

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

**Seventy-Eighth Session  
May 7, 2015**

The Committee on Government Affairs was called to order by Chairman John Ellison at 8:39 a.m. on Thursday, May 7, 2015, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 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: [www.leg.state.nv.us/App/NELIS/REL/78th2015](http://www.leg.state.nv.us/App/NELIS/REL/78th2015). In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman John Ellison, Chairman  
Assemblyman John Moore, Vice Chairman  
Assemblyman Richard Carrillo  
Assemblywoman Victoria A. Dooling  
Assemblyman Edgar Flores  
Assemblywoman Amber Joiner  
Assemblyman Harvey J. Munford  
Assemblywoman Dina Neal  
Assemblywoman Shelly M. Shelton  
Assemblyman Stephen H. Silberkraus  
Assemblywoman Ellen B. Spiegel  
Assemblyman Lynn D. Stewart  
Assemblyman Jim Wheeler  
Assemblywoman Melissa Woodbury

**COMMITTEE MEMBERS ABSENT:**

None



**GUEST LEGISLATORS PRESENT:**

Senator Moises (Mo) Denis, Senate District No. 2

**STAFF MEMBERS PRESENT:**

Jered McDonald, Committee Policy Analyst  
Eileen O'Grady, Committee Counsel  
Erin Barlow, Committee Secretary  
Cheryl Williams, Committee Assistant

**OTHERS PRESENT:**

Susan L. Myers, Attorney, Consumer Rights Project, Legal Aid Center  
of Southern Nevada  
Scott Anderson, Chief Deputy, Office of the Secretary of State  
Adam Kramer, Vice President, Government and Public Affairs, Switch  
SUPERNAP  
Robert Ostrovsky, representing Cox Communications  
Michael D. Hillerby, representing Charter Communications

**Chairman Ellison:**

[Roll was called. Committee rules and protocol were explained.] We will start the work session with Senate Bill 147 (1st Reprint).

**Senate Bill 147 (1st Reprint):** Requires law enforcement agencies to adopt certain policies relating to certain training for peace officers concerning dog behavior. (BDR 23-10)

**Jered McDonald, Committee Policy Analyst:**

The first bill on work session is Senate Bill 147 (1st Reprint). It requires law enforcement agencies to adopt certain policies related to certain training for peace officers concerning dog behavior. [Continued to read from ([Exhibit C](#)).]

**Chairman Ellison:**

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

ASSEMBLYMAN SILBERKRAUS MOVED TO DO PASS  
SENATE BILL 147 (1ST REPRINT).

ASSEMBLYMAN CARRILLO SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Chairman Ellison:**

Next is Senate Bill 268 (1st Reprint).

**Senate Bill 268 (1st Reprint): Provides certain services for veterans.  
(BDR 37-1042)**

**Jered McDonald, Committee Policy Analyst:**

Senate Bill 268 (1st Reprint) provides certain services for veterans who have suffered sexual trauma while on active duty or during training. [Continued to read from ([Exhibit D](#)).] We did have one amendment [page 2, ([Exhibit D](#))] that was brought up during the hearing. It proposes a two-year sunset, and requires the Director of the Department of Veterans Services to submit a report to the Interagency Council on Veterans Affairs concerning certain provisions of this bill. The Interagency Council will then take that report, include it in their cumulative report, and provide that to the 79th Legislative Session. That is the only amendment.

**Chairman Ellison:**

I did talk with the sponsor of the bill, and I know Assemblyman Wheeler did also. That was a friendly amendment.

**Assemblywoman Spiegel:**

I actually think that a two-year sunset is going to have the effect of not doing what the bill is intending. I hear that the amendment is friendly; however, I know how difficult it is for women to come forward because they put themselves and their families at risk by doing so. I actually think that a two-year sunset is not going to give women who are trying to gather the courage and the stability to do so. It really concerns me that if the program is not successful in that two-year period, it will lead to the elimination of the program rather than the expansion of it. I would urge the Committee to vote no on the amendment.

**Assemblyman Wheeler:**

I have to disagree with my colleague. I think the bill is a really good bill, and I really am for it. I believe that we do not have a plan yet for how the money is going to be spent and how the money will be collected. We have been saying for years that we need better accountability in this building. I truly believe that under the direction of Colonel Miller this program will take off and be good, and that when they come back in two years, we will renew it. Until we actually have the accountability, I think that we need to see how this program works. That was why the amendment was accepted by Senator Woodhouse, according to our Chairman.

