

**MINUTES OF THE  
SENATE COMMITTEE ON TRANSPORTATION**

**Seventy-sixth Session  
February 17, 2011**

The Senate Committee on Transportation was called to order by Chair Shirley A. Breeden at 3:34 p.m. on Thursday, February 17, 2011, in Room 2135 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Shirley A. Breeden, Chair  
Senator Michael A. Schneider, Vice Chair  
Senator John J. Lee  
Senator Mark A. Manendo  
Senator Dean A. Rhoads  
Senator Mike McGinness  
Senator Elizabeth Halseth

**STAFF MEMBERS PRESENT:**

Bruce Daines, Counsel  
Kelly Gregory, Policy Analyst  
Laura Adler, Committee Secretary

**OTHERS PRESENT:**

Monica Brett, Program Associate, Southwest Energy Efficiency Project  
Mike Salisbury, Transportation Program Associate, Southwest Energy Efficiency Project  
Joe Johnson, Toiyabe Chapter, Sierra Club  
Wayne A. Frediani, Executive Director, Nevada Franchised Auto Dealers Association  
Sean T. Higgins, Gordon Silver; Terrible Herbst, Inc.

**CHAIR BREEDEN:**

We will open the meeting with a presentation by representatives of the Southwest Energy Efficiency Project (SWEET).

MONICA BRETT (Program Associate, Southwest Energy Efficiency Project):

We are funded by private sector foundations like The William and Flora Hewlett Foundation and The Energy Foundation as well as the U.S. Department of Energy. We are both a public advocacy organization and a think tank. We collect and analyze data in six states to provide the public with information on the benefits of energy efficiency. In Nevada, our aim is to promote energy efficiency that is fiscally responsible and market-driven.

We want to present the results of a study we did on transportation for Nevada. Our transportation influence is measured from U.S. Interstate Highway 80 in the north to U.S. Interstate Highway 15 in the south. If one of those highways closed, the economic damage would be widespread. However, our potential for creating a model transportation infrastructure is still huge, and I believe mission critical.

MIKE SALISBURY (Transportation Program Associate, Southwest Energy Efficiency Project):

The goal of this blueprint was to identify the strategies that Nevada could adopt and implement in order to improve the energy efficiency of the transportation sector. We identified a suite of strategies, analyzed them for the cost and benefits of adopting and implementing them, and these are the findings in the report ([Exhibit C](#)). These strategies will help strengthen the State's economy in reducing energy cost, fuel consumption and reducing the amount of oil and fuel Nevada needs to import. I will give background information to provide context as to why SWEEP thinks these strategies are important and why the State should adopt them.

Nevada is almost entirely reliant on importing oil for all of its transportation fuel use, meaning that almost every dollar Nevadans' spend on gasoline, diesel or aviation fuel is mostly leaving the State economy. This is a drain on the State's economy and also makes the economy more vulnerable to price fluctuations regarding oil and gasoline. The charts and graphs show the fluctuations and projected short-term and long-term forecasts for gasoline prices ([Exhibit D](#)). The forecasts are well below the actual price of gasoline in today's market. This implies that we are on a more high-price scenario as opposed to a reference-case scenario. In the reference price, it was originally thought last year that gasoline would cost \$3.20 a gallon by 2020. Seeing that we are almost there now, that is no longer a valid forecast. The high is projected at

over \$5 a gallon by 2020, which now seems a more reasonable forecast for future gasoline prices.

Currently, fuel expenditures take up about 3 percent of the State's gross product. By 2020 with increasing prices, we expect it would range between 5 percent and over 7 percent of Nevada's economy. That would be a doubling of the State's economy dedicated to buying gasoline and diesel, and most of that money leaves the State. The same trend holds true for the average household in Nevada. The average household spends \$2,000 annually on gasoline. With the rising fuel cost, we can expect that to go between \$3,000 and \$5,000 by 2020, and then \$3,000 to \$4,000 by 2050. A critical item is the assumption in this report that the federal fuel-economy standards are going to increase until it will be over 50 miles a gallon by 2030. Even with a doubling of the federal fuel-economy standards, we still expect to see fuel expenditures taking up a larger chunk of both the Statewide and average household economies. Cumulatively, we forecast that between 2012 and 2020, the State will spend \$50 billion to \$70 billion on fuel. By 2050 that number will be between \$335 billion and \$449 billion. Again, that is money that is mostly, if not entirely, leaving the State's economy.

