MINUTES OF THE MEETING OF THE ASSEMBLY COMMITTEE ON TRANSPORTATION

Seventy-Ninth Session May 25, 2017

The Committee on Transportation was called to order by Chairman Richard Carrillo at 7:08 p.m. on Thursday, May 25, 2017, in Room 3143 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 at www.leg.state.nv.us/App/NELIS/REL/79th2017.

COMMITTEE MEMBERS PRESENT:

Assemblyman Richard Carrillo, Chairman
Assemblywoman Ellen B. Spiegel, Vice Chair
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman John Ellison
Assemblyman Ozzie Fumo
Assemblyman Richard McArthur
Assemblywoman Daniele Monroe-Moreno
Assemblyman Michael C. Sprinkle
Assemblyman Jim Wheeler
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

Assemblyman Justin Watkins (excused)

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Jann Stinnesbeck, Committee Policy Analyst Darcy Johnson, Committee Counsel Joan Waldock, Committee Secretary Trinity Thom, Committee Assistant



OTHERS PRESENT:

Alfonso Lopez, Organizer, Compliance Officer/Public Works, Sheet Metal, Air, Rail and Transportation Local Union No. 88

Fran Almaraz, representing the Brotherhood of Locomotive Engineers and Trainmen C. Joseph Guild III, representing Union Pacific Railroad

Nathan Anderson, Director Public Affairs-Corporate Relations, Union Pacific Railroad, Salt Lake City, Utah

Francisco J. Castillo, Director, Public Affairs-Corporate Relations, Union Pacific Railroad, Sacramento, California

Mark Fiorentino, representing Burlington Northern Santa Fe Railroad

Tray Abney, Director of Government Relations, The Chamber, Reno-Sparks-Northern Nevada

Tyre L. Gray, representing Las Vegas Metro Chamber of Commerce

Peggy Lear Bowen, Private Citizen, Reno, Nevada

Randy Soltero, representing Local 720, International Alliance of Theatrical State Employees and Moving Picture Technicians, Artists and Allied Crafts of United States and Canada

Chairman Carrillo:

[Roll was called. Committee protocols and rules were explained.] We will open the hearing on Senate Bill 427 (1st Reprint).

Senate Bill 427 (1st Reprint): Revises provisions governing the crew of certain freight trains. (BDR 58-1014)

Alfonso Lopez, Organizer, Compliance Officer/Public Works, Sheet Metal, Air, Rail and Transportation Local Union No. 88:

I am here to introduce <u>Senate Bill 427 (1st Reprint)</u>, relating to railroads requiring certain trains and locomotives which are transporting freight in this state to contain a crew of not less than two persons; providing civil penalties; and providing other matters properly relating thereto. That really is about it; it really is plain and simple.

Fran Almaraz, representing the Brotherhood of Locomotive Engineers and Trainmen:

The men who presented this bill in the Senate are working on trains tonight and cannot be here. They asked me to fill in for them. I have written testimony from Ron Kaminkow, who is the general secretary of the Railroad Workers United that I would like to read for him (Exhibit C).

Rail carriers might say they will only have single-employee crews on trains governed by positive train control (PTC), but that is disingenuous. On November 1, 2004, rail carriers submitted a proposal to operate trains in the United States with single-employee crews. This was long before the 2008 Chatsworth train collision, which led to the Railroad Safety Improvement Act (RSIA) of 2008. This Act mandated PTC. Rail carriers

were interested in operating single-employee trains long before most Americans had ever heard of the term PTC. The opposition will attempt to convince you that single-employee crews are not a safety hazard and that this issue is not appropriate for state legislation. The opposition will most likely mention PTC. However, PTC is not a substitute for two people in the cab of a locomotive. Positive train control only protects individuals in certain circumstances, but there are many possible events and errors that could arise, such as derailments based on poor tracks, track failures, broken axles, broken wheels and grade crossing collisions. When disaster strikes, there needs to be a two-person crew.

The rail industry may say this bill is a subject for collective bargaining. In 1883, one of the first pieces of federal legislation to regulate industry mandated air brakes on trains. The rail industry was reluctant to apply this wonderful technology because it cost money. By the turn of the century, most trains had air brakes, and the inclusion of them was a massive safety improvement. Another example is the Janney coupler. This new technology had to be legislatively mandated for it to be incorporated by the rail industry.

Do you see a pattern here? Safety comes with a cost. The rail industry is reluctant to cut profits to ensure safety.

When the caboose was cut off in the 1980s, rail carriers implemented something called an end-of-train device, but this device did not go two ways. With a two-way device, the train could be thrown into emergency braking from its rear end by the flip of a switch. After a series of runaway trains between 1985 and 1996, which led to the loss of numerous lives and tens of millions of dollars of property damage, it was finally legislatively mandated that a train could not leave its initial terminal without a working two-way end-of-train device.

Most recently, in addition to PTC, the RSIA improved the hours of service law so that employees could have ten hours off between shifts as opposed to eight. Our country has a long history of legislating safety on the railroad. Safety is not a proper subject for collective bargaining. The rail industry may say that passenger trains in the U.S. operate with a single employee, so freight trains could be run by a single employee, too. As an Amtrak engineer, I am not alone. I might be alone in the cab of a locomotive, but I have a conductor and an assistant conductor with me to remind me of impending speed restrictions and other hazards that may lie ahead. If I am fatigued, I can have either the conductor or the assistant conductor operate the locomotive with me.

Passenger train engineers like me are often on duty for a more limited amount of time. If my job on an Amtrak train requires more than six hours, there is a second engineer with me. If my job runs through the night, I also have a second engineer. This creates a four-person crew. I do not want the rail industry to convince you that passenger trains and freight trains are the same because they are not. In a freight environment, which I worked in for a number of years before working for Amtrak, there is no set schedule. From one day to the next, a freight engineer will not know when he or she has to work or when the job will be finished.

An engineer could easily work 12 hours or more at one time. Also, most freight trains operate at night. These aspects of the freight environment can cause an engineer to be fatigued. The rail industry may say two-person crews are not an issue for states to discuss because of interstate commerce. Wisconsin, however, has had a law for 25 years mandating the use of two-person crews.

