

**MINUTES OF THE  
SENATE COMMITTEE ON TRANSPORTATION**

**Seventy-ninth Session  
February 23, 2017**

The Senate Committee on Transportation was called to order by Chair Mark A. Manendo at 8:06 a.m. on Thursday, February 23, 2017, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Mark A. Manendo, Chair  
Senator Kelvin Atkinson, Vice Chair  
Senator Don Gustavson  
Senator Scott Hammond  
Senator Patricia Farley

**STAFF MEMBERS PRESENT:**

Michelle Van Geel, Policy Analyst  
Darcy Johnson, Counsel  
Debbie Shope, Committee Secretary

**OTHERS PRESENT:**

Rosemary A. Vassiliadis, Director, Department of Aviation, Clark County  
Dean E. Schultz, Executive Vice President/COO, Reno-Tahoe Airport Authority  
Terri L. Albertson, Director, Department of Motor Vehicles  
Sean P. McDonald, Administrator, Division of Central Services and Records,  
Department of Motor Vehicles  
Dawn Lietz, Administrator, Motor Carrier Division, Department of Motor  
Vehicles  
Bob Ostrovsky, 3M Company  
Roy Baughman, Lieutenant, Coordinator, Motor Carrier Safety Assistance  
Program, Nevada Highway Patrol, Department of Public Safety  
Paul J. Enos, CEO, Nevada Trucking Association

CHAIR MANENDO:

We have some presentations and will start with Ms. Vassiliadis.

ROSEMARY A. VASSILIADIS (Director, Department of Aviation, Clark County):

I will be discussing my presentation, McCarran International Airport Update ([Exhibit C](#)). Over 60 years ago, McCarran International Airport looked like it was out in the middle of nowhere. In 1955, the airport handled 89,000 passengers; now, we handle 134,000 passengers daily. Page 3 of [Exhibit C](#) shows the airport today. It has two unit terminals, a complicated roadway system, four runways and several parking garages. Page 4 shows the annual passenger counts for McCarran International Airport along with the total number of employees. McCarran International Airport is ranked the eighth busiest in the United States, and ranked the twenty-sixth busiest in the world. However, the airport is actually the eighth busiest in the world for operations, which is all aircraft movement coming and going.

McCarran International Airport is the second busiest in the world for origins and destinations. People are coming to and leaving from the airport, not transferring through the airport. Every year, 85 percent of the more than 47 million passengers use almost every part of the facility. When people arrive at the airport, they are using the roadways, the curbs and ticketing. When people leave, they use the gate areas, the concessions, the restrooms, baggage claim and then use the curbs again, with a variety of transportation choices. It is something the Department of Aviation has to keep in its formula each time it looks at its capital plan for what is needed for the airport.

While the Department of Aviation falls under Clark County, it operates as a self-sustaining enterprise fund. What that means is the airport does not use any State or local dollars. Money is raised through fees, concessions, advertising and things of that nature. The aviation system generates an annual economic impact of almost \$30 billion.

The Clark County Department of Aviation's success is having a formula of partnerships that are listed on page 7 of [Exhibit C](#).

The Clark County Department of Aviation received many pilot programs from the federal government. The Federal Aviation Administration (FAA) supplied a grant that was used towards our Next Generation Air Transportation System tower. McCarran International Airport is using checkpoint messaging. The

transportation security officers will no longer be explaining what the rules are at the checkpoint; they are doing it in an entertaining style. The Clark County Department of Aviation was able to utilize this system at U.S. Customs and Border Protection. When the airport opened the new facility in Terminal 3, the greeting was customized to Las Vegas style. That is now catching on at all airports, because after a long flight, people do not need to see someone in a uniform telling them what to do. It can be handled the same in a warm and welcoming way.

Page 8 of [Exhibit C](#) shows our 30-year history. In 2007, McCarran received its peak of 47.7 million passengers. The Department believes it will break the record this year. This past year, 2016, was the busiest post-recession year.

Page 9 shows a list of the airport's carriers. There are 13 domestic carriers and 14 international carriers, that connect to 135 cities around the world.

During the Great Recession, the airport's number of international flights grew tremendously. It is what got us through the Recession. The dollar had weakened, people came to the United States and the Department of Aviation received a large share of the windfall. The Las Vegas Convention and Visitors Authority has a goal for growth of total visitation. It was originally 20 percent, now it is up to 30 percent and is at 16 percent of the total visitation. The important statistic is in 2003, it was 9 percent. To grow that much in that period of time is remarkable.

International travelers have different needs. The Department wants to ensure their experience at McCarran is pleasant.

Canada is our No. 1 international market, followed by Mexico and then Great Britain. The international passengers love all the nearby natural beauty, such as the Grand Canyon and Mount Charleston. The Department ensures that Lake Tahoe is marketed as one of the most beautiful places on earth.

Page 11 of [Exhibit C](#) shows the capital improvement projects that were done over the last five years. The Department of Aviation is concentrating on how to make things smoother and more efficient. All the airfield projects are designed for when the airplanes land, they can get off the runway to keep efficiencies going. We do utilize the Project Labor Agreement (PLA) and the Construction Manager at Risk (CMAR) methods, and they have both been successful for

construction projects at the airport. The Department uses CMAR for the critical operating areas. It is difficult to renovate inside airports. If you have been through McCarran International Airport lately, improving ticketing has been an interesting project, but worth it and much needed. It will be ongoing, to re-design if needed, and not bring a project to a halt or have an operating area out of service longer than necessary.

The PLA is used for larger complicated projects such as renovating the runway and changing it to concrete. Because of the type of concrete pours and the weather, the PLA gives us the expertise to adjust to conditions. Both runways were done, one-half at a time, and both came within budget and under the time frame.

