

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

**Seventy-Eighth Session  
February 17, 2015**

The Committee on Transportation was called to order by Chair Jim Wheeler at 3:17 p.m. on Tuesday, February 17, 2015, 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/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 Jim Wheeler, Chair  
Assemblyman Nelson Araujo  
Assemblyman Richard Carrillo  
Assemblywoman Victoria A. Dooling  
Assemblywoman Michele Fiore  
Assemblyman Edgar Flores  
Assemblyman Brent A. Jones  
Assemblywoman Marilyn K. Kirkpatrick  
Assemblyman P.K. O'Neill  
Assemblyman Stephen H. Silberkraus  
Assemblywoman Ellen B. Spiegel  
Assemblyman Michael C. Sprinkle  
Assemblywoman Melissa Woodbury

**COMMITTEE MEMBERS ABSENT:**

Assemblywoman Jill Dickman, Vice Chair (excused)

**GUEST LEGISLATORS PRESENT:**

Assemblyman John Ellison, Assembly District No. 33



**STAFF MEMBERS PRESENT:**

Michelle L. Van Geel, Committee Policy Analyst  
Melissa N. Mundy, Committee Counsel  
Henri Stone, Committee Secretary  
Trinity Thom, Committee Assistant

**OTHERS PRESENT:**

Andrew J. McKay, Chair, Nevada Transportation Authority  
John Fudenberg, Assistant Coroner, Government Affairs, Office of the  
Coroner/Medical Examiner, Clark County  
Tom Ely, Interim Division Administrator, Taxicab Authority, and Captain,  
Nevada Department of Public Safety  
Bruce Breslow, Director, Department of Business and Industry  
Paul J. Enos, Chief Executive Officer, Nevada Trucking Association

**Chairman Wheeler:**

[Roll was taken and Committee rules and protocol were reviewed.] In today's meeting we will change the agenda. We will bring Assembly Bill 101 right after the Committee bill draft introductions. We have one Committee bill draft request (BDR) to introduce.

**BDR 43-703**—Revises provisions relating to the use of safety belts in taxicabs. (Later introduced as [Assembly Bill 175](#).)

**Michelle L. Van Geel, Committee Policy Analyst:**

The Committee has before it BDR 43-703. It revises provisions relating to the use of safety belts in taxicabs. This is just one of the Committee bill introductions to introduce it as a bill so it can be referred to the Committee for a hearing.

**Chairman Wheeler:**

I will entertain a motion to introduce BDR 43-703.

ASSEMBLYMAN O'NEILL MOVED FOR COMMITTEE  
INTRODUCTION OF BDR 43-703.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN DICKMAN WAS  
ABSENT FOR THE VOTE.)

**Chairman Wheeler:**

Assemblyman Ellison, please come forward. We will now move on to Assembly Bill 101.

**Assembly Bill 101: Revises provisions governing motor carriers. (BDR 58-69)**

**Assemblyman John Ellison, Assembly District No. 33:**

The bill we have today is a cleanup bill from last session. This pertains to buses that go to mines. Assembly Bill 101 is a commonsense bill that fixes a problem we are experiencing at large work sites in some of the rural counties. Currently, the large mines and construction sites contract with transportation companies to transport workers from one fixed site to another. Typically, roundtrip services run from a parking lot where people who live elsewhere drive in and park. Buses run from the parking lots directly to the mines or construction sites and back, staying on a fixed route. These buses run constantly from the Barrick Mining parking lot and the Newmont Mining parking lot. They have a vendor who has been doing this for years. What happened in the bill that passed last session was that drivers had to go back and qualify for a second license and a Federal Bureau of Investigation (FBI) background check. The mines already do this as part of hiring the bus company. They are duplicating the system already in place. If they decide to go from one bus company to another, their credentials are not transferable. There are mine sites starting up all over Nevada. We have Cortez, Barrick, and Newmont mining companies, and they are getting ready to start the great big one over by Wendover. We are trying to clean up these processes if we can. I have someone with me today who would like to testify.

**Andrew J. MacKay, Chair, Nevada Transportation Authority:**

The exemption that is being put forth is very limited. With the proposed amendment ([Exhibit C](#)), this busing is strictly limited to the transportation of crews to mines or to construction sites and only in counties with a population under 100,000 people. It does not open up general charter bus transportation to not being subject to a driver's permit. The intent meets what is on paper.

**Assemblyman Ellison:**

The exemption already exists as *Nevada Revised Statutes* (NRS) 706.462. Those exemptions include "the transportation of passengers and their baggage in the same vehicle for a per capita charge between airports or between an airport and point and places in this State." These buses only carry construction site and mining passengers. They do not go into the community. They go straight from the mines to the freeway and off that to big parking lots. The reason they do the busing is that there is no way the mine sites can accommodate thousands of cars. The existing bill has created a small problem.

**Chairman Wheeler:**

Do any of the panel members have questions?

**Assemblyman Sprinkle:**

Let me be clear about what this bill is doing. Is the company that is actually providing the driver and the bus a contract provider? The mines may contract with anybody. They are already being checked and this is checking them a second time. Is that what you are trying to prevent? Am I hearing that correctly?

**Assemblyman Ellison:**

The statute we are trying to fix says that drivers have to go back for a secondary FBI background check and an alternate license. What this change does is let them keep the regular commercial driver license (CDL), and that they would be current to drive the buses to and from the mine sites, like they have been doing for 25 years.

**Assemblyman Sprinkle:**

That is my only issue. I want to make sure that the person driving has had some sort of background check, because passenger safety is in their hands. We are not trying to get around that in any way, correct?