California and Washington both have legislated a two-person crew. Minnesota and Arizona are considering two-person crew bills. The Safe Freight Act of 2017 is currently being considered by the U.S. House of Representatives. I agree that a two-person crew should be mandated at the federal level, but the federal government is often slow to act. We can see numerous examples of where states have led the way. If we could get a critical mass of states like Nevada to support a two-person crew bill, then eventually, the federal government may do the right thing and mandate a two-person crew at the national level. Two and a half years ago, the Burlington Northern Santa Fe (BNSF) Railway, the second largest freight railroad network in the U.S., reached a tentative agreement with a renegade general committee of the International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART) to allow one-person crews. Despite being offered job security and lots of money by the railway, SMART's members resoundingly voted down the tentative agreement.

Chairman Carrillo:

Is there any more testimony before we move on to questions?

Alfonso Lopez:

I have a statement from Jason T. Doering, who is driving a train right now. He asked me to read the statement he made before the Senate (Exhibit D):

I would like to briefly explain to the Committee the importance of this critical piece of rail safety legislation. On July 6, 2013, a Montreal, Maine and Atlantic Railway (MMA) train operated by a single-person crew rolled down the grade into the center of the town of Lac-Mégantic, Quebec. Sixty-three of the 72 crude oil tank cars derailed. Multiple explosions and intense fires

enveloped parts of the town. The result was 47 people dead, over 2,000 people evacuated, and there was extensive property damage. Since the train had been brought to the vicinity of Lac-Mégantic by a single-person crew, it was necessary to secure the train on a steep grade several miles outside of town. Canada's Transportation Safety Board concluded that a minimum of 17 and possibly as many as 26 hand brakes would have been needed to secure the train because of the grade; however, applying only nine handbrakes was sufficient to comply with the railroad's operating rules.

If that train had a two-person crew, it could have been secured much closer to the town, on flat ground. This would have required cutting the train into several sections in order to avoid blocking road crossings, but the terrain and the additional handbrakes on each cut of cars would have prevented the sequence of events that led to the runaway, or at least vastly mitigated potential damage. This option was unavailable to the one-person crew, because it would have taken at least a two-person crew to cut the crossings.

Another example cited by the Federal Railroad Administration was the December 30, 2013, collision between a crude oil train and a derailed grain train outside Casselton, North Dakota. The collision led to the release of nearly a half million gallons of crude oil, followed by explosions and fire, causing 1,500 residents to evacuate. In the Federal Railroad Administration (FRA)'s own words, the "... heroic actions of the grain train's crewmembers potentially prevented the environmental and property damages from being much worse ..." by pulling a cut of 50 tank cars to safety away from the burning derailed cars. The crew later went back and removed 20 additional cars from the scene of the fire. That would not have happened if there were only one-person crews.

Safety studies show that locomotive engineers and conductors function as an integrated team, monitoring the operating environment outside the locomotive, while also collaborating in planning activities, problem solving, and identifying and mitigating potential risk. While the locomotive engineer is guiding the train over the road, and separate and apart from team functions, the conductor manages train consist and makeup; checks speed, signal indications, and engineer alertness; interacts with noncrewmembers such as dispatchers and roadway workers; diagnoses and responds to train problems; and manages the crew's paperwork.

Over the past 30 years, train crews have been reduced from 5 to 2 persons; and, during the same time period, our operating rules have grown more complex while trains and work assignments have gotten much longer. Instead of a one-mile long train operating over 100 miles of track with 5 crewmembers, we now have trains exceeding 3 miles in length and traveling more than 300 miles in a single tour of duty with crews of two people.

Longer trains and longer distances have created a far more challenging work environment. In addition, the vast majority of freight rail workers have unpredictable work schedules. They are on call 24 hours a day, 7 days per week, and must report for duty with as little as 1 hour and 30 minutes notice. Unpredictable work schedules are the unfortunate norm. The changes to the hours of service law in the 2008 Rail Safety Improvement Act increased the rest requirement from 8 hours to 10 hours, but did nothing to address the issue of unpredictable work schedules or advance notice of on-duty times. Train crews are constantly called to work unexpectedly and are required to work 12-hour shifts, often overnight. As a result, it is imperative that each train has a minimum of two crewmembers that can keep each other alert and ensure the train is operated safely.

Furthermore, it should not go unnoticed that our sister industry, aviation, despite their extensive cutting-edge technology, safety engineering, and planes that can and do fly themselves, still maintain two-person crews as the law of the land. Given that passenger trains can carry many more people than airplanes, and freight cars carry some of the most deadly and destructive chemicals known to man, the standard for the rail industry should be no less.

That completes Mr. Doering's statement.

Chairman Carrillo:

Are there any questions from the Committee?

Assemblyman Ellison:

There is a \$197,528 fiscal note on this bill, according to the Governor's Office of Finance. Will the state end up paying a portion of this? I thought the railroad was funded by the federal government.

Chairman Carrillo:

We are not to concern ourselves with the fiscal note.

Assemblyman Ellison:

Then I will skip that question. Do union negotiations not determine how many people are on a crew?

Fran Almaraz:

I think I can answer that question for you. There are two entities that work on the trains. One is SMART—the International Association of Sheet Metal, Air, Rail, and Transportation Workers; the other is the Brotherhood of Locomotive Engineers and Trainmen (BLET). The SMART members work on the trains as conductors and couplers; they perform the safety checks and maintenance. The BLET members are the engineers. As I understand, the SMART members have collective bargaining; the engineers do not.

Assemblyman Ellison:

In 1985, the crew consisted of four members. It looks as if they have negotiated to have smaller crews. California, Utah, Idaho, and Nevada require two-person crews. Am I wrong?

Fran Almaraz:

I am not sure what the other states require. Some states have legislated there be a minimum of two persons on a crew, but the BLET cannot collectively bargain for how many people are on the crew.

Assemblyman Sprinkle:

The bill states there be two crew members. What does that mean especially in light of the answer you just gave? We are talking about two separate job classifications. Can the two be a combination of any of these?

Fran Almaraz:

I am not a train person. The train people who presented this bill in the Senate are all working. They do not have regular schedules. They were called in to work. To answer your question to the best of my knowledge, the two people on the train right now could be an engineer and a brakeman or two engineers.

Assemblyman Sprinkle:

There could be a combination, but at least one of them would have to be an engineer. Someone has to drive the train.