**Chairman Ellison:**

I talked to the sponsor of the bill, and told her that I thought it would be a good idea to come back in two years and give the Legislature a better idea of where the program is going and how successful they are. We have done that for several bills. I think it is just an idea to bring them back and get an update. Are there any other questions? [There were none.]

ASSEMBLYMAN WHEELER MOVED TO AMEND AND DO PASS  
SENATE BILL 268 (1ST REPRINT).

ASSEMBLYMAN MOORE SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN SPIEGEL VOTED  
NO.)

**Assemblywoman Spiegel:**

I voted no because I disagree with the amendment. I will be voting yes on the floor, though.

**Chairman Ellison:**

Next is Senate Bill 310 (2nd Reprint).

**Senate Bill 310 (2nd Reprint):** Revises provisions relating to local government financing. (BDR 22-827)

**Jered McDonald, Committee Policy Analyst:**

Senate Bill 310 (2nd Reprint) revises provisions relating to local government financing. [Continued to read from ([Exhibit E](#)).]

**Chairman Ellison:**

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

ASSEMBLYMAN SILBERKRAUS MOVED TO DO PASS  
SENATE BILL 310 (2ND REPRINT).

ASSEMBLYMAN WHEELER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Chairman Ellison:**

Our last work session bill is Senate Bill 312 (1st Reprint).

**Senate Bill 312 (1st Reprint): Revises provisions relating to certain taxes.  
(BDR 21-834)**

**Jered McDonald, Committee Policy Analyst:**

Senate Bill 312 (1st Reprint) revises provisions relating to certain taxes. It was sponsored by Senator Kieckhefer and heard in this Committee on May 5, 2015. [Continued to read from ([Exhibit F](#)).]

We did receive an amendment that was discussed in the hearing, and I included a mock-up of it [page 2, ([Exhibit F](#))]. That mock-up also includes the conceptual language that Senator Kieckhefer presented. You will see in section 1.5 [page 3, ([Exhibit F](#))] that it adds the term "nonrestricted gaming license," and then in section 4 it changes from \$3 to \$2.

**Chairman Ellison:**

There was an unfriendly amendment on the National Bowling Stadium that was removed and will not be considered. To the "no new tax pledge" people, this vote would be to get this bill to the floor in case there are other amendments coming.

**Assemblyman Wheeler:**

I think this is a good bill and a good compromise. I am going to vote yes to get the bill out of Committee and reserve my right to change my vote on the floor.

**Assemblywoman Neal:**

I will be voting no and will reserve my right also. I get what they need. Based on the reports that I saw and the money in the Reno-Sparks Convention and Visitors Authority 2012 strategic plan and all the information out there, I am not comfortable with the amount of waste that I see.

**Assemblyman Silberkraus:**

I will ditto Assemblyman Wheeler's comments.

**Assemblywoman Dooling:**

I will vote yes to get it out of Committee, but reserve my right to change my vote.

**Chairman Ellison:**

I will vote yes, but I will also reserve my right to change my vote on the floor. I would like to try to get some more amendments into this bill.

ASSEMBLYMAN CARRILLO MOVED TO AMEND AND DO PASS  
SENATE BILL 312 (1ST REPRINT).

ASSEMBLYWOMAN JOINER SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMEN NEAL AND SHELTON  
VOTED NO.)

I will close the work session and open the hearing on our bills today.  
Senator Denis is on his way, so we will take a brief recess.

[The Committee recessed at 8:55 a.m. and reconvened at 9:00 a.m.]

**Senator Moises (Mo) Denis, Senate District No. 2:**

I am here to present Senate Bill 401 (1st Reprint).

**Senate Bill 401 (1st Reprint): Revises provisions relating to notaries public and  
document preparation services. (BDR 19-895)**

**Senator Moises (Mo) Denis, Senate District No. 2:**

I will start with a brief background on the ongoing issue of individuals  
performing legal work unlawfully, before walking the Committee through  
the bill.

Back in 1983, then-Assemblywoman Shelley Berkley sponsored a bill  
[Assembly Bill No. 39 of the 62nd Session] that was enacted to require all  
notaries public who are not attorneys to include the following notice in any  
advertisement: "I AM NOT AN ATTORNEY IN THE STATE OF NEVADA. I AM  
NOT LICENSED TO GIVE LEGAL ADVICE. I MAY NOT ACCEPT FEES FOR  
GIVING LEGAL ADVICE." Then, in 2005, I brought a bill [Assembly Bill No. 227  
of the 73rd Session] to prohibit a notary public who is not an attorney licensed  
to practice law in Nevada from using the term "notario," "notario publico," or  
any other equivalent non-English term in any communication that advertises the  
notary's service. In Mexico, "notario publico" is commonly used for attorneys.  
Criminals tend to stay one step ahead of us still. This bill is important consumer  
protection legislation.

