henderson Chamber of Commerce in the audience. We testified on Assembly Concurrent Resolution 4 and on another bill dealing with inland ports, and we support those bills in terms of economic development, warehousing, and distribution systems. We thought this bill was in conflict with those agendas in terms of having the most efficient delivery systems we could provide to attract those industries.

Chair Dondero Loop:

Are there any questions from the Committee? [There were none.] Is there anyone else who opposes Assembly Bill 188?

George Ross, representing Las Vegas Chamber of Commerce:

Las Vegas Chamber of Commerce opposes A.B. 188 for a very simple and clear reason. When transportation and trucking companies make their decisions to configure their business, they know they get business by providing the most efficient, cost-effective transportation to the customer. The customer chooses a specific transportation system for a reason. The bottom line is these alternatives compared to the alternatives we have been hearing for the last several hours are chosen for that reason. To deviate from them and to take a particular option off the table and make it no longer allowable would raise the cost of doing business, no question. I would echo Mr. Graves' comments with regard to our support for Assembly Concurrent Resolution 4 and the inland port logistics system. We really need to have efficient transportation to make that work.

Assemblyman Atkinson:

What do you mean when you say it will raise the cost? I have a problem with that. Anytime someone says anything to the trucking industry that is in any type of opposition to what they are doing, that is the first thing they say: it will raise the cost to the consumer. What do you mean by that? If we already said that the rocky mountain double holds the same capacity as the triple trailer, how will that raise the cost?

George Ross:

I know from a business point of view, the trucking industry is a competitive industry. It is competitive within companies and within modes of transportation, and those companies choose the configuration option that gives them the best margin between the revenue and their cost. That is the way a private business works, and I am highly confident they are making that choice for the triple trailers. That leads me to be confident this would raise costs.

Assemblyman Atkinson:

You do not have any sound facts. You are going off of your own assumptions, and I do not think that is fair. We need to be shown numbers. If both configurations are carrying the same capacity, I do not see the rise in the cost.

George Ross:

I understand what you are saying, but microeconomics and finance would support exactly what I am saying.

John Madole, Executive Director, Nevada Chapter, The Associated General Contractors of America:

Mr. Enos covered everything adequately, and I would just like to say we are opposed to Assembly Bill 188.

Chair Dondero Loop:

Is there anyone else who opposes A.B. 188? [There was no one.] We will now hear from people who are neutral.

Wayne Seidel, Administrator, Motor Carrier Division, Department of Motor Vehicles:

I know there has been some discussion on our financial impact statement. That was written based on eliminating all LCVs as we read the proposed A.B. 188. We learned today that the rocky mountain doubles and the turnpike doubles would still be permitted. We will have to look over the financial impact statement and change it.

Assemblyman Kirner:

Do you think there still might be a fiscal impact, or do you think it would go away?

Wayne Seidel:

We believe there would be some fiscal impact based on Assembly Bill 232, which discusses obtaining permits for LCVs three times a year instead of just in January. Seventy-five percent of permits are purchased in January; they pay for a year. If A.B. 188 is passed, they would be eligible for rebates on any portion of the annual permits they would not use. They may convert their permits into a different combination vehicle, but we do not know the actual details, and we would have to work through a cycle to see what the impact would be.

Peter Krueger, representing Nevada Petroleum Marketers and Convenience Store Association:

Among other things, we are a trade association of liquid haulers, and our interpretation of the bill was the same as the Department of Motor Vehicles. I am here to get assurance from the Committee that this bill in no way limits or prohibits the rocky mountain doubles. Currently none of our members are using triple trailers, but we are using rocky mountain doubles to haul fuel in this state. That is why I signed in neutral; I want to be assured this bill in no way affects our ability to use rocky mountain doubles to haul fuel throughout the state.

Wayne Seidel:

I have talked to my staff. We did prepare the fiscal impact statement specific to triple trailers.

Bill Bainter, Lieutenant, Commercial Coordinator, Nevada Highway Patrol, Department of Public Safety:

The Nevada Highway Patrol is neutral with this bill. We are neutral with regards to crash statistics in Nevada. In calendar year 2010, the Nevada Highway Patrol investigated 410 commercial motor vehicle crashes. Of these crashes, eight involved triple trailers. Out of those eight crashes, not one involved the driver to be at fault. We certainly respect these professional drivers who have testified today. They are doing a fine job. We recognize the difficulty in driving triple trailers, and we also recognize the economic component to this bill, which is out of our arena.