In Nevada, we have many discretionary passengers who choose to come here, so the Department of Aviation created McCarran at Your Service. What changed were the uniforms at the airport to make them more pleasant and identifiable; we added more training; and all airport staff members go out of their way to meet and greet passengers.

The Department of Aviation is a community partner and sponsors several programs. We partnered with the Clark County school district and we had a back-to-school drive in which both the airport and County participated. There are two United Service Organization lounges at the airport to accommodate the soldiers. Our employees can be a part of the Community Enrichment Team that is another term for our volunteer programs. The last partnership is with the Boys and Girls Club. The Department brings the Boys and Girls Club summer kids into the airport and has a competition with paper airplanes in what is called the Paper Plane Palooza. We are also partnering to address human trafficking and autism awareness.

The Department also offers diverse business opportunities for retail food and beverage services. The Department waits until there are two or three inquiries for a concession, and then holds a workshop to teach them how to fill out a request for proposal opportunity. The workshop explains what it is like and what they need, because we want them to be successful.

The Department of Aviation owns and operates the five airports listed on page 13 of [Exhibit C](#). McCarran International Airport is the commercial airport. North Las Vegas Airport and Henderson Executive Airport are what we call

reliever airports where smaller aircraft land. Jean Sport Aviation Center is where aviation enthusiasts, such as gliders and parachutists land. Perkins Field is in Overton and has less traffic. There are new businesses there for jumpers and people who parachute. We keep that activity off McCarran International Airport because of airspace. Airspace is restricted as it is adjacent to the Department of Defense facilities and Nellis Air Force Base. Like Reno, we have very high mountains, and try hard to keep the airspace at McCarran International Airport for commercial use and entice all other air activities to the other facilities.

Cargo is not a big business at McCarran International Airport. The Las Vegas area does not have much manufacturing. Things are shipped in, but there is not much to be shipped out. Those airlines are not going to make any money flying one way. The commercial airliners did take advantage of the Great Recession and enticed a lot of city-to-city cargo in the bellies of their aircrafts. The Department of Aviation does not invest in these but does monitor them.

The Department of Aviation worked with the Southern Nevada Tourism Infrastructure Committee (SNTIC) for siting the National Football League-caliber stadium, per the executive order by the Governor. The stadium site, right now, is at Russell Road and Interstate 15 and has minimal impact on the airport. If for some reason that site does not work, the Department will keep on working in a collaborative manner with SNTIC for a new site. On page 19 of [Exhibit C](#) is a white paper for this project. The Department of Aviation did go on record with all the mitigating factors a stadium could have on an airport, depending on the location.

The Department of Aviation has a second site for a commercial airport off Interstate 15 about 5 miles north of State Line, which is called Ivanpah. In the late 2000s, the site was preserved and was put on hold. In the early 2000s, when the town was booming, it was determined Las Vegas did need both airports. The Department has an obligation to the airlines to maximize McCarran International Airport. McCarran had efficiencies in the airspace and continues to work on more airspace.

It would be \$10 billion or more to develop Ivanpah. The airlines cannot absorb that much to build an additional airport. McCarran International Airport did get the airlines to absorb costs for the Terminal 3 project, which was \$2.4 billion. The Department of Aviation will have to get creative when the time comes to build Ivanpah.

There was a recommendation from SNTIC for long-term redundancy for aviation, which is a legislative item. The Governor's recommendation is to create a subcommittee. The Department of Aviation has one line for Jet A fuel into southern Nevada. When there are issues in California like power outages, floods and mudslides, McCarran gets impacted. A new fuel line is long-term, but is something that needs to be addressed. The second point is surface movement in and out of the airport. Las Vegas could be gridlocked with special events such as a fight weekend. The Airport Authority collaborates with the Las Vegas Strip and the Las Vegas Convention Center to try to prevent backup.

Lastly, as the industry grows for the unmanned aircraft systems (UAS), the Department wants to ensure the State takes advantage of the economic benefits that industry could provide as a test site for the State.

CHAIR MANENDO:

I have noticed when you go into McCarran, there is some construction. I am unsure which airline is remodeling its baggage area and check-in. Can you explain what is happening in this location?

MS. VASSILIADIS:

The Department of Aviation is completely redoing the entire ticketing area on Level 1. It needed to be refurbished in all aspects. Ticket counters are being replaced, the floors, the back, more natural lighting is being added and the sky cab podiums are being updated. The security node systems that are behind the walls, as Transportation Security Administration approved a couple of years ago, are being updated as well. It is a checkerboard while the Department of Aviation completes the projects.

CHAIR MANENDO:

Do you have an estimated time for the project to be completed?

MS. VASSILIADIS:

Completion will be the end of this calendar year.

CHAIR MANENDO:

On the list of legislative items, [Exhibit C](#), page 16, I see there is surface movement within the airport and the Las Vegas Strip and the Las Vegas Convention Center corridor. Has there been discussion about light rail transit?

Ms. VASSILIADIS:

Yes, there has been a lot of discussion, and we are hoping to see an action plan.

SENATOR ATKINSON:

Where is the economy parking lot? It was originally located by the transportation network company (TNC) staging area, but it has moved.

Ms. VASSILIADIS:

The TNC staging area shares part of the economy lot. With the growth of the TNCs, the Department of Aviation moved the staging area to the western portion of the lot. If you missed it, then the signage may not be adequate and it will be looked at again.

CHAIR MANENDO:

How are you controlling the TNCs? There are people that arrive at McCarran International Airport and call for Uber or Lyft, and they are not going through the correct process. The people will meet one of the TNCs somewhere and bypass the fees. How is your organization monitoring it when nothing is identifiable?

Ms. VASSILIADIS:

It is labor-intensive management, but we hope it is working at the Airport. There are designated areas for staging pickups and the routes they are to use. The Department of Aviation randomly checks to ensure the passengers and drivers are following the rules. The airport has its own geo-fence system so they can be tracked, and it is audited once a month. The Department of Aviation staffs the staging and the pickup areas. The parking spaces are numbered in the pickup area. The demand is there and we have to provide it for our customers.