Fran Almaraz:

There are two people in the cab. I am not sure of their classifications.

Assemblyman Sprinkle:

One of these classifications is not a collective bargaining unit. It was brought to my attention that was the argument here from those who are not supporting this bill—this should be left to collective bargaining. We have a history of collective bargaining. It sounded good to me until I found out that the collective bargaining is not done at the state or local level. Is that correct? Decisions are made at the national level. Those decisions from a collective bargaining agreement then affect the state of Nevada. Is that true?

Fran Almaraz:

As I understand it, the contracts are regional—not local or federal.

Assemblyman Sprinkle:

The issue is safety. I would assume other regions in this country might see things differently than the way we do here. If we are not going to have a direct and active say in how these negotiations go down, that is of concern to me, because of the public safety of the people. I want to know that the standards we adhere to in Nevada are decided here in the state. That is why I felt the need for clarification.

Fran Almaraz:

As I understand it, that is why the trainmen who brought this bill would like to have assurances for the public safety that there will be a minimum of two people running the trains. Some of these trains are miles long. According to the work rules they have to adhere to, one person must always stay with the engine. He is not to leave the engine if something happens. If it goes to a one-person crew, there would be no one to leave the engine to check to find out what has happened, to assist, to call 911, to let the engineer know what has happened a mile back on the train. Those are the concerns behind why the trainmen brought this bill.

Assemblyman Fumo:

I like the bill. I think it is about time that we added some safety regulations. It seems to me there are two different types of people on the trains—the certified locomotive engineers and the certified conductors, according to the Safe Freight Act of 2017 (H.R. 233). It looks as if there is companion legislation going through Congress right now, trying to make this nationwide. This would just make Nevada fall in line with what is going to happen nationwide. Do you know where that bill sits in Congress right now?

Fran Almaraz:

I had a conversation this evening with a man who works in Washington, D.C., and is working on that bill. He did not give an indication of where it stands, but he did say it is getting bipartisan support.

Chairman Carrillo:

Are there any other questions? [There were none.] Is there testimony in support of S.B. 427 (R1)? [There was none.] Is there any opposition to S.B. 427 (1)?

C. Joseph Guild III, representing the Union Pacific Railroad:

We know you have had a long day, and we appreciate the time you are giving us to present our opposition to this bill. With me are Francisco Castillo with the Union Pacific Railroad in California, and Nathan Anderson with the Union Pacific Railroad in Salt Lake City, Utah. I will let them present, then I will have some things to say. I have a 34-year experience with this issue at this legislature, beginning in 1983. I might be able to give the Committee a little historical perspective.

Nathan Anderson, Director Public Affairs-Corporate Relations, Union Pacific Railroad, Salt Lake City, Utah:

I would like to start by quickly addressing a couple of the questions that went unanswered or remain from the prior testimony. The Brotherhood of Locomotive Engineers and Trainmen does bargain collectively. You can read about that at raillaborfacts.org, in a section about bargaining.

There is a question about where the federal statute stands. The Federal Railroad Administration (FRA) has taken thousands of comments on that. We stand ready to follow any federally-mandated safety rule that is implemented, as it would be consistent across our network.

Finally, for the record, we are not asking for single-person crews. We do not ask for single-person crews. In our current negotiations with the labor unions, we have agreed that a two-person crew is the standard. That issue has been taken off the table in our negotiations.

Union Pacific Railroad is committed to safety—the safety of our employees, customers, neighbors, and the communities where we operate. Safety is at the forefront of every decision Union Pacific makes. In fact, in the last two years we have had record safety performance. In 2015, we set a record; and in 2016, that incidence rate decreased 14 percent, to 0.75 incidents for every 200,000 employee hours—a standard index we use so we can compare numbers over time regardless of the number of employees working.

Union Pacific is employing technology: we have rolling stock sensors, wheel impact load detectors, and warm bearing detectors. We use technologies such as ultrasound and infrared to identify problems with tracking and cars before they are at a failure state, so that we can remove them from active duty and repair them to put them back in play in a safe manner.

Union Pacific Railroad has improved the safety of our operations, even with corresponding crew-size reductions since the 1980s, when we had five-person crews. We have reduced the size of a crew to two persons. In that time, rail employee injury, train accident, and grade crossing collision rates have all declined by 79 percent or more. Hazardous material accidents are down 95 percent. According to the U.S. Bureau of Labor Statistics data, railroads have lower employee injury rates than all other modes of transportation, and are safer than most other industry groups—even grocery and retail stores.

In addressing the safety issue, we want to emphasize that our focus is safety. We applaud all of our employees, those in management and those who operate under collective bargaining agreements, for the efforts they have made to get us to the point where we are as safe as we are. We will not stop. Our goal is to have no incidents. We will continue to work toward that goal.

Historically, crew size has been addressed pursuant to the requirements of the Railway Labor Act (RLA). That is the crux of the issue—what should a railroad crew size be? The RLA governs employer and employee relations in the rail industry as well as the collective bargaining process. It is important to understand that unions can reject a proposal or an agreement; the railroads cannot unilaterally impose changes such as crew size.

There are concerns that are real, having to do with interstate commerce and the regional agreements we talked about. Being able to safely and efficiently manage a railroad when individual states pass laws creates inefficiencies and can disadvantage those states where the law requires something different than what has been collectively bargained in the region.

If the regulation of crew size was to be determined beyond the historicallyand legally-accepted practice, through the collective bargaining process, it should be done only at the federal law, not state by state, creating a patchwork of inconsistent regulations.

State legislation that attempts to alter terms of these collective bargaining agreements would threaten the integrity of the ratified labor agreements. We believe in the labor ratification process, which is how we get to the safe and efficient agreement that we have. As our colleagues previously testified, they do not believe we should negotiate safety. We would agree with that 100 percent. We would not negotiate safety. That is why the two-person crew is not under negotiation currently.

Crew size agreements have been, and will continue to be, negotiated by representatives of both rail management and labor who know and understand the details of railroad operations and the various safety aspects, requirements, and ramifications of the work rules. This issue has a proven track record of success through collective agreements, which also address limitations on the amount and type of work performed, compensation, and work rules ensuring crew safety. In addition, these agreements provide arrangements for additional operational support when additional work needs to be performed, for example, additional switchmen and additional conductors.