**Assemblyman Ellison:**

Thank you for the question. The companies that do this hire mostly former highway patrol and Las Vegas policemen to come in and do security. At the mine sites, as some people here can probably testify, you must have security clearance or you do not get in. It is pretty strict. This mining company hires former law enforcement personnel to do their security, and they have strict training and background checks.

**Assemblyman Araujo:**

If we are looking at charter buses, would this change exclude any type of public transportation buses that would carry a worker to and from work?

**Andrew J. MacKay:**

If the transportation as you described is by and through the Regional Transportation Commission (RTC) for instance, that transportation is exempt from NRS. They have their own background checks and so forth, but if you get on an RTC bus, we do not have any regulatory jurisdiction over it.

**Assemblyman Araujo:**

Why would we not just add requirements that would already be followed by these existing charter bus drivers so that there are certain policies they can

abide by now and in the future, rather than just eliminating all of the current qualifications or requirements?

**Andrew J. MacKay:**

I do not know if I totally understand your question. When you look at what this exemption is, it is not about the transportation itself. It is regarding the driver obtaining a driver's permit from the Nevada Transportation Authority (NTA). All the other safety regulations still apply relative to vehicle inspections and drug testing of the drivers. All of that stays in place. It is limited to obtaining a driver's permit in order to transport the individuals.

**Assemblywoman Kirkpatrick:**

On page 3, line 29, it talks about the construction sites. For example, in southern Nevada there are a lot of staging areas where people have to get to when they are constructing convention space or building something new. Would this also allow construction companies to provide a charter service for the construction workers to get back and forth?

**Andrew J. MacKay:**

With the amendment, obtaining a driver's permit will still be required. There is a proposed amendment ([Exhibit C](#)) that Assemblyman Ellison has submitted on the Nevada Electronic Legislative Information System (NELIS), which would have the exemption apply in counties of less than 100,000 people.

**Assemblywoman Kirkpatrick:**

It could apply in places like Fernley or Lyon County where they may have some large construction; for example, the Tesla Motors project, where they could actually send a charter bus as well to get people to that site.

**Andrew J. MacKay:**

Correct. In Clark County there is a carrier that provides transportation to construction sites, but it is under a different operating authority and this exemption would not apply.

**Assemblyman Ellison**

I am sure Tesla will have to end up doing the same thing, so this will help them as well. Mr. Chair, do we need to put the amendment second or are you fine with the way it is?

**Chairman Wheeler:**

I am fine with that. I think that everyone has seen it; we made sure we had paper for everyone, and it has been on NELIS. I am sure we will put it in during the work session as well. Does anyone else have any questions for the

Assemblyman or the Chairman of the Nevada Transportation Authority? We will take testimony in favor of A.B. 101. Is there anyone in Las Vegas testifying in favor? Seeing none, is there anyone in Carson City?

**John Fudenberg, Assistant Coroner, Government Affairs Team, Office of the Coroner/Medical Examiner, Clark County:**

We support the bill in Clark County with the proposed amendments because it does not apply to Clark County. We did have a few concerns if it applied to Clark County, but these are simple corrections so we support the proposed amendments.

**Chairman Wheeler:**

Is there any further testimony in favor of A.B. 101 in either Las Vegas or Carson City? [There was none.] Is there any testimony opposed to A.B. 101 in Las Vegas? [There was none.] In Carson City? [There was none.] Is there any neutral testimony either in Las Vegas or Carson City? [There was no one.] We will close the hearing on A.B. 101. We will move on to an overview presentation of the Nevada Taxicab Authority.

**Tom Ely, Interim Division Administrator, Taxicab Authority, and Captain, Department of Public Safety:**

Thank you for the opportunity to introduce you to the Taxicab Authority. The Taxicab Authority and its Administrator are responsible for the control and regulation of the taxicab industry in any county with a population greater than 700,000. Currently that is only Clark County.

The mission of the Taxicab Authority is to provide for the safety, comfort, and convenience of the taxi-riding public. Our focus on safety and protection is accomplished through taxi driver background checks, vehicle inspections, company audits, insurance requirements, taxi driver and public education programs as well as through patrol and targeted enforcement operations in the community.

The Taxicab Authority board is tasked with conducting hearings and making decisions on taxi rates, charges, and fares for taxi services. It also regulates applications to operate taxicab services and the number of cabs which are placed in service. The board also hears appeals on decisions of the administrator and agencies such as in the suspension or revocation of a taxi driver permit. The Taxicab Authority board consists of a chair and four board members appointed by the Governor. Presently, one board member position is vacant. We anticipate that a new board member will be appointed in the near future.

The year 2014 was a very exceptional year for the taxi and tourism industries in Clark County. There was increased attendance in Las Vegas at conventions, races, rodeos, and other major events. In total, about 27.5 million taxi trips were conducted by the 16 cab companies in Las Vegas. To help the industry accomplish 27 million successful taxi trips, the NTA's administrative division issued and monitored 2,730 taxicab medallions and issued 10,038 annual driver permits. We also processed nearly 2,000 new driver permits in 2014. The taxicab enforcement division conducts taxi vehicle inspections. We handle dispatch and call center services on a 24/7 basis. Through proactive patrol and targeted enforcement activities, we use sworn peace officers to monitor compliance and enforce taxi-related operations, violations, and investigations.

Let me give you a few statistics for 2014. They are also included in your handout [page 8, ([Exhibit D](#))]. There were 3,419 citations written and 994 of those were for long route violations. There were 15,400 vehicle damage reports written, 7,900 taxi inspections, over 6,200 taxi accidents reported, and 575 new cabs put into service. On top of that, there were taxi meter seal replacements, out of service notices, and other notices and activities completed. All of this was accomplished with only 29 sworn compliance enforcement investigators and 9 vehicle inspectors. Our vehicle inspectors are Automotive Service Excellence certified auto mechanics.