This lays out why we think there is an obvious economic impetus to find ways to reduce our fuel consumption. We research strategies that can be implemented by Nevada that will help reduce fuel consumption and reduce the need to import oil from out of State, [Exhibit D](#). Additionally, we suggest ways to put these strategies together so Nevada will not have a new outlay to apply. We tried to structure these strategies so there is no, or minimal, impact on State government, and some strategies have incorporated self-funding mechanism.

SENATOR MCGINNESS:

What are the savings in the electrification of light- and heavy-duty vehicles?

MR. SALISBURY:

There are a lot of detailed calculations in the report, and the handout, [Exhibit D](#), shows gasoline reduction and fuel-cost savings by comparing an electric vehicle to a new, gasoline-powered vehicle. I will say more about it later.

By implementing the strategies proposed in the blueprint, by 2020 the State would save approximately 45 million barrels of oil, and by 2050 there would be

a cumulative savings of over 600 million barrels of oil. Putting that in perspective, that is about what the fuel consumption will be between 2012 and 2025 in Nevada, so we are talking about 13 years of potentially eliminating all the fuel used in those 13 years. That savings translates into a cumulative amount of \$4.4 billion to \$6.6 billion Statewide, and by 2050 the savings would be \$38.2 billion to \$57 billion. Again, this is money more likely staying in the State's economy because it is not spent on imported fuel. In 2020, we could expect that the average household implementing these strategies would save between \$600 to \$900 in annual fuel cost, and that by 2050 the average household would save \$1,200 to \$1,500 in annual fuel cost. A key element is that the money being saved with these energy-efficiency strategies means that money is more likely to remain in the State economy. It is an important multiplier effect in that the money staying in Nevada could be spent on food, housing, entertainment and other things. Over time, as that money is reintegrated into the economy, it will help to create jobs in Nevada. We estimate implementation of these strategies would create more than 2,000 new jobs by 2020, and 7,000 new jobs by 2050.

We have a proposal from the blueprint that would be appropriate for action by the Legislature this Session. It is updating the statewide driver education curriculum to incorporate education on vehicle driving and maintenance techniques to improve fuel efficiency of vehicles. It is estimated that by adopting these fuel-efficient strategies, vehicle fuel efficiency could be increased up to 17 percent, reduce accidents by 14 percent to 35 percent, and would save the average driver more than \$200 annually. Another proposal is requiring local governments to address zoning and permitting for electric vehicle infrastructure, as a lot of local governments are not prepared to address customers' requirements. For example, homeowners might want to install fast-charging stations in their garages for their electric vehicles, but there are no such permits, so there are no controls on types and safety of installations. It would be important to streamline the process, making it easier for people to adopt this new technology.

Next week is the first meeting of the "Nevada Electric Vehicle Infrastructure Task Force" that is being hosted by NV Energy and Nevada Department of Transportation to also address these issues. They may be a good source to help update models for codes and ordinances.

Benefits of vehicle electrification from a pure battery electric vehicle would be a 100 percent gasoline savings. From the plug-in hybrid vehicles, we could expect to see a 60 percent to 70 percent reduction in gasoline consumption. Use of electrification of light-duty vehicles would give Nevada the opportunity to move from importing oil to powering the transportation sector with domestic sources of energy such as solar power and geothermal power which are abundant resources in Nevada. By using those resources, Nevada would shift to a nonpolluting and domestically produced in-state source of energy for the transportation sector.

SENATOR MCGINNESS:

Does the 60 percent saving on fuel for an electric car include the fuel used to generate the electricity when the car is plugged in?

MR. SALISBURY:

The saving does include the electricity purchased from the utility company.

CHAIR BREEDEN:

What is the plan or action proposed for the nonaggressive driver education?

MR. SALISBURY:

We do not have a plan per se. The idea would be to incorporate that information into statewide drivers' education curricula, so it becomes something young and old drivers taking driver's education would study and learn. Also, it could be incorporated into the Department of Motor Vehicles (DMV) driving and written tests.

CHAIR BREEDEN:

We will close the hearing on the Nevada Transportation Blueprint and open the hearing on Senate Bill (S.B.) 144.