The FRA, the entity that regulates our industry, has proposed a rule on minimum crew size and has accepted more than 1,000 comments on that. A Nevada state law mandating crew size will interfere with the ability of railroads and unions to fully bargain the best and safest crew size for each assignment. It would hinder investment and the implementation of safe, cost-saving technology. Moreover, a state crew size will put Nevada industries and shippers at a competitive disadvantage with respect to other states that do not have these restrictions. Interstate commerce would also be significantly affected.

In conclusion, the FRA works with stakeholders to ensure the freight rail industry seeks solutions to ensure its safe and efficient operations. United States freight railroads have and will continue to work collaboratively with employees, unions, and relevant regulatory stakeholders. When technology advancements have helped to establish a viable foundation for reconsideration of appropriate crew size, Union Pacific will negotiate with labor organizations and communicate accordingly. That time is not now. We are not asking for a single-person crew. Technology and collective bargaining will drive those changes. When and if such technology becomes available, the safety and efficiency of our rail system will be best served through our negotiation process rather than mandates on a state-by-state basis. For these reasons, Union Pacific urges you to vote against <u>S.B. 427 (R1)</u>.

Chairman Carrillo:

Are there any questions from Committee members?

Assemblywoman Monroe-Moreno:

After talking with you earlier today and hearing your testimony, I am a little bit confused. If you already have two-person crews, and you are not asking to negotiate anything lower than a two-person crew, why do you oppose the language in section 1, line 7 that says "a crew of not less than two persons?"

Nathan Anderson:

We are not asking for less than a two-person crew; however, that is the case today. I am not going to speculate on what technology may or may not be available in the future. When that technology is available, we want the ability and opportunity to negotiate freely using that technology and those safety measures that will be available. This bill would prohibit us from doing that.

C. Joseph Guild III:

As Mr. Anderson just said, there are three problems with what this bill proposes. There is a constitutional problem and two federal laws that come in conflict with this. One is the Federal Rail Safety Act, which would preempt any state from acting in this area. Then, there is the Railway Labor Act that Mr. Anderson just talked about. Finally, there is a Commerce Clause problem here—interstate commerce would be interfered with by a state patchwork of laws that are different than currently exists.

The collective bargaining process has created the crew-size standard. We believe that standard ought to be honored because it was collectively bargained, and that it should not be interfered with by state action in different places around the country. Yes, we agree as an industry that two persons in the cab of a freight train is, and should be, the standard. For the next contract period, it will be the standard because it is not being negotiated. It will be extended through the next period of time.

Assemblywoman Monroe-Moreno:

When you talk about the wave of the future or looking into the future, are you anticipating autonomous railways coming through Nevada and crossing the country? Are you saying that if we legislate a two-person crew, we would interfere with that? If we, as a state, feel that might not be in the best interest for public safety, do you feel we do not have the right to so legislate? Do you think the federal law would trump our legislation?

C. Joseph Guild III:

I will not speculate into the future—I am not a railroad technologist; I am a lawyer from Reno. I can say that the nationally-negotiated collective bargaining agreement is the one every state ought to honor. One of the basic precepts of the union movement is that collective bargaining ought to be honored. As a railroad, we are honoring that. The Union Pacific Railroad negotiates with almost 40 different unions in its operations in 25 states with over 34,000 miles of track. What I am saying is, let us let labor and management agree to what the standard should be. If states interfere with that, it creates this patchwork across the country that does not lend itself to efficient interstate commerce.

Assemblyman Sprinkle:

I think you answered my question, but I think I heard two separate answers to the same question. I think you said that labor and management negotiate in 25 states, but before that you said the contracts are negotiated at the national level. Where do these negotiations occur, and who is involved in these negotiations that will affect Nevada?

C. Joseph Guild III:

I am sorry if I confused you. The contract by which the Union Pacific Railroad and all other Class I and Class II railroads operate in this country is a nationally negotiated contract. Within regions, that same contract is ratified, but we do not have 25 different contracts. We just operate in 25 different states under that same nationally-negotiated contract.

Assemblyman Sprinkle:

That helps explain it. My follow-up to that would be, you do not have 25 regions, correct?

Nathan Anderson:

We do not have 25 separate contracts. I think the number you heard my colleague refer to is that we negotiate with up to 40 different unions across different trades, crafts, and services that work for Union Pacific. We negotiate those contracts nationally. We then ratify them and implement them regionally.

Assemblyman Sprinkle:

You mentioned concern that if one state does something—I think you mentioned that California already has something in statute about this—it could affect interstate commerce. I think the concern is that if we were to do something here, it could affect that with other states as well. How is putting people in the cab to go through the state of Nevada, which is your current policy, going to hurt you in other states from a business or commerce point of view?

Nathan Anderson:

It would not hurt us elsewhere, it would hurt us in Nevada by requiring something in Nevada that is not required elsewhere. In a situation where a contract was negotiated under the collective bargaining process, if there was an additional requirement in Nevada, it would make shippers and receivers in Nevada less competitive with other entities across the country. It would be adding a layer of regulation.

Assemblyman Sprinkle:

I understand that. If we were to go along that line of thought, would you surmise that the use of railways in Nevada would go down if we do this? What would take over, trucking? The commercial goods would still need to be shipped.

Nathan Anderson:

I am not saying that commerce would decrease. There are a lot of market forces that would be brought to bear. If the total cost of shipping from Nevada exceeds the total cost of shipping from California or Arizona, the cost would be borne by the shippers or receivers in Nevada. How they choose to receive or ship goods would be their decision, but if the cost is higher, it will be borne by those players in the marketplace.

Assemblyman Sprinkle:

Safety is the important thing.

Assemblyman Ellison:

Would this bill create more safety than what we have now?

Nathan Anderson:

If I understand it correctly, your question is would this bill change the safety performance? I have provided copies of a chart (Exhibit E) that shows a decrease in safety incidents from 1980, when there were five people in the crew. You can see incidents went down 1,136 percent as crew size decreased. Our position is that we implement the technology and the work rules to operate safely. Mandating a two-person crew would not improve safety in the rail industry.

Assemblyman Ellison:

In the western United States, are there any freight trains that do not have two-person crews?

Nathan Anderson:

No, there are not.

Assemblywoman Monroe-Moreno:

I would like to go back to how this would interfere with interstate commerce. Did not California pass a bill that was signed by Governor Brown that mandates two-person crews?