As you can see, the Senate amended the bill by deleting all the sections relevant  
to the consumer protection associations, so I would like to walk the Committee  
through the first reprint before you today. We took out the consumer  
protections piece only because we did not have time to really work it out with  
the Office of the Secretary of State. We were looking for a way to help people  
with consumer issues. Many people do not step forward; many are worried

about being deported if they come forward to say they have been defrauded. We were looking for a way to help them. I worked with Assemblyman Flores on that issue, and we thought it was a good idea, but we have not been able to work it out yet.

In the first reprint, sections 8 and 13 of the bill authorize any person who is aware of a violation of existing law governing notaries public and document preparation services to file a complaint with the Secretary of State. Sections 9 and 11 of this bill require an applicant for appointment as a notary public or registration as a document preparation service to submit with their application a declaration under penalty of perjury stating that the applicant has not had an appointment as a notary public or a certificate or license as a document preparation service, as applicable, revoked or suspended in this state or any other state or territory of the United States.

Section 10 adds the term "licenciado" to the terms prohibited to be used in an advertisement if a notary public is not also an attorney licensed in this state. "Licenciado" can sometimes mean "licensed." Section 12 similarly prohibits document preparation services from using the specific terms "notario," "notario publico," and "licenciado," which may mislead a consumer into believing that a document preparation service is a licensed attorney if such is not the case. There were two fiscal notes submitted for the bill as introduced; one from the Department of Public Safety General Services Division and another from the Secretary of State. Both show zero fiscal impact from the amendment.

**Chairman Ellison:**

Are current laws not similar to this? How exactly do the Spanish terms translate, and how are they different from English terms?

**Senator Denis:**

Currently, with the bill I submitted in 2005, it is illegal for a notary public to use the term "notario publico" or "notario," which can translate to "notary public" or "notary." In Latin American countries, those words can mean different things, including "attorney." I believe that in Peru, "notario publico" means something like "malpractice lawyer." There is not a single translation of the words in the Latino community. Use of those words has currently been outlawed. This bill adds the term "licenciado", which can translate to "licensed," but in many Latin American countries, it can mean a licensed attorney or someone who is licensed to do legal work.

In addition to that, two years ago we passed the document preparation services bill. That did not include the terminology that we are using. This would bring

those statutes into line with the notaries to outlaw all three terms. In addition to that, we have added a piece so that under penalty of perjury the applicants must confirm that they have never had their license as a notary or document preparation service taken away in Nevada or in any other state. We do not want anyone who has been abusing this in other places or who lost their license coming here to try and do the same thing.

**Chairman Ellison:**

You did explain that to me previously, but I wanted it on record in the hearing. Are there any questions from the Committee? [There were none.] Will those in favor of the bill please come forward? In Las Vegas?

**Susan L. Myers, Attorney, Consumer Rights Project, Legal Aid Center of Southern Nevada:**

I am here to testify in favor of Senate Bill 401 (1st Reprint). Last session, I testified in favor of [Assembly Bill No. 74 of the 77th Session] the enactment of *Nevada Revised Statutes* (NRS) Chapter 240A regarding document preparers. In my capacity as an attorney for the Legal Aid Center of Southern Nevada who focuses on bankruptcy, I see the handiwork of the false document preparers. People who have problems with their cases as a result of using document preparers are referred to me. I do want to make the point that we see a lot of Spanish-speaking clients, but this is a greater problem. We also see many English-speaking clients who have used document preparers. It is more of an economic class issue. People who can least afford to lose their rights are the ones trying to save some money by using a document preparer.

I am in favor of the provision amending both NRS Chapter 240 regarding notaries and NRS Chapter 240A regarding document preparers so that any person with knowledge of violations can file a complaint. As I said, in my capacity I see repeated instances of document preparers who have not followed the law and registered. We have seen many who have followed the law, but we have also seen many who have not. I am also in favor of the additional terms that cannot be used in advertising. I support anything that can avoid confusion.

I do have one question. The effective date is January 1, 2016. I suspect it was pushed out that far because there were originally provisions regarding regulations that the Secretary of State was going to come up with. I do not see a need to extend it that far. I think that if we could start reporting these violations sooner than January 1, 2016, it would be good for all involved.