Chair Dondero Loop:

Is anyone else neutral on this bill? Seeing no one else who is wishing to testify, I will close the hearing on Assembly Bill 188 and open the hearing on Assembly Bill 212.

Assembly Bill 212: Revises provisions relating to design-build contracts entered into by the Department of Transportation. (BDR 35-851)

Assemblywoman Melissa Woodbury, Clark County Assembly District No. 23:

Thank you, Chairwoman Dondero Loop. For the record, I am Assemblywoman Melissa Woodbury, and I represent Clark County District No. 23. I am here today to introduce Assembly Bill 212. This bill proposes to implement the Spending and Government Efficiency (SAGE) Commission recommendation to decrease the threshold from \$20 million to \$1 million at which Nevada's Department of Transportation (NDOT) is authorized to enter into a design-build contract for a project. The bill would also remove the limitation on the number of smaller projects for which NDOT is authorized to enter into design-build

projects in a fiscal year. [Continued to read from prepared testimony ([Exhibit K](#)).]

Now I will say a few words about the SAGE Commission and SAGE Blue Ribbon Implementation Panel recommendations ([Exhibit L](#)), which have been posted on the Nevada Electronic Legislative Information System (NELIS). [Continued to read from prepared testimony ([Exhibit K](#)).]

There is no fiscal note on this bill, and I believe it will speed up the process of getting people back to work on important transportation-related projects.

With me today is Carole Vilardo, who was a member of the SAGE Commission and who subsequently chaired the blue ribbon panel. Also with me is Susan Martinovich, Director of the Nevada Department of Transportation.

Carole Vilardo, President, Nevada Taxpayers Association:

I served on the SAGE Commission, but Mr. Jim Thornton handled this particular area of recommendation. There was no specific dollar recommendation made by the SAGE Commission other than to say, in essence, that there should not be a project number, and the threshold should be substantially reduced ([Exhibit L](#)). Executive Order by former Governor Jim Gibbons named me Chairman of the Blue Ribbon Implementation Panel to vet two of the SAGE Recommendations, Nos. 19 and 29. We had testimony and the impacted construction industries were notified of the hearings. They were also notified when the SAGE Blue Ribbon Implementation Panel decided to go with \$1 million.

Now, as everybody on this Committee knows, when you decide something in the interim and then suddenly get it in front of you, there are people who may not have been notified who suddenly look at the issue, and then there is a great deal of concern. The concern is that \$1 million is too low. In talking to some of the various groups, I personally have no problem with a \$5 million threshold. In the SAGE Commission Recommendations and the Blue Ribbon Implementation Panel, we recommended the same thresholds in both *Nevada Revised Statutes* (NRS) Chapter 338, which is primarily used for building vertical structures, and NRS Chapter 408, for building horizontal structures. What we found out, in going through this vetting process, is in NRS Chapter 338 the threshold was \$10 million with no restrictions on the number of projects. For transportation, it did not seem logical after this amount of time, where you may not use this element on every project and there are new things coming forward: one of which you are going to hear on Thursday, March 17 concerning construction management general contractors. What we are doing is providing a more up-to-date process that becomes a mechanism

available to NDOT. For those of you who might sit on the Assembly Committee on Government Affairs, if you get a bill you might want to look at it, so we can parallel the two and be consistent.

We recommended \$1 million and decided to eliminate the requirement for one project to be between \$5 million and \$20 million a year. You are going to hear testimony that the amount should be a finite number. That is a policy issue for your discussion. I will accept that, on behalf of the SAGE Commission, \$1 million may be too low. I do not know if we need a finite number of projects at this point, so I would urge you to look favorably upon this for the Nevada Department of Transportation. I appreciate the opportunity and want to notify you for purposes of Nevada Taxpayers Association that we are in support of this bill at a \$5 million threshold.

Assemblyman Brooks:

I am confused. You are testifying in support of Assembly Bill 212, but you are not in support of the \$1 million?