Francisco J. Castillo, Director, Public Affairs-Corporate Relations, Union Pacific Railroad, Sacramento, California:

There has been a lot of reference to the California law for the two-person crew. I would like to shed some light on what is going on in California. In 1964, the voters approved the Railroad Anti-Featherbedding Initiative that prohibits any bill that is introduced in the state of California for mandating crew size. California Proposition 17 states that, "It is the policy of the people of the state of California that featherbedding practices in the railroad industry should be eliminated" By passing Proposition 17, the people of California recognized the value of empowering those directly impacted by their decisions to create a safer workplace, namely, the carriers and the unions, and rejected the state interfering at that time. What Proposition 17 does is recognize that crew size is subject to collective bargaining; therefore, the two-person crew bill in California does not apply to the railroads because it violates Proposition 17.

C. Joseph Guild III:

To add to Mr. Castillo's statement, I will reference a legislative counsel opinion in California relative to Proposition 17. The legislative counsel opinion makes it clear that Proposition 17 prevents the state from enacting a statute that supersedes the authority of a collective bargaining agreement. The legislature cannot pass a bill that takes precedence over provisions of a collective bargaining agreement. It does not matter if the bill and an existing collective bargaining agreement are identical, in this case, two-person crews. Under Proposition 17, a state law cannot tie the hands of railroads and labor to enter into discussions and agreements on crew size.

That is the point I have been trying to make. The fact that California passed this law in 2015, in my opinion as an attorney working in this area for a long time, has the possibility of a facial challenge. It has not happened for many reasons. What the California legislature did violated California law.

Assemblywoman Monroe-Moreno:

Do you currently have any contracts that state the crews can be one-person crews or five-person crews, or all two-person or more crews, or not less than two-person crews?

Nathan Anderson:

I am not aware of any contract that requires more than a two-person crew. I know there are no contracts that allow for less than two.

Assemblywoman Monroe-Moreno:

In saying that, if this bill were to become law, it would not be in conflict with any current contracts, would it?

Nathan Anderson:

It would not be in conflict with a current contract, but it would prevent us from collectively bargaining in good faith for a future contract.

Assemblywoman Monroe-Moreno:

Or, future contracts would have to adhere to Nevada state law.

Nathan Anderson:

If that is the case, yes, but it could create competitive disadvantages for commerce in the state of Nevada.

Francisco Castillo:

It could go the other way around. If a contract is negotiated through collective bargaining requiring more than two, we would be prevented from being able to implement it due to the mandate in Nevada.

Assemblywoman Monroe-Moreno:

Then it is a good thing that this bill says a crew must be no less than a two-person crew.

Chairman Carrillo:

Nevada, as a state, has been opposing using Yucca Mountain as a nuclear waste dumpsite. We could have rail cars carrying high-level radioactive waste crossing the state. What could happen with that?

Nathan Anderson:

I will defer to Mr. Guild on that question.

C. Joseph Guild III:

Personally, I am opposed to any storage at Yucca Mountain. For a little history, this goes back quite a ways. In the 1980s, the so-called "Screw Nevada Bill" was passed by Congress, designating Yucca Mountain as the sole nuclear waste repository for the nation when there were other places being considered. I was privy, as were a lot of people, to the notion that some of this high-level nuclear waste would travel across the country by rail. There was a rail line right-of-way designated on the maps that would enter Nevada where Caliente is, and not go down south into the Las Vegas Metropolitan area, but go straight across to the Yucca Mountain area. This was the route Congress was considering. If the waste materials were to travel by rail, they would be on special trains with special crews—large crews that would protect and guard the train. I do not envision that, if that were to happen, we would see two-person crews transporting this waste through Illinois and Oklahoma on its way to Nevada. I cannot predict anything, but that was the discussion 20-plus years ago.

Nathan Anderson:

I would like to add to my colleague's testimony in answer to the question. Allowing the unions and the management to negotiate in good faith does not necessarily require or result in a single solution for every train. As Mr. Guild mentioned, the prevailing philosophy for a train carrying something like nuclear waste that would be deposited in Yucca Mountain—you could conceive of a multi-party crew to address specific safety requirements; however, a trainload of grain, for example, may be negotiated into a different solution. A local train that is not going far from a yard could have a different solution. A train that is only going through Kansas may have a still different solution that is dependent upon the type of material the train is carrying, the length of the train, the terrain, et cetera. We operate trains 24 hours a day, 7 days a week, so there could be different negotiations for daytime and nighttime.

Chairman Carrillo:

Some members of the Committee from southern Nevada remember the date August 29, 2007. I am sure that the representative from Union Pacific probably knows it, too.

Nathan Anderson:

I may know what that date refers to. Could you be more specific?

Chairman Carrillo:

I might be off on the date, but it had to do with a runaway chlorine gas car. A car of chlorine gas went from one side of the Valley, unbeknownst to anybody, throughout the Las Vegas Valley. We dodged a big bullet on that one. Had the car derailed or had it been hit, it would have been a catastrophe. You talked about a trainload of grain. Not all trains are going to carry grain; some will carry chemicals. In Henderson, we have a chlorine plant. You deal with shipping of some hazardous loads. It is of concern that you carry dangerous substances, and it is not as if a car cannot fall off the rails. We are talking about a lot of weight, a long train that takes forever to stop. If you only have a one-person crew, there is a safety factor that needs to be considered.

Can you talk about the potentials? We, as legislators, have to talk with our constituents. If something catastrophic happens and we had the opportunity to put something in place, to be proactive instead of reactive, what do we say? I know that Union Pacific operates more in the west than in the east; Burlington Northern Santa Fe (BNSF) operates in the middle of the country; CSX Transportation operates in the east.

My father worked for the railroad for 32 years. I knew the dangers of his being in that industry. He told me about derailments, even though he never was in one. I remember his telling me there were always at least two crew members in the cab back in the 1980s. I do not know what collective bargaining agreements they had back then for trains in New Mexico. How would we go back to our constituents after a rail catastrophe if we had the chance now to do something good, but did not take the step to ensure their safety? Do we tell them it was a cost issue? The Senate said that, on average, an engineer makes \$113,000 a year. How do you factor that into the cost of doing business? If you have two engineers on a trip, they will not make as much.