**Chairman Ellison:**

Are there any questions from the Committee? [There were none.] I will ask the bill sponsor that question also. I see no one else in favor of the bill. Is there anyone opposed? [There was no one.] Is there anyone wishing to testify as neutral?

**Scott Anderson, Chief Deputy, Office of the Secretary of State:**

We worked with Assemblyman Flores and Senator Denis on this bill. We appreciate the work they did in taking care of the concerns we had. We do not oppose anything in the bill at this point. We appreciate the work that was done on it. It does strengthen certain provisions regarding document preparers, and standardizes those provisions relating to notaries and document preparation services. In response to Ms. Myers' question, from the Secretary of State's standpoint, we could accept complaints as soon as this bill is passed. The provisions about changing and adding certain language would take some minor changes to our systems, but nothing that could not be done with the regular effective date of October 1. We could do reporting of violations as soon as this is passed.

**Chairman Ellison:**

Are there any questions from the Committee? [There were none.] Would the bill sponsor like to make any closing comments?

**Senator Denis:**

I am okay with the change of the effective date. That was a great catch. I think the reason for that date was that we were trying to get that other piece in place. I think this would be a question for the Legislative Counsel Bureau Legal Division. The Secretary of State's Office mentioned that they would change it to October in one piece, but the rest could be upon passage. I do not know how that would look, but I would be in favor of moving the date up to make it upon passage.

**Chairman Ellison:**

Ms. O'Grady, could we do that as an amendment?

**Eileen O'Grady, Committee Counsel:**

Yes.

**Chairman Ellison:**

We will make that an amendment and get it out right away. I thought if there was no language change, we could get it out today, but we will set it up for a later date. I will close the hearing on S.B. 401 (R1) and open the hearing on Senate Bill 289 (1st Reprint).

**Senate Bill 289 (1st Reprint): Revises provisions relating to the Information Technology Advisory Board. (BDR S-892)**

**Senator Moises (Mo) Denis, Senate District No. 2:**

I am here to present Senate Bill 289 (1st Reprint) for your consideration. I do have someone else who needs to show up.

**Chairman Ellison:**

We will take a short recess.

[The Committee recessed at 9:14 a.m. and reconvened at 9:19 a.m.]

**Chairman Ellison:**

We will begin the presentation on S.B. 289 (R1).

**Senator Denis:**

This bill was amended substantially by the Senate. As it is before you today, it requires the Information Technology Advisory Board (ITAB) to conduct a study of peering, including the analysis of potential benefits of peering arrangements to the state and its political subdivisions. The board is further required to submit a report of its findings, including any recommendations for legislation, to the Director of the Legislative Counsel Bureau for transmittal to the 79th Session of the Nevada Legislature.

Why is peering important? Peering is a technology term for the voluntary physical interconnection of administratively separate Internet networks for the purpose of exchanging traffic between the users of each network. It is the way different providers can connect to each other. For example, I believe you all have this on your desk ([Exhibit G](#)). It is a diagram showing the states of Nevada and California. Currently, when you have Internet connectivity and want to connect between Cox Communications and AT&T Inc., they have to connect somewhere. They usually go through a peering server. If I have AT&T, and I connect to you on Cox, that Internet traffic actually goes all the way, generally in Nevada, to the One Wilshire data center in Los Angeles, which happens to be a big hub. There are not very many of these across the country. The peering server that you and I are connecting with would be located in California. I was basically proposing that, if government entities are connecting over the Internet, we would want that peering to occur in Nevada. If a person sends an email from an office in Las Vegas to another agency across the street, or within this room, it will travel to Los Angeles before coming back into Nevada.

There are data security issues inherent in the interstate transmission of data belonging to the state. That is not to say that there is not security already, but this would be different. No one in the country has done this yet. This would be different because, while we understand that the data are relatively safe, we would prefer the connectivity to happen here as opposed to having it go out of state.

The Information Technology Advisory Board was created by the 1993 Legislature through the enactment of Assembly Bill No. 782 of the 67th Session that provided for a comprehensive reorganization of the executive department of state government under then-Governor Bob Miller. [Continued to read from page 2, ([Exhibit H](#)).]