CHAIR MANENDO:

We have a bill draft request (BDR) for Committee introduction. This is a priority of the Southern Nevada Forum. It will create a Legislative Committee on Transportation that was discussed during the last Legislative Session.

**BILL DRAFT REQUEST 17-529:** Creates the Legislative Committee on Transportation. (Later introduced as [Senate Bill 207.](#))

SENATOR HAMMOND MOVED TO INTRODUCE BDR 17-529.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

DEAN E. SCHULTZ (Executive Vice President/COO, Reno-Tahoe Airport Authority): I have a presentation about the Reno-Tahoe Airport Authority ([Exhibit D](#)). The Reno-Tahoe Airport Authority is an independent airport authority created in 1977 by the Nevada Legislature. The Airport Authority's sole purpose is to own and operate the Reno-Tahoe International Airport and the Reno-Stead Airport for the benefit of the northern Nevada region. Page 2 shows the number of airlines serving the Reno area. The appointments for the board members are also displayed on page 2.

The Reno-Tahoe Airport Authority is financially self-sufficient and an independent authority. Page 3 describes how revenues are generated for the Reno-Tahoe Airport Authority. The Airport Authority maximizes the non-airline revenues and diversifies our revenue sources to keep the costs to the airlines low to attract more air service.

As Ms. Vassiliadis stated, the international airports are little cities unto themselves. The Airport Authority has its own police department, its own fire department, human resources, accounting, engineering, etc.

Page 4 of [Exhibit D](#) shows the number of passengers and nonstop departures. It also shows the number of employees at the airport. As with Las Vegas, the Airport Authority works with entities in partnerships as well. Although customer service is extremely important to us, safety and security are the top priorities. The Airport Authority wants to ensure the experience is a safe and secure operation for all of our customers.

The airport's economic impact was analyzed by the University of Nevada, Reno (UNR) College of Business a couple of years ago. The numbers for the economy are displayed on page 5. They determined the airport has a \$2 billion annual economic benefit for Washoe County. To make the numbers more understandable, the Airport Authority asked UNR to give it something that could be equatable. The result is each 737 jet that lands at the airport typically



generates approximately \$100,000 worth of economic benefit for the community on a daily basis. Additionally, there are 22,000 jobs generated through the activities at the Reno-Tahoe International Airport.

The Reno-Tahoe International Airport's flight paths are shown on page 6 of [Exhibit D](#). The Airport Authority would like to see more solid red lines on the map. It is a top priority of ours to enhance the air service capabilities in and out of the airport.

Page 7 of [Exhibit D](#) shows although we declined nearly 35 percent in passenger volumes as a result of the Great Recession, over the last 18 months, the Airport Authority has had success adding back lost service, as well as adding a number of flights to new locations.

Page 8 shows our passenger volumes over the last 16 years; 2015 was the first year we started to experience a recovery from the Great Recession. The airport's highest growth increase since 2004 was in 2016. The airport is still short of prerecession levels of activities.

With the Great Recession, cargo services were not as negatively affected as passenger service. The airport did have a year or two of decline in 2008 and 2009; however, by 2010, cargo activity has been growing consistently at or above the national average. In 2016, there was a 13 percent increase, helping the airport to achieve its all-time high in terms of cargo activity.

Since the beginning, the Reno-Tahoe Airport Authority has been actively supportive of the State's efforts in UAS testing and safe integration into the national airspace. The Airport Authority shares the same concerns as Ms. Vassiliadis that it is done safely. There is significant economic benefit to be gained from participating in this new evolving industry. Reno-Stead Airport has over 5,000 acres of land, which allows the Airport Authority to support UAS testing without interfering with the main activities at the airport. At the top of page 10, the blue rectangle and blue circle are the areas the Airport Authority has performed UAS testing. The primary runway is the east-west runway shown at the bottom of the page. Supporting UAS testing gives the Airport Authority an opportunity to bring companies to the region. One day, they may bring their business to, or expand in, our region for long-term economic development. It was the driving force for participating in the UAS testing.

The chart on page 11 of [Exhibit D](#) is the FAA's road map to UAS integration. Starting in August of 2016, the FAA made its move to the second phase of integration. There is a long way to go in the process, which we hope will translate to more economic development and more opportunities.

The Airport Authority hosted the National Aeronautics and Space Administration (NASA) demonstration of unmanned traffic management software development that is being worked on for the FAA. It was hosted at the Reno-Stead Airport. The critical point, in addition to being there, NASA brought ten of its private sector collaborators to the demonstration to test aircraft platforms, software and beta storage systems. It was an opportunity for us to highlight the region to private sector companies. The Airport Authority is working with and operating under non-disclosure agreements with three companies to do UAS testing. They are companies in the e-commerce, multinational retail and convenience store chain businesses. Their anticipated plans are to develop UAS for delivery.

The Airport Authority is also well connected with the industry in terms of hosting conferences and working with the FAA. Our CEO, Marily Mora, was appointed to the FAA Drone Advisory Committee. That Committee has a subcommittee, and I have been appointed to that subcommittee. We are both integrated into the national discussion on UAS. Page 13 of [Exhibit D](#) shows the Drone Advisory Committee which has 35 members. The CEO of Intel chairs the Committee. The subcommittee has 71 members of similar stakeholders. In January 2017, the Reno-Tahoe Airport Authority hosted the latest Committee meeting with nearly 200 people in attendance at the UNR student union building.

The Airport Authority understands it serves as an economic engine for the northern Nevada region, and it takes the responsibility seriously. On page 14 is a list of some areas in which the Reno-Tahoe Airport Authority has been recognized as an industry leader. For the last 30 years, the Government Finance Officers Association has recognized the Airport Authority for its financial statements and budget documents.