Nathan Anderson:

You brought up a number of good points. I will try to hit them and answer your question at the same time. If I have left something out, please let me know.

I was familiar with the incident you referred to at the beginning of your question; I was not sure about the date. The car in question left our Arden Yard unintentionally. In the yard, there was a misaligned switch. The car left the yard due to a number of factors. I was not involved in that incident or in the recovery operation, but as an employee at the time I was aware of what happened. A train in a yard is different than a through freight car. If you look at section 1, subsection 2, you will see the provisions of this bill do not apply to helper or hostling services.

Chairman Carrillo:

Mr. Anderson, the whole point of my telling you about the runaway freight car of chlorine gas was the potential for danger. We understand that freight trains have this potential in their line of cars. My point was about what the car contained, and what the potential danger was. We are concerned about the safety of the people of Nevada.

Nathan Anderson:

Thank you for the course correction. I would like to answer the "what if" question that you posed by first saying that passage of this bill will not change our operating practices as they pertain to safety. We currently operate with a two-person crew. We are a common carrier and have a common carrier obligation, which means we cannot refuse to haul freight regardless of its weight, its odor, or its combustibility. We are required by federal law to handle those. There are certain risks that are assumed by moving materials such as liquid chlorine. Because we are not looking to change our operating procedures and are focused on safety, it would not change our practices. Other railroads have experimented with single-person crews. We are not looking at that.

The tragedy at Lac-Mégantic was brought up earlier. The Transportation Safety Board of Canada had 18 findings as to cause. Not a single one was related to the single-person crew operating the train. They found that prescribed protocols were not followed or enforced. Union Pacific takes safety extremely seriously. We have improved safety year after year. We will not stop. We are relentless in the pursuit of improving our safety record. The communities where we operate make up one of our four key stakeholders. We want to be good neighbors, which includes being safe. Putting a requirement of two people in a cab does not necessarily make us safer. We had more incidents annually, by a wide margin, when we had five people in a crew than we do today with two.

Assemblywoman Spiegel:

It is obvious that nobody ever wants to have an accident or plans to have accidents. In June 2004, Union Pacific Railroad was involved in an accident with a BNSF train that resulted in the puncture of a tank car that was carrying liquefied chlorine. A toxic yellow cloud formed. There were 3 people killed and 43 people hospitalized. The number of crew members you had on the freight train was probably irrelevant to the extent of the injuries within the community. I say "probably" because I do not know. When something like that happens, does the number of people on the train and their ability to respond to the accident make a difference? If an engineer was in the cab by himself and had a heart attack, there is no backup. The train itself might be several miles long. Here in Nevada, you can go hundreds of miles where there really is nothing. What do you do in those types of circumstances when there is no first responder even in the form of another employee?

Nathan Anderson:

Our crews are not responders; that is not their role. They are train operators. Their protocol is to call our dispatch center if there is an incident. They then wait for first responders. I am aware of the rural nature of some parts of this state, and that there may not be first responders immediately available. That is a reality of operating in the West, where our population centers are much more spread out than they are in other parts of the country.

As you pointed out, the number of people on the crew was not necessarily relevant to what happened. It did not prevent the incident from taking place, nor did it indicate how they were going to respond, other than to call dispatch to make them aware of the incident.

You brought up the issue of what would happen if an engineer had a heart attack. There are technologies available, such as the dead man's switch—if the locomotive engineer is not pressing the button, the train will come to a stop. Others have mentioned positive train control, which is a call-and-response technology. If a crew member in the cab does not respond to the call, the global system will shut the train down, gliding it to a stop.

Assemblywoman Spiegel:

I understand that some of these technologies may be available, but great swaths of Nevada do not even have cellular phone service. Driving from southern Nevada to Carson City, there are times my cellular phone thinks it is in a foreign country. Those technologies could not necessarily work if there is no cellular phone service. If you are beyond rural, in our frontier country, there is nothing.

There is a difference between a first responder as a technical term and a first responder as a colleague checking to see if someone needs help. I think it is disingenuous to say that your people are not responders. If they are there, they will do something like make a phone call, if they can.

Nathan Anderson:

Union Pacific Railroad has spent over \$2 billion implementing its own communications system along our right-of-way, using a combination of cellular, line-of-sight radio, and GPS technologies as part of the mandate of positive train control. Positive train control addresses one of the issues you brought up.

The other question was the simple ability of one crew member to ask another crew member, "Are you okay?" That would certainly be the normal thing to do in a situation where there is more than one person when an incident occurs. The call-and-response of positive train control simulates, to some degree, that constant check, the feedback loop.

You also asked about incident response. Our crews are not trained or in the position to leave the cab and be a firefighter or deal with a hazmat spill. They call dispatch, who will call the hazardous response team or contact local first responders as close as they may be—understanding that our tracks across northern Nevada are in extremely rural areas.

Assemblywoman Spiegel:

My understanding is that the engineer is supposed to stay in the cab at all times, and that the second crew member has the ability to see what else is going on along the train. Is that correct?

Nathan Anderson:

Fundamentally, that is correct.

Assemblywoman Spiegel:

What happens if there is—not necessarily a major catastrophe or a derailment, or something like that, but some sort of an issue somewhere down the train and there is no second person to check on it?

Nathan Anderson:

That is why we are not asking for a one-person crew today. There is not an acceptable solution to that problem.

Assemblywoman Spiegel:

The key word of your answer was "today."

Assemblywoman Bilbray-Axelrod:

Piggybacking off what my colleagues said, I have a hard time believing that if there was a fire, a crew member would not use a fire extinguisher. None of us is trained to be first responders, but instinct would cause us to attempt to help.

I am curious about the contracts you have in Nevada currently. Are crew sizes part of the collective bargaining agreement we currently have in Nevada?

Nathan Anderson:

Yes, there are crew size specifications in the contracts that were negotiated in the region that Nevada falls into. To clarify, the contract that has been negotiated has a minimum crew size of two

Chairman Carrillo:

Are there questions from any other Committee members? [There were none.] Is there anyone else in opposition to <u>S.B. 427 (R1)</u>?

Mark Fiorentino, representing Burlington Northern Santa Fe Railroad:

Our opposition to the bill is summarized by what you have heard. I would like to take a moment to say it in a slightly different way, to give you a different way to think about it.