The Taxicab Authority has requested budget authority to hire six additional investigators in order to provide an increased focus on long route enforcement to and from McCarran International Airport. The Taxicab Authority is a self-funded agency. In 2014, 87 percent of our revenue came from the \$0.20 per trip charge which is levied on the taxi industry. The balance of our Agency revenues comes from permits, medallion fees, fines, and fees through Clark County.

I would like to point out one of our success stories. The Taxicab Authority funds the Taxi Assistance Program, formerly known as Senior Ride. The program began in 1980 under the Taxicab Authority and was moved in 1995 to the Aging and Disability Services Division, Department of Health and Human Services. Participants in this program can purchase up to six \$20 taxi voucher coupon books per month for either \$5 or \$10 depending on the level of their income. In fiscal year (FY) 2014, 21,775 coupon books were sold. It is projected that by the end of FY 2015 that number may increase to about 26,000. It is a very successful program.

The Taxicab Authority presently conducts hearings on citations and appeals using a part-time hearing officer. This officer is contracted with us to work only one day per week. The Authority has submitted a bill draft request and is

seeking to have a full-time administrative attorney who will also serve as our hearing officer. This will enable us to spread the workload throughout the week to conduct in-house impound hearings instead of having to rely on the Nevada Transportation Authority's full-time hearing officers—to better serve taxi drivers, taxi companies, and the needs of the agency. That is an overview of the agency. Are there any questions?

**Chairman Wheeler:**

Are there any questions for the NTA?

**Assemblyman Jones:**

What is your opinion on Uber, your recommendations, and conflicts?

**Tom Ely:**

I was scheduled to start with the Taxicab Authority on Monday, October 27, 2014. Uber decided to open their illegal operations in Nevada on October 24, 2014. I was called in early. It was a very interesting start. I got to see it from day one and I can tell you that their technology—their mobile app that connects people wanting rides with drivers willing to provide rides—is amazing. It is what we need for the cab industry in Nevada. But that being said, there is still a need to make sure there is proper regulation in the form of driver background checks, insurance, vehicle inspections, and those types of things. We are very concerned that there be adequate safety precautions in place. If you want me to continue, I can say that Uber has a place in Nevada, but I believe they should be regulated as well.

**Assemblywoman Spiegel:**

Thank you for the presentation. I did have some questions. In the last audit reports we got from the state, it seemed that longhauling was continuing to be an issue down south. I was wondering if you could talk about what has been done since that audit report to combat it and what the rate is now.

**Tom Ely:**

The issue of longhauling has continued and will not go away. We have tried through education efforts with drivers; we have worked with many of the cab companies and are continuing that effort. We are also increasing our enforcement efforts and our educational enforcement efforts. As you know, this past year Terminal 3 opened at McCarran International Airport. That is one of the targets for an educational enforcement stop area. We know where the spots are. Even though it does not seem like a long distance, it is still the long route. We are setting up operational checkpoints to educate drivers that they should not be going that way. In 2014 we increased our enforcement efforts, and we had 994 citations issued for long route violations. It was a great



increase and we are continuing that effort. In fact, that is why we are asking for the six additional compliance enforcement investigators, to focus specifically on the long route to and from McCarran International Airport.

**Assemblyman O'Neill:**

On one of your slides [page 9, ([Exhibit D](#))] you say there were about 575 total new/replacement cabs put into service. How many of those were new cabs? When you say new cab, were you talking about a new cab or a new medallion?

**Tom Ely:**

What I refer to on that slide as new cabs are actual new replacement vehicles. When a cab company takes a cab out of service, this is the replacement for that vehicle. We had to inspect, certify, and seal the meters on 575 new replacement cabs.

**Assemblyman O'Neill:**

When was the last time a new cab company started in Las Vegas?

**Tom Ely:**

The last time we had a new application was fifteen years ago.

**Assemblyman O'Neill:**

Has any company applied in the last 15 years to start work there besides Uber? Admittedly, they are a different situation.

**Tom Ely:**

I believe that it was a handicapped service application done through one of the other cab companies that wanted to put handicap-type vans and shuttles in service. I do not have a date but can provide that to you later. We can look that up.

**Assemblyman O'Neill:**

Was their application approved?

**Tom Ely:**

Apparently that is still in court. They are not part of another cab company. They did not get a certificate.

**Chairman Wheeler:**

Assemblyman O'Neill asked if anyone had applied in Las Vegas. Has anyone applied throughout the state? In the northern part of the state, do they still have to go through you for the application?

**Tom Ely:**

No, sir. That is through the Nevada Transportation Authority.

**Assemblyman Flores:**

I want to go back to the topic of longhauling. What is the estimate that individuals are paying per year as a result of longhauling? How much money are we spending for resources to try to combat that issue?

**Tom Ely:**

I do not have a figure on how extensive the problem is or what percentage of drivers or cab companies are involved. The problem is that we find it every day. We can see by looking at meters as the enforcement investigators are working in the field. They can see there is a charge that does not look right. They begin to investigate. Maybe the customer wanted to sightsee or told them to take that particular route. One of the reasons this agency is in business is to ensure the safety and the convenience of the tourists and visitors who are using the cabs. We are looking for a solution. I do not think it is going to be easy. The best solution is that one of the resources we intend to put into place is our new GPS tracking system. Once we have a computer system that is actually working and will tie in with GPS, it will enable us to receive live feed and better monitor what the cab drivers are doing.