One of the activities and amenities the Airport Authority provides is the Paws 4 Passengers program. You may have seen we have a group of dogs that come up to you to offer an opportunity to alleviate a little stress. Another is the Kindness Takes Flight program where staff volunteers go and engage with customers. On National Compliment Day we engage our customers with random

acts of kindness. The Airport Authority is proud of, and supports, the veterans on flights. The Airport Authority has done a number of Honor Flights over the years and looks forward to doing more before the year is out.

Our Board recently adopted a general platform of primary legislative priorities, shown on page 15 of [Exhibit D](#). There is a solar farm on the airport that supplies all of the energy to the fire station. The Airport Authority looks to other opportunities to expand on it. Air service is a top priority. We support UAS, if done in a safe and thoughtful way. Lastly, the Airport Authority would oppose or lobby against any additional relaxation of gun laws in the airports. Airports are not appropriate places to have more guns. The Airport Authority would prefer not to expand those laws as they currently exist.

SENATOR FARLEY:

When I travel with my kids and arrive at Reno-Tahoe International Airport, my kids ask me if the dogs will be there or if I know the dogs' schedule; they get excited. For families and kids, it is welcoming, and it gives them something to look forward to when they arrive at the airport. It is a good program.

MR. SCHULTZ:

The Airport Authority will continue that program and continue to expand it. It is an all-volunteer program. The people that you are interacting with are the heroes.

SENATOR HAMMOND:

You specifically mentioned your involvement with the UAS program and expanding it. What policies and procedures are in place when you have a crash of a vehicle? What does the Airport Authority do with the vehicle? How do you store the vehicle? How do you take care of any problems that might occur because some UAS have corrosive material? What does the Airport Authority have in place?

MR. SCHULTZ:

Fortunately, we have not had a significant number of crashes, but for those that do, the Airport Authority cleans up the site. Testing is done in the desert, and the vehicles are relatively small at this time. The largest vehicle operated had a six-foot wingspan. Accidents are documented per FAA rules. There are safety plans and concepts of operations in place to address how the accident will be

recorded and cleaned up. In general, the owners take the vehicles back to their facilities.

SENATOR GUSTAVSON:

The Airport Authority will oppose any effort to allow the public to carry firearms on airport property. Right now, it is legal to open carry in any unsecured area of the airport. I do not recommend people doing so because it makes people very nervous and uncomfortable. I am not sure what laws you were referring to relax other than concealed carry permits. If you do carry concealed, you are not going to offend anyone. Right now, if you carry a firearm in a locked container at the airport you have to stow it as baggage. When you arrive at your destination, you can retrieve it at the baggage claim area, because carrying a concealed weapon is illegal. Correct?

CHAIR MANENDO:

Can you discuss how that process works?

MR. SCHULTZ:

Currently, concealed carry is illegal or prohibited at airports; however, open carry is permitted. The Airport Authority is not necessarily speaking to any particular bill or bill draft request that has been submitted thus far. It is the Airport Authority's general position to prohibit guns at the airports in the public areas. The reason is should an incident take place, it would be very difficult for airport police officers to determine who may be the bad actor or the good actor in a situation. It is the Airport Authority's position that innocent people could get hurt. That is the reasoning for generally opposing guns in the airports.

SENATOR GUSTAVSON:

It makes sense to me if a person were going to be allowed to carry a weapon as they are now at the airport, it would be much better if they had it concealed. There may be a bill coming up as last time.

MR. SCHULTZ:

The Airport Authority will likely be testifying if such a bill or language were to come forward. I agree with what you are saying about the perception, but our issue is more in the event of an incident. That is where the problem lies.

TERRI L. ALBERTSON (Director, Department of Motor Vehicles):

I am presenting the Overview of the Department of Motor Vehicles (DMV) ([Exhibit E](#)). The DMV is comprised of eight divisions. There are eight counties that serve as agents for the Department. The Department has 1,269 authorized positions and 18 offices statewide.

The funding structure for the DMV is primarily through Highway Fund appropriations, fees, transfers from internal budget accounts, cost allocations and reimbursements. The Department collects in excess of \$1.3 billion in revenue each fiscal year.

Page 4 shows the revenue that the Department collects and how that revenue is distributed to various counties, schools, the Highway Fund, the General Fund, etc.

The Department does have some housekeeping bills that will be coming before your Committee this year. They are listed on pages 5, 6 and 7 of [Exhibit E](#).

There is a bill draft request that is the Department's only enhancement for our system modernization effort shown on page 7. What the Department is hoping to accomplish here is the ability to provide for a 10 percent holdback for payments. The Department could also balance forward encumbered funds, due to implementation timing and budget authority.

One of the major initiatives in the Governor's Executive Budget is a provision for a new DMV office in Reno. Approximately 300 customers line up every day around the DMV building in Reno. The population of Washoe County has more than doubled since the office on Galletti Way was opened in 1979. All of Washoe County continues to be served by only one main DMV facility. Parking is a major issue for both customers and employees. The graph on page 9 of [Exhibit E](#) represents the correlation of parking spaces to the number of customers and DMV employees.

CHAIR MANENDO:

Where are people parking?

MS. ALBERTSON:

Customers are parking in fire zones, fire lanes, and disabled persons parking spaces without appropriate placards.

CHAIR MANENDO:

There is no land adjacent to this facility?

MS. ALBERTSON:

There is some, but it is not close. It is down the street and across the railroad tracks in a dirt lot. It is not safe for customers to walk that distance. What is happening at the facility is customers and employees drive around the parking lot waiting for people to come out of the building. They follow them to their vehicles, sit and wait with their blinkers on, waiting for them to drive away. I have been to the Reno facility and experienced this myself. Employees do not leave for lunch because they are not sure they will find a parking spot when they return. The employee can be reprimanded for being late returning to work due to parking issues.