It is fair to ask if the current standard is two-person crews, everybody has two-person crews, and we have been using two-person crews forever, why can we not have a law that says two are required? The fundamental concern with it is that it limits the flexibility to address different circumstances and changing conditions. A lot of factors go into the safety of a train; obviously, the size of the crew is one of them, but it is not the only thing. The length of the train, the experience of the operators, the cargo it is carrying, and the geography of where the train is all contribute to the safe operation of the train. Our position is that the best way for us to maximize the safety for everybody involved is to work together. The railroads work together with all their employees through the collective bargaining process to address all the different components of safety in one unified discussion. That is what we currently do. That is what we have been doing for a long time. It appears to be working, as shown by some of the statistics you have been given, although there are always accidents.

Maybe it is not a big deal if you only look at this one law. So what? Nevada will say you have to have two-person crews. Remember—the way the federal law works, we have to negotiate a federal contract that applies nationally. Let us say Nevada states we must have two crew members, but Utah picks a different component of safety—saying trains can be no longer than four cars. That is the risk and danger for us. Now you are taking a process that has been working, addressing all those issues with all of our employees nationally, putting all those components of safety together and coming up with a schematic that works for different circumstances. You begin to limit our ability to do that through a process that has worked for a number of years. That is just a different way to look at it, answering your question: If the standard is two, why do you oppose having two in the law? Please do not ask me any technical questions about the safety of the trains. I would need to call the others back up if you do.

Tray Abney, Director of Government Relations, The Chamber, Reno-Sparks-Northern Nevada:

The Chamber will always oppose any kind of government mandates on crew levels or staffing levels. We think this should be a decision between the railroads and the unions, especially with corporations involved in interstate commerce. Our time zones exist because of the railroad industry. They span multiple states and jurisdictions. To have a patchwork of different laws like this would make it very difficult. We do not want to tie them to current technology as we go into the future. That is why we oppose this bill.

Tyre L. Gray, Las Vegas Metro Chamber of Commerce:

I echo the comments that have already been made here. The issue with this bill is a staffing mandate. As technology improves, we know that businesses have to be flexible and be able to change and evolve. First, having a staffing mandate is a cause for concern. Second, there are concerns regarding interstate commerce. As you know, trains pass from jurisdiction to jurisdiction. If there is one requirement in Jurisdiction A, another Jurisdiction B, and another in Jurisdiction C, it creates complications. As Assemblyman Fumo pointed out, this is an issue that can be addressed at the federal level and, most likely, probably should be.

Chairman Carrillo:

Is there anyone else in opposition? [There was no one.] Is there anyone neutral?

Peggy Lear Bowen, Private Citizen, Reno, Nevada:

I do not want you to get on the wrong track, but I know a little bit more history. When I chaired the Nevada Indian Commission, we held hearings regarding using trains to carry nuclear waste to Nevada for disposal. Every state in the Union had turned down having the disposal site, so using Indian land was being considered. We held meetings in McDermitt—it had been suggested that nuclear waste be stored there on aboveground platforms that were near the water supply, before being transferred by train to Yucca Mountain. I want you to remember that it was Indian country that blocked the trains from bringing nuclear waste to Yucca Mountain after it had been suggested by the new chair of Fallon or Schurz that trains carrying waste pass through their land. In northern Nevada, the chair's name, address, and phone number were released so people could contact her about

nuclear waste being transported across the state. Within about 45 minutes, a news announcement was made that the chair had reconsidered and Indian land was not a good avenue for trains carrying nuclear waste to pass. I just thought you should be aware of that type of history.

I also served for about ten years on the Citizens Advisory Board for the City of Reno. We looked at a policy firefighters have in their national standards. They require that work be done in pairs—two firefighters go in a house, and two remain with the fire engine. This allows firefighters to consult with their colleagues so nobody is left alone in a dangerous situation. When you have a big train moving, with tons of cargo, carrying whatever going through wherever—it is nice to have a physical backup, someone to ask not only if you are okay, but what can I do while you are doing that? It is a standard and I want to compliment you for having this bill on record.

In austerity, there are measures—cutting costs, negotiating down for this bean counter way of saving money—that put lives in danger. If you pass this, you will have a law in place that says we will not allow the standard to be less than that of safe. We are putting this on the books now so that the railroads can negotiate their hearts out, but in Nevada they are not going to cut costs and decide how many lives can go so that we can have one person on the train instead of two.

Those are just thoughts I had for the moment. I think you are wonderful. You are the best legislative session I have been through in years because you move with heart intent to make the state a better place. Thank you for all you do.

Chairman Carrillo:

Is anyone else neutral? [There was no one.] Are there any closing comments?

Randy Soltero, representing Local 720, International Alliance of Theatrical State Employees and Moving Picture Technicians, Artists and Allied Crafts of United States and Canada:

I had not planned on becoming engaged in this discussion this evening, but wanted to bring something up that was brought to my attention by some of the folks engaged in the collective bargaining process with the railroads. I have the table of contents and index of the Union Pacific Railroad Company for the territory of the Salt Lake hub and Portland hub zones 1, 2, and 3. This is a collective bargaining agreement between Union Pacific and the Brotherhood of Locomotive Engineers and Trainmen. It was pointed out to me that nowhere in this document did it talk about train crew size as having been collectively bargained. I did not believe that, even though the one who told me that is someone who is very familiar with this contract. As a result, I took a look for myself. I looked at every line that is in this index of the contract. The contract talks about everything from vacation to rates of pay; it talks about dues, different understandings, and working conditions. It does not address any crew size requirement.

I came up on this portion. I appreciate your indulgence, because during the hearing there was testimony that this is a collective bargaining issue. Crew size is not collectively bargained. Other states are making similar laws. This is a safety issue and has always been about safety; it is about keeping people in Nevada and surrounding states safe. I do not know how it has morphed into a collective bargaining issue—you are not legislating collective bargaining. It does not exist. This bill is about safety.

Fran Almaraz:

First of all, I want to apologize to you because I am not a train person. I was asked to help present this bill because the men who brought this bill and are passionate about it had to work. I am sorry that I cannot answer all of your questions; however, I do have some things that I would like to remind you can be found on the Nevada Electronic Legislative Information System (NELIS). There is a copy of a survey that was done on two-person crews (Exhibit F). I would like you to look at that.