**SENATE BILL 144**: Requires certain garages to check and adjust the tire pressure of motor vehicles. (BDR 43-220)

SENATOR MICHAEL A. SCHNEIDER (Clark County Senatorial District No. 11):

This bill is the result of S.C.R. No. 19 of the 75th Session to study energy issues during the interim which emphasizes the importance of those issues. During the interim study directed by S.C.R. No. 19 of the 75th Session, several issues were brought forward, and S.B. 144 is one of them. It indicated that

energy in terms of electric power production, heating and transportation is fundamental to every aspect of Nevada's economy and competitiveness. More efficient utilization of energy frees public and private funds for use in other areas such as education, infrastructure, public health and public safety. Energy production and consumption profoundly affect the environment, including air quality and water supplies, as well as public health.

This bill not only addresses Nevada's safety and energy, it also affects the United States' safety, because we have to get off dependence on foreign oil. Reducing our consumption of foreign oil makes us a more secure nation. We do not have Nevada estimates, but California estimates indicate that state would eliminate 700,000 metric tons of greenhouse gases, save 75 million gallons of gasoline and extend tire life by 4,700 miles with proper tire inflation. About 38 percent of California vehicles have severely underinflated tires, which uses more gas and causes handling and safety issues.

Former State Senator Warren Hardy, whose family has been in the tire business for 50 years, told me most deaths caused by blowouts in southern Nevada's summer heat are due to underinflated tires—it is a safety issue.

Air quality is an issue both in northern and southern Nevada, especially during winter when we get inversion conditions. The poor air quality in the Las Vegas area has reached the point that we no longer allow new houses to be built with wood-burning fireplaces. The federal government is moving to tighten the air-quality standards.

A change to section 1 of S.B. 144 will require checking tire pressure when a vehicle is brought in for maintenance or repair. It takes no time to check the tire pressure and it costs no money. This is a service garages used to perform all the time. This is a simple requirement that does not put an undue burden on garage operators; it will save fuel, save lives, save money and save the environment.

SENATOR RHOADS:

Why is there a fiscal note on the bill?

VICE CHAIR SCHNEIDER:

I do not know the reason for the fiscal note. The only thing that could cost money might be the DMV checking on compliance. But the DMV already has

spotters checking on garages by bringing in vehicles for smog and other types of services to see if they are following the law.

CHAIR BREEDEN:

Senator Rhoads, the fiscal note has a zero dollar amount.

SENATOR LEE:

By statute, is there a definition of a garage?

VICE CHAIR SCHNEIDER:

The definition of a garage is defined under chapter 487.540 of the *Nevada Revised Statutes* (NRS).

SENATOR HALSETH:

The bill states, "certain garages." Why certain garages and not all garages?

VICE CHAIR SCHNEIDER:

It applies to the definition of garage in the NRS.

SENATOR HALSETH:

If an individual lowers the tire pressure after a garage has put in the recommended amount and gets into an accident, who is at fault?

VICE CHAIR SCHNEIDER:

The person who lowered the tire pressure.

SENATOR HALSETH:

What would prevent a person from stating they did not lower the pressure?

VICE CHAIR SCHNEIDER:

Why would someone lower the tire pressure?

SENATOR HALSETH:

A driver would lower tire pressure depending on the elevation.

VICE CHAIR SCHNEIDER:

I never do that. I know that tire pressure changes with elevations and hot and cold temperatures. Even though there are elevation and temperature changes driving from Las Vegas to Carson City, people do not stop to change their tire

pressure; it adjusts normally. The point is that when you get your car checked once a year, get the tire pressure checked also.

SENATOR MCGINNESS:

During the interim study, did you hear from any garages?

VICE CHAIR SCHNEIDER:

I did not hear from any garages at that time.

SENATOR MANENDO:

It is my understanding that for every ten degrees of temperature change, tire pressure changes by one pound. I work for a body shop and asked my employer his opinion of the bill. He said it is standard practice to check the tires as a courtesy to his customers. I am not a tire expert, but I do know that to get a proper reading of tire pressure, the tire has to be cold. One concern is how long a car has to sit to cool. For example, taking a car in for an oil change in Las Vegas when it is 115 degrees would not give an accurate tire pressure reading; it would take a period of time for that tire to be cold enough. If the garage filled the tire according to specifications, the person may say they did not do it properly because the car sat in the garage for two days.

VICE CHAIR SCHNEIDER:

The goal is to check the tire pressure. It is good to check the tire pressure in the morning before driving; however, most people do not do that anymore. The intent of S.B. 144 is to catch the really underinflated tires. Again, the statistics show 38 percent of vehicles have severely underinflated tires. This may not be 100 percent accurate, but it does help. Right now, there are companies putting nitrogen in tires because it does not leak out as easily as air does.