CHAIR MANENDO:

After all this time, it was never addressed?

MS. ALBERTSON:

The Reno facility was built in 1979 when the population was approximately 178,000. Washoe County is now projected to be over 400,000.

CHAIR MANENDO:

There is no land around that area that can be purchased?

MS. ALBERTSON:

No, the Department has land that was purchased in 2005 off South Meadows Parkway, between Double R Boulevard and Double Diamond Parkway. The Department has been sitting on the land all of these years. The Department is proposing to build the new DMV building as a one-stop shop.

CHAIR MANENDO:

How far away is this new location from the Galletti Way site?

MS. ALBERTSON:

It will be approximately a five-minute commute from the current location to the new location with the expansion of Veterans Parkway.

CHAIR MANENDO:

What will you do with the current building?

MS. ALBERTSON:

The Nevada Department of Transportation has indicated an interest in assuming the facility for one of its programs.

SENATOR GUSTAVSON:

The DMV did have a couple of express offices in the Reno area for a few years, which did help. When the Great Recession hit, budgets were cut, and that is the reason those offices were closed. They were very useful for quick, simple transactions. We spoke earlier and you mentioned that you might add one of those type of facilities up in the northern area.

MS. ALBERTSON:

Correct. I will be discussing that in my presentation. The Department believes that providing more efficient and responsive State government will reduce customer and employee frustrations and meet the growing demand in Washoe County.

When the new facility was proposed two Sessions ago, there were concerns about how the Department would service those individuals in the north that would now have to travel to the south. The Department is proposing several options. One, as Senator Gustavson stated, would be the potential for a new express office. The Department would not look for additional staffing for the express office.

The new location at South Meadows Parkway will be a main DMV facility, and will house the Emissions Lab and Referee Test facility, and the new Commercial Driver's License facility, along with existing services, improved ADA-accessible features, additional available service windows, additional restrooms and more. The parking will be approximately 450 spaces. The Department is in negotiations with one of our business partners regarding similar services as the express office, with no cost to the State. There is consideration of expanding the kiosks to meet the needs of customers who are not required to come into a main DMV facility.

CHAIR MANENDO:

Do you anticipate this facility will accommodate Washoe County residents? Will we have the same situation in 10 or 15 years with not enough parking spaces and vehicles being ticketed because we did not have a vision for the future?

MS. ALBERTSON:

When the original analysis was done for this project, all of that was taken into consideration including the demographic growth proposed for Washoe County.

SENATOR MANENDO:

The question was is this going to last 10 years, 15 years, or do you not know?

MS. ALBERTSON:

I do not know that answer. I will get that for you.

CHAIR MANENDO:

We need to get the information to our money Committees because if this is a Band-Aid for now, then we will be back here again in a few sessions because we did not plan for the future. This is where people get frustrated with government, our constituents think no one prepares for the future.

MS. ALBERTSON:

When we go for approval with the State Public Works Division, there will be more detailed information. The Department will ensure that it is available when we provide testimony on that facility.

I will talk about the DMV's divisions. The first is the Director's Office; it establishes Department policies, directs and controls operations and handles media inquiries. The Office of Administrative Hearings, as well as employee development are under the Director's Office.

The administrators are here today, and you will be seeing them throughout the Session representing their respective bill draft requests and they will be providing testimony in regard to fiscal notes and other issues. The administrators and their respective divisions are on pages 13 through 19.

Additional funding was provided by the 2015 Legislative Session, which allowed the Department to market alternate services. There was an 8 percent increase in alternative services for fiscal year (FY) 2015 and 5 percent in FY 2016 as shown on page 24 of [Exhibit E](#). The Department considers alternative services as kiosks, Web transactions on the myDMV Web portal, the Electronic Dealer Report of Sale Program and our new Las Vegas Township Justice Court pilot program. The Department has 44 kiosks statewide. We are putting in a kiosk at a new American Automobile Association office. The kiosk became a



self-funded, fee-based program in 2012. The Department completed 648,100 transactions in FY 2016. This number equates to the amount of people who did not have to go to a DMV office to complete their transactions. The myDMV Web portal had over 2 million transactions completed as of January 16, 2017. The most popular transaction on the Web portal is an address change. There was a 15 percent increase in FY 2015 and a 21 percent increase in FY 2016 on the Web portal. Over 8.5 million transactions have been conducted alternatively since 2000. Web transactions are showing a decrease while the myDMV Web portal and kiosk transactions are showing an increase. Page 24 of [Exhibit E](#) represents the upward trend.

Customer counts have been reduced due to alternative services. Average customer wait times have been reduced as well. You can see the customer counts on page 25. In 2015, the Legislature approved 78 new positions for our Field Services offices to allow for 100 percent window coverage. The Department has implemented an appointment system. The appointments software is being enhanced to provide more appointments. Customers can go online, make an appointment and walk in to an accelerated line when they arrive, with no waiting.

Another alternative that was launched in January 2017 is a pilot program with the Las Vegas Township Justice Court. A court employee is assigned to the West Flamingo office. It is for customers that the Department has in common that either require a release letter or pay a fine in order to reinstate their registration or driver's licenses. Early reports show the court clerk is serving approximately 20 customers a day.

CHAIR MANENDO:

We will open the hearing with Senate Bill (S.B.) 15.

**SENATE BILL 15**: Revises provisions governing vehicle registration and license plates. (BDR 43-173)

SEAN P. McDONALD (Administrator, Division of Central Services and Records, Department of Motor Vehicles):

Senate Bill 15 revises provisions relating to replacement license plates and duplicate license plates, providing exemptions to the mandatory reissue of certain plates. I will read from my written testimony on S.B. 15 ([Exhibit F](#)).

CHAIR MANENDO:

Can you please explain the "Hunters Permit"?