As the Legislature moves forward, we are seeing more and more technology-related issues. It could be on the budget side. Everyone wants to update their databases. I am sure you have heard that we still have computer code written in Common Business Oriented Language (COBOL), which was originally developed in 1959. There will be more and more technology issues coming in the future. Because there are a lot of questions and concerns about what peering is, I am asking that we do a study over the interim to bring back next session and see if it is something that will be beneficial to the state of Nevada. Not only would it address cybersecurity, but it would also help to speed up services in some instances.

**Adam Kramer, Vice President, Government and Public Affairs, Switch SUPERNAP:**

Switch is a worldwide leader in technology and data center ecosystem design. Connectivity is a very important part of what we do as a company. From a philanthropic standpoint, our number one goal is to help Nevada become the most technologically advanced state in the country. Working with government entities and supporting them, primarily through education, is our number one initiative. We look at peering as an important way to help drive the state forward technologically.

Currently, as Senator Denis explained, most of the peering where carriers go through a center is all happening in Los Angeles. That is great, unless there is an earthquake or some type of natural disaster that does not directly affect the state of Nevada. If that system goes down, Nevada will be adversely affected. As someone who works with the Internet and asks where the potential risks for the state of Nevada are, that is definitely a risk if something like that were to happen. Having peering in Nevada would not only provide a level of redundancy for the peering network, but would also increase the Internet connection speed. Your data must still go to Los Angeles. If you have ever driven to Los Angeles,

you know what a traffic jam is like. It is the same with the Internet. All the Internet traffic on the West Coast is trying to go to one place, so there would still be an Internet slowdown. A secondary benefit of this would be increased Internet speeds here in Nevada. We think this is a very important item to study, and we look forward to the opportunity to delve into this and present something to the next legislative session.

**Assemblyman Wheeler:**

Thank you for coming today. Right now, data goes through Los Angeles, but there is a backup, which I think is Switch, and the data would reroute through you or someone like you if the center in Los Angeles went down. If a peering center is established here, what is the plan for a backup if your data center in Storey County went down?

**Adam Kramer:**

I would never anticipate our data center going down. But what would happen is there would still be a redundancy. There would still be the data center in California. The point is to add a regional redundancy. Nevada is poised to be the leader for that, and to benefit from the opportunity of peering taking place in the state because of that increased connectivity.

**Assemblywoman Shelton:**

From what I know about technology, it sounds like what you want to do is if I send something to you from my laptop here, instead of it going out of state, it will just go directly to someplace here in Nevada, and then to you. Why is that not being done now? Is there something in statute that says it has to go to California? I am wondering why this has to be put into law.

**Adam Kramer:**

It is not in any statute. It has generally been done as a business practice. The different networks have made those peering arrangements to do that. The issue is that the carriers generally do not see Nevada as important to them in regard to users and concerns about the amount of traffic. While that is understandable, I think it is also understandable that we need to address this risk of losing the potential to have peering in Los Angeles, if something ever happened, by having redundancy here in the state. It would only be for government contracts, because we think those are the most important ones. In a time of emergency, we want to make sure that this government is not affected by a disaster outside the state.

**Senator Denis:**

Carriers have their own business and technology plans. Being a technology guy myself, I know that when we have something we really like, we want to do it

that way. Every carrier has their own ways of doing things. What we want to look at is that even though a carrier might want to do it a certain way as a business, perhaps there is a benefit for the state to say how it should be done. By themselves, the business might not necessarily want to do that. Since there are so many different carriers, as a state, we would say, "If you are doing business with us, this is the way we would like you to do it." We want to look to see if there is a benefit to doing that.

**Chairman Ellison:**

This process would not pick winners and losers, correct?

**Senator Denis:**

No. It is not so much about picking winners and losers as it is about how to do a certain thing. Any carrier could do that. It is about whoever wants to do business with Nevada. One of the issues we ran into in the original bill in the rural areas was that it will not make sense to implement it at this point. They may not have enough service there. There is an expense associated with having to do these things. We are going to have to look at how we can best do it. We will be looking at Reno and Las Vegas, where the majority of the Internet traffic occurs, but then also looking at the issues in rural areas. I know there is a plan now to connect the whole state, between Las Vegas and Reno. Currently, when you connect to Reno, your data goes through California. There is a plan to create a high-speed connection between Las Vegas and Reno that will also create a link with California. That would be a western link, and it would benefit Nevada. It would also connect to all the rural areas, especially schools and places like that, with higher speed Internet and higher connectivity moving forward. That is another reason to think about this now. If those things come online, we want to make sure we can take the best advantage of them.