**Bruce Breslow, Director, Department of Business and Industry:**

I have a bit longer perspective for Assemblyman Flores. We have 49 million tourists coming to Las Vegas. Last year almost every national newspaper and magazine carried stories that visitors were being ripped off by cab drivers. That is not something we can allow with a business face that large. We cannot treat this lightly, which is why our budget includes six officers to do a longhaul squad. They would do nothing but work on longhauling. We also added some signage at the airport, which I believe will be updated and changed so that customers will be informed of the approximate charge per ride. We handed out the same information to the Las Vegas Convention and Visitors Authority. It is a big problem. It has not gone away, and we need to stay vigilant.

**Assemblyman O'Neill:**

Can you explain how you conduct an investigation of a longhaul? Do you use undercover officers? Do you follow drivers? Tell me how you conduct these so that you need the additional personnel.

**Bruce Breslow:**

We have tried everything from stings to roadside signs. Just creating awareness that we are there will deter it. We have done seminars with

the taxicab industry. The industry is very interested in stopping this since they understand that tourism is their lifeblood.

**Assemblyman Silberkraus:**

When was the last successful application process for a new cab company? Could you go through what the actual process is for applying and being granted a license to operate?

**Bruce Breslow:**

I will try to answer that as Mr. MacKay was not here at that time. I was with the NTA at that time. Jay Nady started A Cab. He was the last applicant to do a full-blown application. I think they have added 160 medallions in the last year or two. There is a board appointed by the Governor that actually makes the call on medallions, not the agency itself. The industry presents need and necessity. The board does an annual review on the need for medallions, then they do an additional allotment. For your question, Jay Nady's taxicab company was the last to get an approval 12 to 15 years ago.

**Assemblyman Carrillo:**

Regarding Jay Nady, I know that he is geographically limited, and he cannot pick up from the airport. In his case, he cannot go to the Strip. There are specifics. I do not have all of them, but I thought you might elaborate on that.

**Bruce Breslow:**

Under Nevada law, you have to show need and market necessity. You have to show a market niche, including where, how many you will serve, and what you do differently. Then you have a hearing on that. The Taxicab Authority has their board make their decisions. With the NTA there are three commissioners who do the hearings. There is also an intervener process that you have put into state law. I have run into people through the years who have said that it was too hard and they are not going to apply. One of them is behind us. That is Super Shuttle. For years we wondered why they did not operate in Nevada. The answer I got was that it was too hard to get into the market. Well, they are here now. Under the laws that the Legislature passed, you have to prove need and necessity. That is a barrier in Nevada that a business must overcome.

**Assemblyman Jones:**

Does that need and necessity requirement basically say we cannot have very much competition?

**Bruce Breslow:**

That was something the Legislature put into the law. Competition itself is not grounds for dismissal of the license. You may not use competition to say no to

someone. At the NTA we approve many, many licenses. I have never been at the Taxicab Authority so I cannot speak to that.

**Assemblyman Jones:**

The effect has been that nobody is willing to apply. If someone were to apply, what would it cost to get through the application process?

**Bruce Breslow:**

I cannot answer your question because I have never met anyone who wanted to apply through the Taxicab Authority. Most of the applicants hire an attorney, and the company looks at the graphic area and shows what their niche is or how they want to serve the customers. They also look at past applications to see a model of what happens, and most of the commissioners have been very good at trying to help them and point them in the direction to get that information so they can make a case for whatever it is that they need.

**Chairman Wheeler:**

Are there any further questions? Are there any questions in Las Vegas? [There were none.] We will close the presentation on the Taxicab Authority. We will now have an overview of the Nevada Transportation Authority. We will also be hearing from the Nevada Trucking Association.

**Andrew J. McKay, Chair, Nevada Transportation Authority:**

We are a sister agency to the Nevada Taxicab Authority in that the Nevada Transportation Authority (NTA) is a division of the Department of Business and Industry of which Director Breslow is the head. The NTA is a statewide regulatory agency tasked with the regulation of several disparate subindustries of the transportation industry, specifically the charter limousine industry, scenic tour industry, airport transfer service providers, and household goods movers. Those fall within what is commonly referred to as fully regulated operating authority.

The NTA is also responsible for the regulation of the intrastate charter bus industry and the tow car industry. Those fall within what is commonly referred to as a partially regulated, or partially deregulated, industry. The federal government, pursuant to 49 U.S. Code 14.501, has pre-empted states' abilities in the tow car and charter bus industries. It is limited to rates and things related to service. Rates are only applicable to nonconsensual tows.

Everything is safety related in those industries. Often there seems to be a misunderstanding that the charter bus industry has been completely deregulated by the federal government. It has not. It has only been partially

deregulated so the state's authority is limited to those provisions that are strictly safety and insurance.

You have heard me use the term safety several times since I have been at the table, and it will appear throughout today's testimony. That is the NTA's first and primary focus and responsibility—to protect the safety of the traveling and shipping public. The question is, how does the NTA do that? In short, you can look at the agency's declaration of purpose, which is found in *Nevada Revised Statutes* (NRS) 706.151. We have broken up the agency into what is commonly called "silos." It is organized into Administration, Applications, Compliance Audit, Compliance Enforcement, and Administrative Hearings and Judicial. Page 4 ([Exhibit E](#)) summarizes the functions of those sections.

With respect to the licensing application process, the NTA loves to work with people who want to go into business. It is not a closed market. The last application that was approved for charter limousine service was approved at our agenda meeting last month. In the past six years, the NTA has received 324 applications for new or expanded operating authority of all types. Of those, only 11 were denied, which is about 3.34 percent. With respect to charter limousine authority, which is tantamount to what we were discussing: if it did fail, we also regulate the taxi industry outside of Clark County. In the past six years the NTA has only denied one application. When you apply, everyone is treated the same whether you want 1 car or 50 cars. The application is filed. The analysis is pretty simple: does the application meet the provisions of what is required in statute?