DAWN LIETZ (Administrator, Motor Carrier Division, Department of Motor Vehicles):

The Hunters Permit is essentially a permit granted to someone who is looking for work. It allows for travel within the State to find opportunities. It has been changed to an unladen apportioned vehicle permit. They are unable to haul trailers or anything that appears to be interstate commerce or business. It allows them to use trucks to look for work.

BOB OSTROVSKY (3M Company)

The 3M Company is in support of this bill with DMV's recommendations. It will protect persons holding blue license plates. This bill sets forth the appropriate process to issue license plates and is much safer using modern techniques. The old license plate process was not healthy with the paints and thinners that were used; 3M Company supplies the materials; we do not produce the license plates.

CHAIR MANENDO:

We will close the hearing on S.B. 15. We will open the hearing on S.B. 31.

**SENATE BILL 31**: Revises provisions governing the registration and regulation of commercial motor vehicles. (BDR 43-141)

MS. LIETZ:

Senate Bill 31 revises procedures for the registration of a motor carrier with requirements for issuing a United States Department of Transportation (USDOT) number on intrastate vehicles. It will allow law enforcement to seize license plates of a vehicle operated on a State or federal out-of-service order. This will also allow tracking of safety ratings of intrastate carriers. Currently, interstate carriers are required to have a USDOT number for interstate commerce. An intrastate carrier is not required to have a USDOT number. This request is for both interstate and intrastate carriers to be tracked for safety. Seizure of the license plates will put Nevada in compliance under the federal Performance and Registration Information Systems Management (PRISM) program. This is part of the system modernization within the Department, which will put in checks and balances. The Department is at level one of compliance under PRISM. These proposed changes would put Nevada at level eight or the top. The ability to be

at top-level compliance is needed as the system modernization is being built. Lieutenant Baughman will talk about the roadside technicalities later.

Section 4 of S.B. 31 defines the out-of-service order pursuant to Title 49 CFR 385 and 386 which state there are several causes for placing a company out of service for safety. Under the PRISM requirements, Nevada will be able to deny, suspend, revoke and seize license plates for intrastate carriers who fall under the out-of-service orders. This will only seek to seize the plates for intrastate carriers for violations related to safety for companies deemed an imminent hazard, unfit or unsatisfactory. Interstate carriers will be subject to an out-of-service order and seizure of license plates for failure to pay their fines. There is more oversight on the federal side due to the federal requirements. Lieutenant Baughman will address this portion. All causes for the seizure of license plates will be clearly identified through regulation as provided in section 6 of the bill.

Section 5 requires intrastate carriers to register with the Federal Motor Carrier Safety Administration and obtain a federal USDOT number. The State will be able to track the safety of the companies operating vehicles in excess of 26,000 pounds.

Sections, 8, 10 and 11 require the Department, or anyone acting on behalf of the Department, to refuse registration of a company who fails to comply with the USDOT requirements or is operating a company that is under a State or Federal out-of-service order.

Section 13 requires the Department to rescind or cancel the registration if the carrier responsible for safety is subject to an out-of-service order. The carrier has the opportunity to show cause why the Department should not cancel or rescind the registration prior to the act.

Sections 14 through 17 are related to enforcement.

Sections 18 through 24 of this act add the same language to the Interstate Highway User Fee Apportionment Act found in *Nevada Revised Statutes* (NRS) 706. The first part of the bill applies to the intrastate carriers under NRS 482. The second portion of the bill applies to interstate carriers under NRS 706.

The Department has also submitted a proposed amendment to the Committee, which I will introduce after Lieutenant Baughman covers the technical portions of the bill.

ROY BAUGHMAN, LIEUTENANT (Coordinator, Motor Carrier Safety Assistance Program, Nevada Highway Patrol, Department of Public Safety):

The Fixing America's Surface Transportation (FAST) Act implementation of the federal appropriations of 2015, placed additional requirements on states to continue to receive what is called Motor Carrier Safety Assistance Grants funding. One of the requirements is PRISM, and it must be implemented by 2020, to make Nevada compliant. Nevada's Highway Patrol has been involved with the Motor Carrier Safety Assistance Program for over 35 years, and is its core foundation for commercial enforcement. The Federal Motor Carrier Safety Assistance Program is implementing the requirements to become PRISM certified. Nevada is only one of four states that has not become PRISM compliant.

SENATOR GUSTAVSON:

It seems it is all about the money rather than the sovereignty of our State. Nevada has always been a sovereign state. The federal government is encroaching on us and forcing more and more regulations. Why can we not do this statewide by using a State number or Nevada Department of Transportation number rather than a federal USDOT number?

LIEUTENANT BAUGHMAN:

The USDOT numbering system currently tracks the safety of the company for every inspection. The inspections go through the federal system now. There are 13 or 14 states that do not require an intrastate tracking number; everyone is taking advantage of the interstate and USDOT number. California used a CA number for 25 years. California has recently switched to the USDOT number for its trucks; now California intrastate trucks will have a CA number and a USDOT number. Nevada could become self-funded on this program, but it would require administrative procedures we do not have the ability to do to generate numbers and track them. The Nevada Highway Patrol (NHP) is proposing to use the USDOT numbering system to allow automatic tracking. The tracking is based on federal basic scores, such as driving, maintenance and recordkeeping. The State would use the federal system, and it would not cost the State any money. The money for the NHP is critical for running the

commercial enforcement program, which operates under the same rules NHP has been using for the last 35 years.

SENATOR GUSTAVSON:

The companies in Nevada that only move intrastate, are they already supplying this information to USDOT?

LIEUTENANT BAUGHMAN:

Right now, there is no way to track intrastate companies that do not cross the State line. The NHP Commercial Enforcement Section has the authority to inspect any truck over 26,000 pounds that is already on Nevada roads. The NHP Commercial Enforcement Section generates 2,000 to 2,200 inspections a year on trucks. The NHP does not have the ability to correlate a company's safety into a basic score or safety measurement score. By requiring a USDOT number on anything over 26,000 pounds, it will allow NHP to see a company's safety score. When a company gets a clean inspection, it does not get any points assessed. It affects its safety rating.