Carole Vilardo:

I am testifying in support of A.B. 212. The threshold amount became an issue once people saw the bill. I spoke to Assemblywoman Woodbury about it, and she based her decision on Recommendation No. 7 of the Blue Ribbon Implementation Panel. I wanted to make sure she knew I understood those concerns. I wanted to identify for the Committee that we understood the concerns as well. They had not been raised before the Blue Ribbon Implementation Panel; we would not have a problem with \$5 million if that is your policy decision.

Assemblyman Brooks:

What were the concerns?

Carole Vilardo:

The concerns that have been expressed to me, and you will hear the testimony, is the smaller construction firms and the smaller engineering firms might be frozen out of a job. If you read SAGE Commission Recommendation No. 29 ([Exhibit L](#)), that was never the intent of making the recommendation. It was never my intent that it would happen, which is why I made sure we notified the contractors' associations. Unfortunately, I did not realize engineers would be impacted. They were never on our list for notifications of the meetings. They were one of the first groups I heard from. I think it is a valid concern. I was a small business owner in the past, so I understand. I realize what you are doing is policy driven. It is a good provision, but it is something NDOT might use five times a year, or it may not be used at all. It depends on whether or not a

project lends itself to design-build. Susan Martinovich is much more qualified than I am to tell you about projects that qualify.

Susan Martinovich, P.E., Director, Nevada Department of Transportation:

The Nevada Department of Transportation supports any opportunity to allow flexibility in contracting methods. As you heard from Assemblywoman Woodbury's testimony, we have been very successful in that regard, and design-build has shown to be a method that can save delivery time. That equates to money saved and less impact to the traveling public.

Chair Dondero Loop:

Are there questions from the Committee? [There were none.] Is anybody in support of A.B. 212?

Steve Holloway, Executive Vice President, Las Vegas Chapter, The Associated General Contractors of America:

We support this bill, but we also recognize there are several groups that would like to propose amendments. We have talked with the sponsors of the bill regarding the concerns of the smaller contractors, and we would hope you make a policy decision to amend the bill and increase the \$1 million.

Chair Dondero Loop:

Are there questions from the Committee? [There were none.] Is anybody else in support of A.B. 212? [There was no one.] Is anybody opposed?

John Madole, Executive Director, Nevada Chapter, The Associated General Contractors of America:

I am not opposed; I just want to propose an amendment ([Exhibit M](#)). I agree with everything that has been said. I want to increase the flexibility the Nevada Department of Transportation would have. The law permits them to do one design-build between \$5 million and \$20 million. The amendment would increase the flexibility by allowing two design-builds between \$5 million and \$20 million. I would ask you to consider my amendment.

Chair Dondero Loop:

Are there questions from the Committee? [There were none.] Is anybody else opposed to A.B. 212? [There was no one.] Is anybody neutral?

Russell M. Rowe, representing American Council of Engineering Companies of Nevada:

We thank Assemblywoman Woodbury for bringing this bill forward and appreciate the need for flexibility within the Nevada Department of Transportation on different projects and methods. We would like to work with

the sponsor, which is why we signed in neutral, and we recognize the need for greater flexibility. The design-build process, while good in many respects, has been difficult for engineers and the consulting community in a sense that it requires significant up-front costs from the design community, particularly with respect to the design of projects. In order to get to the point of submitting a bid with the design-build team, engineers are required to preliminarily design the project, which is a costly endeavor for them. For that reason, we do have some concerns with lowering the thresholds and eliminating the number of times you can use a design-build. With that said, we would like to work with the sponsor and NDOT. They also have other legislation this Committee will hear on Thursday, March 17, regarding construction managers at risk and construction management general contractors. It has been a successful process; using local government would be very suitable for NDOT. I look forward to speaking in support of that legislation as well. If that legislation is adopted, it could impact how we proceed on A.B. 212. I would like to continue to work with the sponsor and this Committee to find language that is suitable and reflects your desires.

Paul McKenzie, representing Building and Construction Trades of Northern Nevada:

We have a concern about the limit. One million dollars for a limit is not a lot when you start building the engineering and design of the project into it along with the construction. I am not sure \$5 million is adequate either. We just did a design-build for a remodel on an apartment complex, and the bid on the project was \$3.5 million. Of the \$3.5 million, \$1.5 million was design and engineering. You substantially reduce the actual construction with the engineering, but at the same time, you increase the private agencies' involvement in the project other than using the public agencies to develop it. This puts jobs on the streets faster, and we get the engineering firms to work as well as the construction hands, which we support. I believe design-build is one of the most flexible processes we have in NRS Chapter 338. I do not think the construction manager at risk method is such a great process. If we can perfect design-build, then we have a much better process. You are going to hear about it on Thursday, March 17.