As you can see on page 6 ([Exhibit E](#)), the filings include but are not limited to tariff rate modifications, changes of domicile, operating authority, approval of lease agreements, et cetera. The NTA is able to meet its obligations of protecting the safety of the traveling and shipping public primarily through the work of the enforcement staff: compliance enforcement officers and audit compliance enforcement officers. Our compliance enforcement officers are similar to those of the Taxicab Authority. They are Police Officer Standards and Training (POST)-certified officers. We are a category 2 agency. We are a regulatory agency with a law enforcement arm. To be clear, we are not a law enforcement agency. The number one threat to the safety of the traveling and shipping public in the state of Nevada is use by individuals who are unaware of certificated carriers, or carriers that are not licensed. Oftentimes, illegal carriers have little or no insurance. Their vehicles have not been inspected and are not safe. Often the drivers have pretty interesting backgrounds including sometimes being wanted by the law. They generally engage in deceptive trade practices such as price gouging. A case in point, and unfortunately this happens frequently, is when we get a phone call from an individual who hired

a moving company and was not aware that they were not certificated. They saw "licensed and bonded" but did not notice there was no certificate. The crew loads up the goods into the truck, the price goes from \$500 to \$1,500, and they hold the goods for ransom. The NTA's focus is making sure that illegal operators are off the streets and not preying on both tourists and residents of Nevada.

It is not often that we have enough opportunity to praise our staff. We have a tremendous staff. I came from the private sector and now work for the State. It is my obligation to give them recognition when I can. The Legislature should know that the money you are allocating to this organization is being properly spent and the individuals employed are doing a good job. If you look at page 7 of the handout ([Exhibit E](#)), just for statistical purposes, you will see that the enforcement staff has targeted illegal operators and they are doing substantially more with significantly less.

The compliance audit section of the NTA is responsible for helping to shepherd through applications with the application staff, but additionally the enforcement staff conducts operational inspections of certificated carriers. Pursuant to our performance measures, we inspect 1/3 of all carriers annually. If a carrier is not inspected—these are all random—if a company is not picked by year 4, then in year 5 they automatically are picked. But as a whole pool, 1/3 are inspected in addition to companies that decide to go into business or expand their operation. Additionally the compliance audit staff is responsible primarily for doing vehicle inspections. We do not do a full-on commercial vehicle inspection pursuant to federal law. We allow the carriers to utilize certified federal inspectors. Every vehicle that is put on the road must go through an annual vehicle inspection, and the paperwork is provided. The vehicle inspections that I am referring to are those that occur before a vehicle is put into service when it is brought to the NTA, or if there are several vehicles, staff will go out to the domicile, look at the vehicles, ascertain that everything is functioning, that headlights, taillights, and brake are marked in accordance with the law and that they are insured under the carrier's insurance policy. If it is not, the vehicle cannot go onto the road. We often run into that when a vehicle is put in on a temporary basis due to high demand; for example, the International Consumer Electronics Show, the Electric Daisy Carnival, or the National Finals Rodeo. Literally hundreds of vehicles are brought into the market and operated by certificated carriers. Those are leased on a temporary basis. We need to ensure the legality of those vehicles so that the passengers are not exposed. I have highlighted those specific events that generate extraordinary demand in both volume of vehicles and of staff to do what is needed to make sure those vehicles are put into service so that our carriers can serve the public, and capture the business revenue promoting safe transportation that is also profitable.

In closing, for the record, page 11 ([Exhibit E](#)) demonstrates the NTA budget. Budget Account 3922, the general administrative and operating budget of the NTA for fiscal year 2014, was almost \$2.7 million. Their executive budget for 2016 is \$3.1 million and for 2017 is \$3.3 million, funded between licensing fees and the State Highway Fund. Budget Account 3923 is an account that is limited by statute for the purposes of enforcement of the provisions of NRS Chapter 706. That is funded 100 percent by administrative fines assessed pursuant to NRS 706.771. Including the reserve, this fiscal year we are looking at \$586,000. In the executive budget for 2016, it is \$755,000 and for 2017 it is \$890,000. That concludes my presentation.

**Chairman Wheeler:**

Are there any questions? [There were none.] Of the 324 applications that you spoke of and 11 denials, how many of those were for new businesses, not expansion of an old business?

**Andrew MacKay:**

I will send you that information.

**Assemblyman Carrillo:**

What is the biggest issue you find with safety?

**Andrew MacKay:**

That is a good question. I do not know if there is a common theme. Burned out brake lights seem to be the most common infraction. Obviously that can be fixed on the spot. Our Chief of Enforcement, Michael Bradford, during the Electric Daisy Carnival, due to limited staff time resources, single-handedly inspected upwards of 450 motor coaches. He was on-site for a couple of reasons, not withstanding our limited resources. The preferred provider of that service, Alan Waxford Charter Group Services, leases buses from across the country. When you are spending upwards of thousands of dollars a day on a motor coach and you can save a day or two, that is bottom-line dollars. He saw several buses—it was a recurring theme of burned out brake lights. If there is a common one, it would probably be that; however, it is across the board.

**Assemblyman Jones:**

Do your inspection officers carry firearms?

**Andrew MacKay:**

Only the compliance enforcement investigators are authorized to carry firearms because they are POST-certified category 2 officers.

**Assemblyman Jones:**

Have there been any incidents where they actually had to use them? If so, how often does that occur?

**Andrew MacKay:**

We have never had to use them.

**Assemblyman O'Neill:**

How long does it take to inspect a bus?