SENATOR GUSTAVSON:

I was questioning why this was not written to require the intrastate carriers to provide this information to DMV.

LIEUTENANT BAUGHMAN:

It would require a system which would cost money to get a Nevada Department of Transportation number and track them. Approximately 35 to 38 states are using the USDOT number system. What happens is the company proceeds to the federal system and checks the box intrastate. They could then open up operations in somewhere such as California just by changing the box from intrastate to interstate. All the paperwork, rules and regulations are the same.

SENATOR GUSTAVSON:

Apparently, the new modernization system could not handle that.

Ms. LIETZ:

The companies that are already operating interstate and have intrastate operations are using the USDOT number system as well. It stops the duplication of efforts and allows the Department to use a system that is in place and is connected to federal databases. If an intrastate carrier did not register to travel

out of state but does through a trip permit, it would allow law enforcement in neighboring states to see the safety rating as well. It is a universal system.

CHAIR MANENDO:

We will now discuss the proposed amendment.

MS. LIETZ:

I am going to review the Department's proposed amendment to S.B. 31 ([Exhibit G](#)). After the Department filed the language for S.B.31 and it was released, various stakeholders contacted us regarding some concerns on the seizure of the license plates and some other items they felt should be addressed. The amendment before you is the result of the discussions that were held.

The first changes are to sections 10 and 26, which removes the registration decal from the motor carrier apportioned and base license plates. Currently, a decal goes with each license plate, which identifies the month and year the license plate expires. Law enforcement does not use the decals on the license plates to identify a valid registration. At times, there are additional items or trailers that are hauled behind the truck and law enforcement cannot see the decal. Law enforcement relies on the registration cab card and the National Law Enforcement Telecommunications System, and validates the registration. The decals are problematic for companies to get on their trucks because when a new decal is issued, the vehicle may be based out of Nevada, but could be anywhere in the United States. Companies have requested that Nevada remove the decal, and several other states have moved to not require decals on the license plates. The changes to sections 10 and 26 would remove the decal and as an alternative, would use the same process we use for the permanent trailer license plates. Where the decal is placed, we would manufacture the plate to display PERM for permanent. The apportioned license plates would say APP, and the intrastate license plate would display NV in the decal area. This would still be an identifier, but would indicate it is a Nevada-based license plate or an apportioned license plate. The Department could be ready with it as early as July 1, 2017.

The second part of the proposed amendment is impounding the vehicle rather than seizing the license plates. This would be for companies responsible for safety and subject to an out-of-service order, but are not the registered owners of the vehicles. This primarily applies to leasing companies. Penske and the

Trucking Rental and Leasing Association contacted the Department. The companies asked not to seize the license plates for a similar reason, because getting the license plates back is problematic. The companies are asking law enforcement to impound the vehicle, rather than seize the license plates. The companies can come to Nevada, pick up the vehicle and drive away. The Department considers this a reasonable solution to the issue.

In section 29 of the amendment, the Department provided an exemption and definition for farm vehicles. It is in section 14 now, but after additional discussion, it should be in section 5 to cover the farm vehicle exemption. The Department will work with legal staff at the Legislative Counsel Bureau to have it corrected.

The last part of the amendment is increasing the registered weight of the vehicle with a holding tank for liquefied natural gas (LNG) or compressed natural gas (CNG) to conform to the new weight allowances from the federal government through the FAST Act. The amendment is found in section 25. Under the FAST Act, a vehicle that has any auxiliary tank is allowed an additional 550 pounds in excess of the 80,000 pounds they currently register. If the vehicle is a CNG or LNG, the tanks are heavier due to the weight of the fuel and are allowed an additional 2,000 pounds. What the Department is requesting is to program the system to go up to a 83,000-pound weight limit. The Department registers in 1,000-pound increments. It would allow all the CNG and LNG companies to conform to the federal standards and allow the Department to register them at that weight.

DARCY JOHNSON (Counsel):

To clarify the amendment to section 25, you are adding not more than allowed by federal law or 83,000 pounds; should that say whichever is greater?

Ms. LIETZ:

At this point, the Department wants 83,000 pounds to be the limit because there are permits that the Department sells for overweight vehicles, which allow up to 129,000 pounds. Under federal law, the Department could go to 129,000 pounds, but it has a separate permit process in place to cover those vehicles. If we put in whichever is greater, it may have some unintended consequences with the permits. The 83,000 pounds is the proposed limit, 82,550 pounds is the current maximum without the permit process.

Ms. JOHNSON:

Did I hear CNG vehicles would be allowed up to 85,500 pounds?

Ms. LIETZ:

It is an additional 2,000 pounds, CNGs and LNGs would get 550 pounds plus 2,000 pounds, which puts them at 82,550 pounds.

Ms. JOHNSON:

It is not clear in this language for what they do and what they owe if the vehicle exceeds 83,000 pounds, but it is allowed by federal law. I am not sure how to word it, and am trying to understand your intent.

Ms. LIETZ:

Although the vehicle could exceed 83,000 pounds under a permit, that is a separate process. The intent is to allow the company to register its vehicle up to 83,000 pounds if there is an auxiliary tank and operate on CNG or LNG.

Ms. JOHNSON:

Therefore, for the purposes of this section, the 83,000-pound limit applies in terms of calculating what the company is going to owe.

Ms. LIETZ:

Correct.

Ms. JOHNSON:

One additional point, because that top fee has gone up, there is a chance this will trigger a two-thirds majority vote on this bill. I will need to run it by Legislative Counsel to verify, but I believe because we are enlarging the universe of people who will have to pay this registration, and the amount is going up that they could potentially pay, it might trigger that two-thirds vote.