**Chairman Ellison:**

I did look to see if there was a cap for when this is presented to the Interim Committee such as \$300,000 and above, or if the committee will be allowed to consider the cap. That is not in the bill at all. The bill does not mention the rule of this process. I do not know if you want that in there or not. Is the board going to address that?

**Senator Denis:**

I think anything we say in this meeting will be looked at by the Information Technology Advisory Board. My intention would be that they would look at peering as a whole, and not just assume that it cannot happen in rural areas but take them into consideration. There is no limit to where peering could occur, but we need to look at what makes sense and is viable. We want to work with

all the carriers and get their input. There was not enough time during the session to get that input. We think that by doing it during the interim, we will have that opportunity.

**Assemblyman Flores:**

I think you addressed my questions. If we wanted to do this peering change now, do we have the technology, the know-how, and companies in place to do it? Are there any other states that are taking this approach of stating that business done in their state must be done in a certain way?

**Senator Denis:**

I can answer the second question. There are not currently any states like that. We would be the first in the country to do so, which would put us on the leading edge. In technology, that is an important thing because there is a benefit to being on that leading edge.

**Adam Kramer:**

The technology to do this absolutely exists. It is relatively simple. I will share an example of one way this could happen. Currently, Switch has redone the connectivity to all the schools in the state of Nevada. Especially in the rural schools, we have renegotiated their contracts with the carriers and reduced the costs of their contracts in some cases by 50 or 60 percent, while increasing capacity by 400 percent to schools. That is part of our initiative to help drive this increased connectivity for all state institutions. The reason Switch is in a position to do that for the state for free is because we are uniquely positioned with all these carriers' physical connectivity already inside institutional buildings.

Switch has offered to donate, in whatever way the Committee wants to set it up, the space and equipment to build that exchange. There would be no cost to the carriers, since they already have the physical connections. That would be one example of doing this without any additional cost, but still providing benefit for the state.

**Assemblyman Carrillo:**

When we are looking at the players in this field, does everyone have to be on board with this? Say some organizations feel this is not beneficial to them, and they do not want to be part of this network because they like what they have already established, and do not see this as a viable project. Do they have an opt-out? I am thinking that after the study, they might realize that everyone is on board except for one player. Would that be an obstruction?

**Senator Denis:**

The way the original bill was written was that if you wanted to do business with the state of Nevada or political subentities, such as school districts, you would need to do peering. That is how the bill was originally written. I think that scenario would be looked at in the study, but that is what it comes down to. If you want to do business with Nevada, we would require peering. That was the premise of all this. What we need to look at in a study is to see if that is feasible, and if we are really going to get the results that we are talking about. We want to bring in experts, carriers, and technology people so they can talk and figure that out.

**Assemblyman Carrillo:**

We understand that this is the first reprint. I was wondering what was deleted. Was there something that was not agreeable in the first version?

**Senator Denis:**

The original bill was to actually implement peering in the state of Nevada. We were trying to get all the technology people together to make sure that it was possible, but we could not get that to happen. This bill is really a gutted version of the first version, which turned into a study. That is the difference. There are some questions that need to be answered, but we ran out of time. That is why turning it into a study will at least allow us to look at this issue over the next two years and bring it back next session.

**Assemblywoman Dooling:**

I am hearing a lot of information about safety and security. I was lucky enough to tour Switch's SUPERNAP facility in Las Vegas. I was wondering if you could address the talk about the "grid" going down and things like that. I would feel very safe having everything here in our state.

**Adam Kramer:**

Thank you for the kind words about Switch. I think what you are addressing is exactly the reason this study needs to happen. We are relying on someone in Los Angeles to be doing what we are talking about right now, and we are saying that as a redundancy, we should have something here in Nevada. If something in Nevada were to go down, which we would never anticipate, there would still be a redundancy in Los Angeles. From the data center standpoint, I think it is important to understand why Switch is doing the expansion that it is doing. It is because our clients are driving us to have what is called disaster recovery. We always look at the craziest disaster scenarios, such as a meteor falling or something. That is exactly the reason Switch is constructing another facility, so we can have disaster recovery in case something were to happen.

**Assemblyman Stewart:**

If this study authorizes this, Switch has the capability to do this immediately, correct?

**Adam Kramer:**

Yes, that is correct.

**Assemblyman Stewart:**

Would it go through your Storey County facility, the Clark County facility, or both?

**Adam Kramer:**

It could go through both.

**Assemblyman Stewart:**

Are you the only company that has this ability currently?