Wayne Horlacher, representing American Council of Engineering Companies of Nevada:

I am the Southwest Transportation Practice Manager for PBS&J Engineering and work in our Henderson, Nevada office. I am here to speak on A.B. 212. The American Council of Engineering Companies has supported the introduction of the design-build delivery method in prior sessions and feels the Nevada Department of Transportation's use of this procurement method has been successful. We are not opposed to the thoughtful expansion of this project

delivery method. However, concern has been expressed within our industry about expanding design-build to significantly smaller projects and, currently allowed by the NRS, projects less than \$5 million. This procurement method requires significantly more expense on the part of both the engineers and the contractors to effectively compete as compared to conventional procurement methods. The typical stipend paid by agencies only covers a small portion of the actual expenses. Our industry has concerns that this method will make it difficult for many firms to be competitive because of the significant investment required at the proposal stage. Our industry feels strongly that a more appropriate alternate delivery method for projects of this size and larger is the construction manager at risk method as proposed in Assembly Bill 69. Assembly Bill 69 has the full support of our industry. We would ask that projects smaller than \$5 million be excluded from design-build. However, we look forward to working with the Committee and the sponsors on this bill to find language that works well for all parties.

Assemblyman Hogan:

I just wanted to share with the Committee that I had the opportunity, over the past year, to work closely with the Nevada Department of Transportation, its selected design-build contractor, and the entire team. I was interested in the aspects of employment opportunities being made available. Throughout the yearlong period, it seemed to be an excellent application of a contracting method and excellent execution of the entire contract. On the basis of that, and from the point of view of a community activist, it seemed to lend itself very well to a high level of cooperation among the selected contractor, the staff, and the numerous labor organizations that participated in this effort and with the state agency, which had used this device. At least in that limited experience, and it was not a long-term study but a personal experience, it was a highly successful method of contracting that led to what is rapidly winding up to be a highly successful project, both in terms of the community's benefits and the benefit to the state government.

Chair Dondero Loop:

Are there any other questions from the Committee? [There were none.] Do you have any follow-up, Assemblywoman Woodbury?

Assemblywoman Woodbury:

I am working with everyone who testified today. I think it is important to reiterate that we need to be looking at ways to be more cost-effective and time-efficient, and design-build has been shown to do that. I believe we need to provide Nevada Department of Transportation with a way to accomplish those goals.

Chair Dondero Loop:

Thank you. Is anyone else wishing to testify? If there is no one else wishing to testify on A.B. 212, I will close the hearing. Is there any public comment? [There was none.] Are there any comments from the members before we adjourn? [There were none.] We are adjourned [at 6:11 p.m.].

[Testimony from Wayne Seidel ([Exhibit N](#)) and John Lannen ([Exhibit O](#)) were presented after the hearing, and Chair Dondero Loop asked they be included as exhibits for the meeting.]

RESPECTFULLY SUBMITTED:

Jordan Neubauer
Committee Secretary

APPROVED BY:

Assemblywoman Marilyn Dondero Loop, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Transportation

Date: March 15, 2011

Time of Meeting: 3:17 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 188	C	Patrick Domholdt	PowerPoint
A.B. 188	D	Patrick Domholdt	Prepared Testimony
A.B. 188	E	John Phillipenas	Prepared Testimony
A.B. 188	F	Terry Sumpter	Prepared Testimony
A.B. 188	G	Robert DelaPaz	Prepared Testimony
A.B. 188	H	Bill Davis	Prepared Testimony
A.B. 188	I	Jane Feldman	Prepared Testimony
A.B. 188	J	Doug Busselman	Prepared Testimony
A.B. 212	K	Assemblywoman Woodbury	Prepared Testimony
A.B. 212	L	Assemblywoman Woodbury	SAGE Recommendations
A.B. 212	M	John Madole	AGC Amendment
A.B. 188	N	Wayne Seidel	Memorandum
A.B. 188	O	John Lannen	Support Letter