Ms. LIETZ:

The amount is not going up, it is still at the \$17.00 per thousand pounds, and there are a handful of vehicles that would qualify under this. I do not believe it will be much of a fiscal impact. It would be an extra \$51.00 for those vehicles allowed to go to the 83,000 pounds, but it is limited in scope.



Ms. JOHNSON:

I understand that, but anything that potentially raises the cost to the public triggers a two-thirds vote. I will run it by Legislative Counsel, and she can make the final call.

CHAIR MANENDO:

It sounds like there is still some work to be done on this amendment and bill.

PAUL J. ENOS (CEO, Nevada Trucking Association):

The Nevada Trucking Association is here to support S.B. 31. Currently, interstate carriers are transparent under the Compliance Safety and Accountability program, which is the federal structure where the safety ratings for the interstate vehicles are placed for public examination. Shippers and law enforcement can make determinations based on the input. It is a mechanism for trucking companies to see how well they are doing. The federal government uses the seven behavioral analysis and safety improvement categories (BASIC). The trucking company is rated for violations received on the seven BASICS; unsafe driving, hours of service, driver fitness, drug and alcohol compliance, hazmat, vehicle maintenance and its crash ratings. The Trucking Association is trying to create a level playing field for all motor carriers, so there is transparency across the board. From conversations with members who are intrastate carriers, they will be impacted by and are okay with this.

The DMV put in an amendment for the rental and leasing trucking companies. It is easier for them to be notified of the impound and take care of the vehicle, then be able to locate the license plates. The Trucking Association supports the amendment. It supports the decals, and the increase in weight tolerance. The Trucking Association supports a federal USDOT number instead of a separate number like California or multiple numbers because we do business in multiple jurisdictions. We would appreciate your support and believe it is a good bill.

SENATOR HAMMOND:

Your testimony centered on the idea of leveling the playing field, and that is because it was foremost in your testimony. I think you are talking about safety. The level playing field is important, but what you and some of your members agreed to was for drivers who are only intrastate. They believe the safety features of what has been established for interstate commerce was also good within the State.

MR. ENOS:

Yes, we do. The level playing field is the transparency that is out there. If I am a shipping company like Home Depot or Tesla, I can look at the ratings and can make my decision on who I am going to use, and not just base it on the rate but also on their safety record. If I am an intrastate carrier that does not have a USDOT number, that transparency does not exist. To have this information available will be a good thing in terms of safety and creating that level playing field. I hope that was clear.

SENATOR HAMMOND:

That was clear. I see it as important to note because it is about the safety on the roads.

MS. JOHNSON:

I want to make sure the new effective date, in the section at the end of your amendment, you want sections 25, 26 and 28 to pass right away and then everything else, when the system is ready. I just want to make sure you understand that section 25 is the one we discussed about the weight. Section 26 is actually section 10 in the bill, which does some other things already. Section 28 is section 19 of the bill. I want make sure you want all three of those, the entire amendment to those sections to be effective immediately.

MS. LIETZ:

We only want the decal portion of sections 10 and 26 to go through. As far as the additional weight, we would prefer the language to be written when the Department has the resources or programming available. I believe it is an easy programming fix in discussion with our information and technology section, but I want to make sure the Department is not locked in if there is a programming issue involved.

MS. JOHNSON:

You do want section 10 of the bill, which is your section 26 on the amendment, to be amended at two different times? Once upon passage and approval for the decals, and then we will have a parallel section lead line issue in NRS for a few years, until the resources are available for the other amendments. That is for both sections 10 and 19?

MS. LIETZ:

Are you referencing sections 10 and 26?

Ms. JOHNSON:

Right, the parallel lead lines issue is the same NRS section. What about sections 19 and 28? These are the same NRS sections as well. Section 19 is the section in NRS 706 where the DMV can refuse to register or renew if there is an out-of-service order on a motor carrier in the body of the bill.

Ms. LIETZ:

Yes, and that would be the same implementation date as the second part of section 10. I believe section 10 of NRS 482, and section 19 of NRS 706 would both be when the Department has the resources available. That portion does not have to go into effect until 2020. The Department was programming it with our system modernization project. Only the decal portion on the intrastate vehicles is affected, and that is in sections 10 and 26 where the decal areas are found.

Ms. JOHNSON:

The decal is also removed in sections 19 and 28.

Ms. LIETZ:

I have it noted on my copy of the original language but do not have the decal portion in the amendment. The decal portion would need to be added into the amendment. That is correct.

Ms. JOHNSON:

What you want removed immediately is the word "decal."

Ms. LIETZ:

That is correct.

Ms. JOHNSON:

Everything else waits.

Ms. LIETZ:

That is correct.

Ms. JOHNSON:

In addition, the weight change we discussed to 83,000 pounds, do you want that to wait as well?

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Ms. LIETZ:

It should wait until the Department has the resources, that is correct.

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CHAIR MANENDO:

We will close the hearing on S.B. 31.

There being no further business to come before the Committee, the meeting is adjourned at 10:05 a.m.

RESPECTFULLY SUBMITTED:

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Debbie Shope,  
Committee Secretary

APPROVED BY:

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Senator Mark A. Manendo, Chair

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

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit / # of pages</b>		<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
	B	3		Attendance Roster
	C	19	Rosemary A. Vassiliadis / Clark County Department of Aviation	Presentation, McCarran International Airport Update
	D	16	Dean E. Schultz / Reno-Tahoe Airport Authority	Presentation, Overview of Reno-Tahoe Airport Authority
	E	28	Terri L. Albertson / Department of Motor Vehicles	Presentation, Overview of the Department of Motor Vehicles
S.B. 15	F	1	Sean P. McDonald / Department of Motor Vehicles	Testimony
S.B. 31	G	7	Dawn Lietz / Department of Motor Vehicles	Proposed Amendment