SENATOR RHOADS:

Another advantage is the garage employees would know the correct amount of air pressure. Someone else may only apply air until the tire looks like it is okay when it actually may be overfilled or under-filled.

JOE JOHNSON (Toiyabe Chapter, Sierra Club):

The Sierra Club supports S.B. 144.



WAYNE A. FREDIANI (Executive Director, Nevada Franchised Auto Dealers Association):

My concern with S.B. 144 is the enforcement regarding whether someone did or did not check the tires. In our facilities, it is standard practice to check tire pressure. Since 2006, most automobile manufacturers have included a gauge on the car's dash showing whether a tire is overinflated or underinflated. In that case, it is the driver's responsibility to keep the tires properly inflated. I agree that the most accurate way to test tires is when they are cold. Lowering or raising tire pressure depends on heat and other factors. People may lower the tire pressure for a smoother ride. In terms of safety, most automobile manufacturers are alerting drivers through dashboard notification. There is no question that properly inflated tires would be fuel economic. Again, how would you know if somebody did or did not check the tires upon servicing the vehicle?

SENATOR MCGINNESS:

Do you think the garage would add a \$3.50 or \$5 charge for checking tire pressure and blame it on the Legislature? Of course, this would be a record that the garage checked the tire pressure.

MR. FREDIANI:

I would hope there would be no charge to check tire pressure.

SEAN T. HIGGINS (Gordon Silver; Terrible Herbst Inc.):

We provide a tire check whenever a customer's vehicle gets a smog check or a lube. However, if the tires are within two to three pounds of the recommended pressure, we do not touch them. If they are severely underinflated, we will. Anyone who gets a receipt from us will see that service includes checking the tire pressure. A vehicle is in and out in 20 minutes, so there is no time for tires to get cold for a proper check. A concern is the possibility of shifting the responsibility for vehicle accidents due to tire inflation to the garage, thus shifting blame.

CHAIR BREEDEN:

What is a severely underinflated tire?

MR. HIGGINS:

Most tires are recommended to have 34 pounds to 36 pounds of air pressure. If they are in that range, we do not do anything. If they are at 30 pounds, we will

inflate the tires and show on the receipt that the tires were checked and inflated.

CHAIR BREEDEN:

Would the tires be inflated to the highest amount or left at two pounds under?

MR. HIGGINS:

There are occasions where we would stop inflating at two pounds under, such as when the outside temperature is 115 degrees. There is that area of closeness.

VICE CHAIR SCHNEIDER:

You check tires for correct air pressure, so have you ever been sued because a tire blew after service?

MR. HIGGINS:

There was a problem with Firestone tires in which we were named in a couple of lawsuits. We had no liability because it was a defect in the tire.

VICE CHAIR SCHNEIDER:

Have you not been regularly named in lawsuits because you regularly check tire pressure?

MR. HIGGINS:

No, but there is no state law requiring us to check tire pressure.

VICE CHAIR SCHNEIDER:

Would the state law not affect you?

MR. HIGGINS:

It is a service that we do today.

CHAIR BREEDEN:

We will close the hearing on S.B. 144 and open the work session on S.B. 15. The amendment to S.B. 15, submitted by DMV ([Exhibit E](#)), is acceptable to the American Civil Liberties Union.

**SENATE BILL 15**: Requires the Department of Motor Vehicles to cancel the driver's license of a person convicted of driving under the influence of

intoxicating liquor or a controlled substance under certain circumstances.  
(BDR 43-487)

SENATOR LEE MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 15.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR BREEDEN:

There being no further business for the Senate Committee on Transportation,  
the meeting is now adjourned at 4:29 p.m.

RESPECTFULLY SUBMITTED:

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Laura Adler,  
Committee Secretary

APPROVED BY:

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Senator Shirley A. Breeden, Chair

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

**EXHIBITS**

**Committee Name:** Committee on Transportation

**Date:** February 17, 2011

**Time of Meeting:** 3:30 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
	C	Monica Brett & Mike Salisbury	"Nevada Transportation Blueprint" Executive Summary
	D	Monica Brett & Mike Salisbury	SWEEP Blueprint PowerPoint Presentation
	E	Dept of Motor Vehicles	Proposed amendment to <u>S.B. 15</u>