

**MINUTES OF THE
SENATE COMMITTEE ON TRANSPORTATION**

**Seventy-sixth Session
May 20, 2011**

The Senate Committee on Transportation was called to order by Chair Shirley A. Breeden at 6:21 p.m. on Friday, May 20, 2011, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 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 Shirley A. Breeden, Chair
Senator Michael A. Schneider, Vice Chair
Senator John J. Lee
Senator Mark A. Manendo
Senator Dean A. Rhoads
Senator Mike McGinness

COMMITTEE MEMBERS ABSENT:

Senator Elizabeth Halseth

STAFF MEMBERS PRESENT:

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

OTHERS PRESENT:

Richard Perkins, Frias Transportation Management

CHAIR BREEDEN:

We will open the work session on Assembly Bill (A.B.) 351 with a work session document (Exhibit C).

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ASSEMBLY BILL 351 (1st Reprint): Revises provisions governing certain motor carriers. (BDR 58-1049)

We have a proposed amendment (Exhibit D) to A.B. 351 that was prepared at my request for this Committee. It is mock-up proposed amendment 7045.

KELLY GREGORY (Policy Analyst):

As requested, I will read the explanation for the proposed amendment (Exhibit E).

RICHARD PERKINS (Frias Transportation Management):

We want to add our support for the amendment. Understanding this is deadline day, and we are still reacting to the amendment, we believe it captures the essence of the conversations we had with members of the Committee. While the language is well crafted, we would like the opportunity to offer a word or two next week that will not change the spirit of the agreement. Since this is deadline day, it is important the amendment be adopted and A.B. 351 moved forward, so we have that opportunity regarding the language.

As relates to section 11 of the proposed amendment, those reports are made to the Taxicab Authority (TA), Department of Business and Industry (DBI) and the Nevada Transportation Authority (NTA), DBI. We also recognize the Committee's concern that reports of those fees to recover the costs of accepting cab fare payment by credit card or debit card be made in an appropriate manner.

The Senior Ride Program (SRP), in section 12, is important to the Frias Transportation Management as well. During the previous hearing on A.B. 351, the Committee expressed concern for seniors who are having a difficult time paying the cab fare. The fee would also offset the cost to qualified seniors. Frias has always supported SRP and wants to continue support. The direction for the regulations and the effective date were added.

CHAIR BREEDEN:

I am excited to see that additional monies have been provided to the SRP. My understanding was the program's budget had been cut, and now the monies have been restored.

SENATOR LEE:

How is the NTA, in discussion, with wanting to implement A.B. 351 and with wanting out? Is there a particular reason this is primarily Clark County rather than statewide? I have no knowledge about the SRP and the Independent Living Grants Program. Secondly, does this mean people can call the Frias Company, say they are a senior and get a free ride?

MR. PERKINS:

There are subsidies for senior rides for residents of Clark County. The program requires preapproval. It is not just saying you are a senior. Preapproval is part of the program administered by the SRP in the State. I could get a better explanation, if you would like. It is something I recently learned about.

Regarding your first question, it is our belief that once this program becomes successful as a convenience to the riding public using credit cards in Clark County, the rest of the State will want to do this as well. We want to have the statutory authority in place for that to occur, so others would not have to come to the Legislature for further authority.

The statute is crafted with the changes because we want the tightness of the regulatory authority to exist for conversations with the credit card companies and the like, so we do not miss something between now and 2013.

CHAIR BREEDEN:

I do know there are coupon books seniors can purchase at a reduced rate, depending on income level.

MR. PERKINS:

I am not well-versed on the mechanics and logistics of the SRP, but it is a successful program in Clark County. The coupon books allow qualified seniors to get discounted cab fares as residents of Clark County.

CHAIR BREEDEN:

Senator Lee, my understanding from the majority leader was, because the funding was cut, a threshold income for seniors to qualify had been implemented. Now that there is additional money coming into the SRP, the majority leader is going to remove that restriction to allow more seniors to take part in the SRP.

SENATOR MCGINNESS:

In looking at the Frias Transportation Credit Card Cost-Per-Transaction work sheet (Exhibit F)—and I am not a certified public accountant—they have determined it is going to cost \$2.95 per transaction. Is that how I should read this?

MR. PERKINS:

There is a calculation that arrives at \$2.95. There is a footnote on an initial start-up cost of \$4.20 per transaction. This is also the work sheet provided to the TA during the rule-making process.

SENATOR MCGINNESS:

This is a bleak report. It says it is going to cost \$4.20 for a \$3 cab fare, and it does not include any profit, etc. I am not sure, if I were doing that, I would jump into it. If there is any left-over money, could we supplement the kindergarten through Grade 12 budget, too? Can a senior Legislator get one of these cards when flying into Las Vegas?

CHAIR BREEDEN:

I have the same questions regarding this work sheet. However, with the reporting, we will be able to look at the documents as well. But this is what was submitted. Again, the amendment was something upon which we had agreed and on which we had worked with the majority leader.

MR. PERKINS:

I would like to summarize for the Committee's benefit. The legal staff did an extraordinary job, and this language captures the essence of the conversations regarding A.B. 351. We would like the opportunity early next week to talk about a word here and a word there in the bill. The amendment goes to the heart of the conversation regarding the Committee's concerns on how the fees were determined and it is a cost of doing business or a windfall, which it is not. The reporting also goes to the heart of the Committee's concern about the methodology and how those views are determined so you may have some confidence in the regulatory process over which you have jurisdiction. The Frias Company is proud to support the SRP and thinks it is appropriate.

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VICE CHAIR SCHNEIDER:

I see \$4.20, now it is \$2.95. There is \$185,000 in legal fees, and the operating system software is \$13,000. The accelerated inspection schedule is \$20,000. There is half accounting, and \$2.25 for information technology. I do not know whom they have on the TA, but this is a bunch of nonsense. You are trying to recover all this. This is amazing. How does "Judy's dress shop" or "Sam's subway shop" ever have a credit card machine or an automated teller machine? These numbers are outrageous. I think the TA ought to be called in to go over these numbers. Plus, they put these costs up, even if they were legitimate, which I have a hard time believing them. A lot of these costs are one-time fees. This is going to be my cost per transaction forever. I think this is a profit center, and that is all I have to say.

CHAIR BREEDEN:

As a follow-up, I did send a letter earlier this week to the TA requesting specific information and asking for a response no later than May 25, 2011. I will share the letter and response with the Committee once I obtain the information.

SENATOR RHOADS MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 351.

SENATOR LEE SECONDED THE MOTION.

SENATOR LEE:

I agree this pro forma seems ridiculous, but I have faith that the Frias Company and TA will do the right things, and in two years we will find out. I am willing to trust both parties to do a good job for our residents, and if they do not, we will come back and fix it. But I want to start out with a trust factor.

THE MOTION CARRIED. (SENATOR SCHNEIDER VOTED NO.
SENATOR HALSETH WAS ABSENT FOR THE VOTE.)

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CHAIR BREEDEN:

There being no further business, the work session of the Senate Committee on Transportation is adjourned at 6:40 p.m.

RESPECTFULLY SUBMITTED:

Laura Adler,
Committee Secretary

APPROVED BY:

Senator Shirley A. Breeden, Chair

DATE: _____

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 351	C	Senator Shirley A. Breeden	Work session document
A.B. 351	D	Senator Shirley A. Breeden	Proposed Amendment 7045
A.B. 351	E	Kelly Gregory	Explanation of Amendment 7045
A.B. 351	F	Senator Mike McGinness	Frias Transportation Credit Card Cost Per Transaction