**Adam Kramer:**

No. I believe in the testimony in the Senate Committee on Government Affairs, one of the other carriers testified that they also currently have some peering capabilities in the state. I will let them speak about that. I think it should be noted that even though they may have the physical capabilities to do peering right now, we did run tests on all the carriers after that Senate committee hearing. Every single thing we sent went to Los Angeles before it came back to Nevada.

**Senator Denis:**

While the technology is there to do this today, if all of the carriers doing business with the state of Nevada agreed today they wanted to do this on their own, they could do that. We may decide to bring a bill that would change the statute to say that if someone does business with the state of Nevada, they would have to do peering. If they all voluntarily do it, peering could be implemented immediately after the study is done, or even before then. I have dealt with most of the carriers throughout my career. They all do a great job. They have a lot of security measures and use their own redundancies. Sometimes there are three or four backup plans. Those are what we call redundancies.

I remember one instance when I worked at the Public Utilities Commission of Nevada. Someone decided to use a backhoe to dig in Bishop, California. They took out the AT&T line. The whole state was down for about two days until it got fixed. There should have been a redundancy there. I am sure that today they probably reroute that through a different place, and could get the state



back online much faster. All the carriers do a great job providing security. If they do not, they will lose business, and no one wants to use a carrier that is not secure. It is a matter of trying to get them all to work together for the benefit of the state of Nevada.

**Assemblyman Stewart:**

If this study takes place and recommends that we take the path that you want to follow, how many carriers are there, and would there be a competition and an award to one of the carriers? Would all of them be able to participate? How would that work?

**Adam Kramer:**

Currently, we have over 50 carriers that we do business with as a private company. I do not know how many the state uses.

**Assemblyman Stewart:**

Would it be a competition with one carrier awarded, or several? If they fulfill the regulation, would there be five carriers working on this for us?

**Adam Kramer:**

You could potentially have all of them doing this. When you look at how peering exchanges are set up, they are traditionally set up as a nonprofit group. There could be as many carriers joining as want to be part of it. The goal would be to build as big and robust a system as we can to have as many people as possible competing for the state's contracts.

**Assemblyman Stewart:**

Would it be more cost effective to deal with one company?

**Adam Kramer:**

That would defeat the purpose of peering. Peering is to connect one carrier to all the other carriers, so you want as many carriers working together in cooperation as possible so they can trade traffic between them. When you send an email from CenturyLink to Cox, you know they are connected. We ultimately want to have as many people as possible be part of that system.

**Senator Denis:**

The only issue that could come up is that there are some hardware costs. Mr. Kramer has said that Switch is willing to provide for those. Hardware costs are the only issue that could come up with a carrier if they are a smaller carrier. But there is no limitation; they can all participate. None of the big carriers would have as big an issue as smaller carriers might have.

**Chairman Ellison:**

Is there anyone else in favor of the bill? [There was no one.] Is there anyone opposed? [There was no one.] Is there anyone who is neutral?

**Robert Ostrovsky, representing Cox Communications:**

We are neutral because we do not oppose a study if this body decides that is appropriate policy. We just want to make sure the record is clear about how the Internet operates, and how we operate within it. The Internet was not built by the state of Nevada. It is a worldwide Internet built through the United States Department of Defense, various universities, and so on.

I think it is important to understand that we already have existing redundancies. There are eight peering centers nationwide. If we lost the peering center in Los Angeles, within milliseconds we would switch to one in another location. As a user of the Internet, you will never even know that the Los Angeles peering facility went down. That is the redundancy that is built into that system. Additionally, Cox Communications has six mini peering stations in the state of Nevada, and all are in Clark County at various sites where we peer locally. I think we testified in the other house that if the world went down except for the state of Nevada, you would still get Cox service here in Nevada based on our company's structure. Every company is different, and there are varying peering arrangements.

Peering is not free. We pay to operate in the peering groups, and we also built infrastructure to support our connection to those peering centers around the country. We also provide services to local governments. In their request for proposal process, those governments tell us what redundancy would be required to win those contracts and what service levels we have to provide. There is already some built-in guarantee for governments to do that. We do not oppose looking at this, and we think it is important. No other state has done this. We believe the study will show that it is not necessary, and that the way the Internet is structured now has all these guarantees without having to make changes in the way private companies operate and provide services. It is a very competitive marketplace. Competition has driven the development of the Internet. Redundancy is a very important factor, but we do not oppose looking at this. Someone else may address the issue of the Information Technology Advisory Board having the right skill level, and what we should do to make sure they have the appropriate skill level to make those decisions.