**Andrew MacKay:**

It is a matter of minutes between when the vehicle arrives and the inspection is complete, assuming that all of their documentation is complete. So that it is clear for the record, we do not have officers crawling underneath in coveralls checking out the brakes and the transmissions. Those are certified vehicle inspectors for the annual vehicle inspections that every vehicle must have pursuant to federal law. When we do the inspections it is an administrative check. We must confirm that the vehicle has been through the federally mandated annual vehicle inspection.

**Assemblyman O'Neill:**

What I was thinking of is that our patrol officers will stop a tractor trailer rig and do an inspection. It takes some time. The inspection of 450 vehicles by one person is astounding. Thank you for that explanation.

**Chairman Wheeler:**

Are there any more questions from the panel? [There were none.] I am interested in the Lake Tahoe and Stateline area. When a California cab wants to come over to deliver passengers from the California side to one of our casinos, or whatever, on the Nevada side, what is the procedure and what licensing does that California cab have to have?

**Andrew MacKay:**

That is a good question. It depends on the situation. If it is truly interstate in nature, where it is going from California to Nevada or from Nevada to California where the express purpose is transportation between the states and not a subterfuge of providing point-to-point transportation in Nevada, which is extremely common, then the NTA has no regulatory authority over that. We see it quite often where an individual who is not a legitimate carrier is providing point-to-point in Nevada. The enforcement officer will go up there to observe it. If it is interstate in nature, the NTA does nothing because we have no jurisdiction over it.



**Chairman Wheeler:**

Is the application process for new entities ever audited by an outside agency? For example, who applied, who is denied, and the reasons for it? Is there any outside audit there?

**Andrew MacKay:**

The short answer for that is yes. The NTA was just subject to a legislative audit. We presented our six-month report in December. As part of that it was an analysis of all the applications that were filed, including fare or freight modifications up to and including full-blown application hearings.

**Assemblywoman Kirkpatrick:**

Can folks find that audit on the legislative website under other tasks in case anybody wants to know what that audit revealed?

**Andrew MacKay:**

Yes, on your website, and we have copies of the audit both in our Reno and Las Vegas offices. If anybody wants it, we will provide it to them. We appreciate the legislative audit. I would welcome an annual audit. It is good to have a fresh set of eyes to look over things. We are better off as a result of the legislative audit.

**Chairman Wheeler:**

I will close the presentation for the NTA and start the presentation for the other NTA, the Nevada Trucking Association.

**Paul Enos, Chief Executive Officer, Nevada Trucking Association:**

The Nevada Trucking Association was formed in 1932. We have over 550 members across the state. We represent an industry that moves 69.1 percent of our country's freight. This has been a significant expansion of our industry since 1950 when railroads moved 50 percent of our freight. That has a lot to do with how the trucking industry has been regulated over time. The modern trucking industry started in 1903 [referred to page 5, ([Exhibit F](#))], and was first regulated by the federal government in 1935. In that first regulation they dictated where we could go, what we could carry and how much we could charge. They regulated the rates, routes, and the services of trucking companies. In 1956 another big change happened for the trucking industry. When President Eisenhower was just a lieutenant around 1918, he traveled across the country and was astonished by the amount of time it took. He thought the country needed an interstate highway system. When he was president, he signed into law the Federal-Aid Highway Act of 1956 establishing the fuel tax and forming the interstate highway system, which allowed trucks to move efficiently throughout the country. That was the genesis of the success of

the trucking industry, having an interstate system that connects the communities across the country.

In 1980, Nevada Senator Howard Cannon sponsored the Motor Carrier Act of 1980, which deregulated the trucking industry. With that deregulation, the number of trucking companies skyrocketed, profit margins went down, but what happened was that we saw a great benefit to consumers. Just-in-time delivery started to take hold. I remember growing up as a kid in Elko. You would go into JCPenney and if they did not have the size Levi's or shirt you wanted out on the floor, they would go and check in their back room. Today, you do the same thing and they do not have a back room. That back room is on the back of a truck. That is deregulation and just-in-time delivery, the industry really working well for manufacturers, retailers, for everyone in not having to keep that inventory. Of course that has reduced the cost of transportation and getting that product to us.

The trucking industry in Nevada has about 50,000 employees consisting of mechanics, truck drivers, dispatchers, and dock workers. The average salary is about \$45,000 per year. In the United States 69 percent of freight is moved by truck. In Nevada, 94 percent of all of our freight is moved by truck. This shows how essential this industry is to us in Nevada. It is a pretty small industry. We have almost 6,100 trucking companies in Nevada, but almost 60 percent of them have only one truck. Those are owner-operators, small businesses. Of course, United Parcel Service of America, Inc. (UPS), FedEx and Con-way, Inc. represent some huge carriers that are doing business everywhere. However, the industry comprises mainly small trucking companies, which is definitely true in Nevada. As you can see, 95 percent of the companies have fewer than 10 trucks. We have only 25 trucking companies, in the entire state that have 100 trucks or more.

This is an example of where trucks go [pages 26-32, [Exhibit F](#)]. This is over the course of a week looking at 2,000 trucks from the Reno and Vegas areas. Interstate 15 (I-15) and Interstate 80 (I-80) corridors are extremely important, as you can see. This industry touches almost every state even going internationally in a week. It is an industry without borders depending on the roads. Trucks do not drive the economy, but we support all the entities that do drive the economy. In Washoe County, which is an exception, 3 out of the top 5 industries are trucking related in terms of economic output. Warehousing is number one, truck transportation is second, and couriers and messengers are next. With an economy of \$143 million, you do not get there without FedEx and UPS, which of course are trucking companies.