There is a copy of a letter that was sent from the Nebraska Public Service Commission addressed to the Administrator of the Federal Railroad Administration (Exhibit G). There is a sentence on the second page that says, "The State Commissions encourage the FRA to move quickly to adopt its two-person minimum crew size proposal, which we believe is critical to rail safety."

We have heard testimony that the railroads are not moving to one-person crews. We are happy about that; however, in many states it is being discussed. As technology improves, the rail people want to go to a one-person crew. We do not feel that is safe. We think two people need to be there to ensure the safety of the engineers and the public. I will quote from a *Trains* magazine article [written by Bill Stephens], E. Hunter Harrison, chief executive officer of CSX Transportation, states. "But today to take a 20,000 ton train on line of road with one person, I don't think it's good business," citing safety concerns and the value of an extra set of eyes and ears in the cab. Plus, he said, it would pose unacceptable delays when a lone crew member has to contend with a broken air hose or a knuckle failure.

No one disagrees with the present safety of our trains and the innovations made to ensure that safety, but we are concerned with public safety. One-man train personnel is not a safe environment, for the engineers or the public. We ask you to please support S.B. 427 (R1).

Chairman Carrillo:

Who were you quoting, and who is he?

Fran Almaraz:

He is the CSX Transportation chief executive office, E. Hunter Harrison. It was from a transportation magazine. I can leave the article with you.

Chairman Carrillo:

When a CEO, rather than someone from labor, says that, it has a whole different effect.

Alfonso Lopez:

I just want to make one point completely clear. <u>Senate Bill 427 (1st Reprint)</u> is solely about safety—for all your constituents, for every resident of Nevada. I urge you to be proactive, instead of reactive. Do not wait for a catastrophe before you change the law, similar to what happened at the MGM Grand Hotel in 1980. A lot of innocent people lost their lives in the big fire. After that happened, the legislature stepped up, but lives had been lost. We can do something here to be proactive and to save lives in the future. The bottom line is, it is all about safety. "A crew of not less than two persons" is all we are pushing for in this bill.

[Items submitted but not discussed will become part of the record: legal brief of Lawrence Mann, dated February 16, 2017, submitted by Fran Almaraz, representing the Brotherhood of Locomotive Engineers and Trainmen (Exhibit H); written testimony of C.R. (Rod) Nelms, submitted by Fran Almaraz, representing the Brotherhood of Locomotive Engineers and Trainmen (Exhibit I), and a legal memorandum titled, "The Proposed Legislation Does Not Impose an Undue Burden on Interstate Commerce," submitted by Fran Almaraz, representing the Brotherhood of Locomotive Engineers and Trainmen (Exhibit J).]

Chairman Carrillo:

I will now close the hearing on <u>S.B. 427 (R1)</u>. At the request of Assemblywoman Spiegel, we are in recess. [The Committee recessed at 8:46 p.m. and reconvened at 8:47 p.m.] We will now take public comment.

Peggy Lear Bowen:

There are signs on this table that say, "It is unlawful to knowingly misrepresent any fact when testifying or otherwise communicating to a legislator." It then lists NRS 218E.085. I think you should listen and let people know. There were some signs that appeared in some of the Assembly rooms that said that you are under oath when you testify, and if you need to be, put under further oath, so that you are sure to get the correct information—without omission, without anything else. People need to be put on record when they testify and say this is what is negotiated in contracts that it is, in fact, negotiated in contracts so that you know issues you are hearing and in what capacity and context you are hearing them. Tell people you want to be told the truth the whole time, all the time, and not skip any of the time—including the testimonies you heard today if, in fact, what was presented at the end indicated that something you heard earlier was maybe not the whole truth, all the truth, or any part of the truth regarding whether this is a safety issue or not.

Chairman Carrillo:

As there is no one else here for public comment, we are adjourned [at 8:49 p.m.]

	RESPECTFULLY SUBMITTED:
	Joan Waldock
	Committee Secretary
APPROVED BY:	
11110 122 2 1	
Assemblyman Richard Carrillo, Chairman	-
DATE:	

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.

Exhibit C is the written testimony of Ron Kaminkow, General Secretary, Railroad Workers United, present by Fran Almaraz, representing the Brotherhood of Locomotive Engineers and Trainmen regarding Senate Bill 427 (1st Reprint).

Exhibit D is the written testimony of Jason T. Doering, Nevada State Legislative Director, Sheet Metal, Air, Rail and Transportation, given before the Senate Committee on Finance, May 2, 2017, presented by Alfonso Lopez, Organizer, Compliance Officer/Public Works, Sheet Metal, Air, Rail and Transportation Local Union No. 88.

<u>Exhibit E</u> is a copy of a chart titled "Safety Has Improved as Crew Size Has Been Reduced," in opposition to <u>Senate Bill 427 (1st Reprint)</u>, prepared by the Federal Railroad Administration Office of Safety Analysis, submitted by Nathan Anderson, Director Public Affairs-Corporate Relations, Union Pacific Railroad, Salt Lake City, Utah.

Exhibit F is a copy of a December 2015 study, titled "Two-Person Crew, Combined Survey Results," authored by Dean Mitchell, Consultant, DFM Research, Saint Paul, Minnesota, submitted by Fran Almaraz, representing the Brotherhood of Locomotive Engineers and Trainmen.

<u>Exhibit G</u> is a copy of a letter dated June 14, 2016, from the Nebraska Public Service Commission, to the Secretary of Transportation, and the Administrator of the Federal Railroad Administration, submitted by Fran Almaraz, representing the Brotherhood of Locomotive Engineers and Trainmen.

Exhibit H is a copy of a letter and legal brief, dated February 16, 2017, authored by Lawrence M. Mann, submitted by Fran Almaraz, representing the Brotherhood of Locomotive Engineers and Trainmen.

Exhibit I is a copy of written testimony in support of Senate Bill 427 (1st Reprint), authored by C.R. (Rod) Nelms, private citizen, submitted by Fran Almaraz, representing the Brotherhood of Locomotive Engineers and Trainmen.

Exhibit J is a copy of a legal memorandum titled, "The Proposed Legislation Does Not Impose an Undue Burden on Interstate Commerce," submitted by Fran Almaraz, representing the Brotherhood of Locomotive Engineers and Trainmen.