**Assemblyman Stewart:**

Are you saying that this particular redundancy is redundant?

**Robert Ostrovsky:**

All I am testifying to is that Cox has peering arrangements nationwide, and we make assurances to local governments, with whom we have contracts to provide service within a school district or state agencies, that they will not lose their Internet. There was testimony earlier about someone cutting an AT&T line. If someone cuts the last mile of your line which is the fiber that goes to your building, you will lose service. There is no redundancy from the street to your building. The redundancy we are talking about is in the large, conceptual world of sending information from one place to another. But if this legislative building's line were cut, if there were just one line, there is a problem. No redundancy can help you.

**Assemblyman Stewart:**

If this study approved this method, then would Cox be able to implement it immediately?

**Robert Ostrovsky:**

We believe that we already would meet such a standard, if it was put into the law. We have peering within the state, and not every company may have that same arrangement.

**Assemblyman Stewart:**

If the peering center in Los Angeles went down right now, what are the other peering stations in the country? You said there are eight; can you name other ones that are close by that we would switch to in that case?

**Robert Ostrovsky:**

I think the nearest one is in Salt Lake City.

**Michael D. Hillerby, representing Charter Communications:**

We and Cox Communications are very similar in being large providers of Internet services in northern Nevada, as well as other parts of the country. I want to point out some information about the Information Technology Advisory Board. Under the *Nevada Revised Statutes* 242.122, the committee is made up of two legislators, seven representatives of state and local government, and two private sector representatives. None of the private sector representatives can be part of a company that has any contract whatsoever with state government. We are concerned that as that committee undertakes the study, they may need people there representing large Internet service providers (ISP) who can give them information about how peering works, or representatives from large data centers that would be part of the committee, as either ex officio or experts. The committee may need the resources to do that. It is really geared to advise the state government on information technology services that

it provides. We are not sure that the current makeup has the people on it that would have the level of expertise to deal with this specific issue, particularly since companies that might have a contract, such as large ISPs, would be specifically excluded from serving on the committee. That might be something to think about as you consider the bill.

**Chairman Ellison:**

I agree. Once it gets to that point, those parties need to have a voice at the table. It must be fair, and I think that would bring fairness to it. Perhaps you might want to talk to the sponsor of the bill about that. I think you presented a good idea, as long as it is agreed upon. Are there any questions? [There were none.] Is there anyone else wishing to testify? [There was no one.] Would the Senator like to make closing remarks?

**Senator Denis:**

I want to say that I agree with the point raised about the makeup of the Information Technology Advisory Board. I have already anticipated that we do not have that expertise there. Generally, when we have hearings, we open them to other people. The way I anticipate getting that expertise is either requesting the chair create a subcommittee that would be made up of carriers and experts, or bring in experts to testify. We have some of the best experts on peering in the world right here in Nevada. I would anticipate, in order for this study to work, we would have to have the right people in the room. I see this as being a collaborative study where we would get that expertise.

We heard from Cox. They have a great setup within the state, but not all carriers will necessarily have that. We want to have the peering discussion. Some may have the setup. If someone already has it, we would not need to do anything in that respect. If all carriers are doing it in a way that benefits the state, we would need to look at that with this study. Thank you for the opportunity to come and speak to you about technology. I hope we have been able to explain it in a manner that helps you understand why this is important to the state of Nevada.

**Chairman Ellison:**

I know the comments are on the record, but perhaps we should amend our suggestions into the bill. Are there any other questions? [There were none.] I will close the hearing on S.B. 289 (R1). Is there anyone here for public comment? [There was no one.] Meeting adjourned [at 9:59 a.m.].

RESPECTFULLY SUBMITTED:

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Erin Barlow  
Committee Secretary

APPROVED BY:

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Assemblyman John Ellison, Chairman

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

**EXHIBITS**

**Committee Name:** Assembly Committee on Government Affairs

**Date:** May 7, 2015

**Time of Meeting:** 8:39 a.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
S.B. 147 (R1)	C	Jered McDonald, Committee Policy Analyst	Work Session Document
S.B. 268 (R1)	D	Jered McDonald, Committee Policy Analyst	Work Session Document
S.B. 310 (R2)	E	Jered McDonald, Committee Policy Analyst	Work Session Document
S.B. 312 (R1)	F	Jered McDonald, Committee Policy Analyst	Work Session Document
S.B. 289 (R1)	G	Senator Denis	Diagram
S.B. 289 (R1)	H	Senator Denis	Testimony