We have a little example of what happens when trucks stop. Sometimes the manufacturers are waiting on the hour. They need that load to be delivered in that particular hour to make sure their assembly lines do not shut down. When trucks stop, just-in-time manufacturing will cease in just a few hours. In one to two days, our gas stations and airports will run out of fuel if they do not have a pipeline that is delivering to them. In three days, perishable foods, garbage, and bank records and cash that we keep in our financial institutions would cease. In seven to ten days, oxygen supplies will run out. Radiopharmaceuticals for cancer treatment will become unusable within hours. In two to four weeks, the chemical supplies for purifying our water would be exhausted. We had an incident this fall where I-15 was closed in southern Nevada for about a week due to a washout. We did a quick study on what this meant to commerce looking at the alternative route using I-15 versus State Route 93 to State Route 319 into Utah. Normal operations cost about \$170 to operate a truck on I-15. That averages \$67 per hour—two-and-a-half hours on I-15, 58.3 miles per hour being the average speed. When I-15 was closed, that cost went up to \$342. There was a substantial increase, which cost the industry between \$667,000 to \$789,000 a day when I-15 was closed. We were very fortunate that the road was fixed quickly. The Department of Transportation (NDOT) and Las Vegas Paving Corp. were on the scene and were able to fix the road fairly quickly. They opened it for seven hours while they did construction on two nights. On the first night, it saved the industry \$160,000. For the second night, over \$200,000 in savings resulted from having that road open for those additional seven hours.

We are having issues in the West Coast ports where our truckers today are experiencing slowdowns and shutdowns. Some of the lines are three days long. What does that mean? It does not just affect the driver in that truck, it also affects Nevada businesses. EP Minerals, LLC is a company located in Reno that mines diatomaceous earth (DE) which is used in absorbents and filters to purify water. It has a very high global demand because it is a versatile commodity. They are not able to export their product to China, which is about one third of their business. They are now reevaluating what they need to do because they are not able to get this product out to their customers in Asia, and all over the world, because of the port issues. They are stockpiling 120 tons a day of DE. Everything operates on a network. It includes the trucks, ports, infrastructure, and how it all ties together.

I will briefly mention a few things about the industry. Generally, a truck cannot weigh more than 80,000 pounds when operating on the federal highway system. [Read from page 58, ([Exhibit F](#))]. There are many configurations of trucks [pages 59-67, ([Exhibit F](#))] and this is the network where those trucks can travel [pages 68-69, ([Exhibit F](#))]. You can see that we have a patchwork across

the country that makes it difficult to move commerce. Every state determines what kind of trucks they are going to allow, what kind of configurations outside that 80,000 pounds or 70 feet, so it does make moving anything that is outside of that envelope a little difficult. You can see we are pretty productive in the West until you hit our western border with California.

Let us talk about taxes. Trucks pay the fuel tax and we pay through the International Fuel Tax Agreement (IFTA.) We also pay registration fees. The average truck pays an additional \$15,000 above what a normal business pays in taxes. We are responsible for about 7 percent of all the road miles driven in the state of Nevada. We pay about 36 percent of all the revenue that goes into the State Highway Fund. You see an IFTA sticker on trucks. We are taxed for where we use the fuel, not where we buy it. We like the fuel tax because for every dollar, 97 cents goes back to the road. It is the most efficient mechanism for road taxes that exists. The same operation is used with our registration in apportioned plates. We pay our registration not based on where that plate is purchased but based on where we travel and that is through the international registration plan.

Safety is paramount for us. Seven billion dollars is spent by this industry annually to comply, promote, and enhance safety. In Nevada, we actually have a pretty good record as far as truck crashes go. We have a great relationship with the Nevada Highway Patrol (NHP), which has focused not on vehicle inspections but on traffic enforcement, which is about 4.5 times more likely to result in preventing a crash than just doing routine safety vehicle inspections on trucks. Everything about a trucking company safety wise is public. You can pull it up on the Federal Motor Carrier Safety Administration website. You look at the side of a door for information and you can pull up that trucking company. You can see how they are doing in all of these categories—unsafe driving, hours of service, drug testing, vehicle maintenance. That is all public. We have invested a tremendous amount in technology, lane departure systems, and collision warning systems. We have GPS trackers on our trucks. We can tell where they are at any given time. Our drivers are all drug tested. They are in a consortium. They can be pulled over at any time to come in and take a test. We are only allowed to drive 11 hours a day. There are limits that we keep track of with a log book that will soon turn into this electronic log that is being required. This is our check sheet for what is going on in the truck when you get in it [page 88, ([Exhibit F](#))]. It is much like what an airplane pilot does, which is to make sure our trucks are safe.

Sustainability is important, and we do have a commitment to having clean trucks. Our trucks are cleaner than they have ever been. We have gone to aerodynamics to use a different truck and trailer design. If you see this

CERTIFIED CLEAN IDLE sticker, that means that truck costs anywhere from \$20 to \$25,000 more to comply with the California Air Resources Board requirements. What does the future of the industry look like? One of the pictures is that of a Walmart future truck [pages 101-102, ([Exhibit F](#))]. It looks a lot like a train only even more aerodynamic. It could be fueled with anything. Right now diesel fuel is the traditional fuel that makes our industry go. We are seeing a lot more companies adopt compressed natural gas, liquid natural gas, and other alternative fuels. In the future we expect a truck to not even require a driver to be operated at all times. It will be able to drive itself through a forward collision system and a braking system, a robot truck. We have done a few of the pilot programs in Nevada with truck platooning. You would potentially have one driver operating the front truck and nobody in the trucks that follow him.

**Assemblywoman Spiegel:**

I have been hearing radio commercials lately; public service announcements regarding people driving too close to trucks who need to make sure the truck can see them in their side view mirrors. Could you speak to that campaign and how it has been improving truck safety and traffic safety?

**Paul Enos:**

I believe that ad is part of Zero Fatalities Nevada, which our partners in safety, NDOT and NHP, have been promoting. I like to tell people not to hang out in the blind spot of a truck where they cannot see you. You want to be able to see the driver in his mirror. Wait for the person who is passing the truck to get in front of you so you can pass. I gun it so that I can get past the truck as fast as possible. That is what I tell people. The less time you are spending at the side of that truck, the safer you will be.

**Assemblyman Jones:**

My question is about biofuels. In the Midwest a lot of guys mix their own oils. Is it illegal here? How do you deal with that?

**Paul Enos:**

It is really easy to make biodiesel. It is really hard to consistently make good biodiesel. That is one of the issues. In Nevada, we tax biodiesel the same as regular diesel. You will have the same \$0.2775 on a gallon of biodiesel. It does not matter what kind; B100, peanut oil, or B1, which is just 1 percent biodiesel. We do not differentiate on the tax. For guys who are in warm areas, biodiesel is not an issue. However, where it is colder, if you do not have biodiesel that meets the American Society for Testing and Materials D975 standard, the standard for diesel fuel, you have issues. We have seen issues in the Midwest where people will put biodiesel in their tank and their

engine will shut down, voiding the engine warranty. We have had that debate at the Nevada Legislature in previous sessions. Are we going to mandate biodiesel or not? In some applications, biodiesel works well. The miners love it, especially when they are underground because you do not get the same noxious fumes. It really depends on your application, what you are running. For our long-haul guys who are going through different climates, biodiesel is something that most of them want to avoid.

**Assemblyman Sprinkle:**

I want to congratulate the trucking association and you specifically for what you have done with human trafficking issues. This is an issue that you have embraced as an organization and an industry. I want to applaud you for that.

**Paul Enos:**

I should recognize Kim Yaeger, who is our Director of Member Relations, sitting behind us. She is the person who came to me and said that this is really an issue that we need to focus on as an industry. Sex trafficking is a significant problem that occurs everywhere, but our members are the eyes and the ears of the highway. What we tell our drivers is that if you are out there at a truck stop or on the road and you see something that looks suspicious, it is all right to be wrong and call 911. Earlier this week in Virginia, there was a trucker who was a little suspicious of something going on. He picked up the phone and made that call. He was able to rescue a girl who was being trafficked. There is an unfair stigma out there regarding truckers. Ninety nine percent of our guys are doing the right thing. They are fathers and brothers and they have daughters, sisters, and mothers. We feel we need to be a part of the solution.

**Assemblyman Silberkraus:**

First, I would like to second Assemblyman Sprinkle's comment. Thank you very much for what you are doing on that front. With relation to the maps, I noticed that U.S. Highway 95 was very red as you would imagine. I wanted to see what your thoughts were on it as far as a piece of infrastructure and something that your drivers have to use regularly, as well as the proposed Interstate 11 (I-11) and how that would affect your industry.

**Paul Enos:**

We like the idea of I-11. We think that I-11 would be a great route not just for freight that is going to be running from Las Vegas to Fernley, because honestly you do not have a tremendous amount of freight. There are a couple of carriers that do that route every day. When you see some of the backups in traffic that occur on I-5, the north-south artery in California which moves a tremendous amount of commerce, we see I-11 as being a relief for that route. It could be

great for moving traffic north and south and into the industrial park that we have in Storey County.

**Assemblywoman Kirkpatrick:**

It is important that people have been working a very long time on Interstate 11. At some point in the next two years, they are going to have to repair the Panama Canal, which is going to eliminate your drivers' jobs unless we have a second place to move those containers. I would like you to explain that we have done the transportation studies, that we have considered putting a transportation hub in our state because we really are an island. However, it costs money. We have tried some different opportunities, but I think now we have got to get serious because at some point Nevada as a whole is an island and we are reliant on freight. You and I have worked together. Our next nearest port is in Northern California. That is a problem for us because not too much comes out of Texas. That makes freight rates go up, products get here later, and it is a problem trying to ensure the stability of our Nevada drivers.

**Paul Enos:**

I think you are seeing that right now with the issue we are having with our West Coast ports. We are talking about having a deep water port down on the other side of the Baja California and being able to have that freight come in from Mexico through Arizona and up Interstate-11. I am hoping that the issue of the ports will be resolved today. I know that Labor Secretary Perez is actually in California right now meeting with all the parties trying to get the talks restarted and trying to get a resolution. When those ports shut down, our drivers are not moving. That happened around Thanksgiving when every port in the Bay Area was shut down for a day. We have now seen that for the last four days. When the ports are shut it hurts people like EP Minerals, those companies, and our drivers who are caught in the middle—whether it is issues with contract negotiations, the infrastructure, not being able to unload these giant sea containers, or not having enough trains to relieve some of the congestion. That is why it is important in transportation to look at the broader network. We need to look at more than what we do in Nevada. We need to look at what is going on across the entire country.

**Chairman Wheeler:**

Are there any more questions for Mr. Enos? [There were none.] Is there any public comment? Seeing none, meeting is adjourned [at 5:00 p.m.].

RESPECTFULLY SUBMITTED:

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Henri Stone  
Committee Secretary

APPROVED BY:

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Assemblyman Jim Wheeler, Chair

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



**EXHIBITS**

**Committee Name:** Committee on Transportation

**Date:** February 17, 2015

**Time of Meeting:** 3:17 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 101	C	Assemblyman John Ellison, Assembly District No. 33	Proposed Amendment
	D	Tom Ely / Taxicab Authority	Overview of the Nevada Taxicab Authority
	E	Andrew J. MacKay / Nevada Transportation Authority	Overview of the Nevada Transportation Authority
	F	Paul J. Enos / Nevada Trucking Association	Overview of the Nevada Trucking Association