

TRANSPORTATION COMMITTEE MEETING HELD APRIL 3RD, 1969

Members present: Hafen, Howard, Tyson, Ashworth, Glaser, Kean and Wood

Members absent: None

Others present: Carl A. Soderblom, S.P. Co. - W.P.R.R. Co.
Clark Guild, Jr., Atty. - U.P.R.R. Co.
Bob Guinn, Nevada Motor Transport
Russ Nielson, Press
Grant Davis, Bill Drafter

Chairman Hafen called the meeting to order at 10:45 A.M. by asking Mr. Wood if he would like to explain the amendments that he had prepared for AB 128, a bill which would let local governments to let carriage contracts without advertising or requesting bids.

Mr. Wood then presented his amendment which would be inserted into Section I. "Nothing in this chapter prohibits a governing body from contracting for interstate or intrastate carriage of persons or property with a certificated common or contract carrier at the rates set forth in the officially approved tariff of such carrier."

Chairman Hafen then asked him to tell the Committee simply what this allows.

Mr. Wood: "that if the Department of Commerce or Motor Carrier Division wants to take three buses from Reno to Las Vegas, for instance, all they have to do is contact the Public Service Commission and ask what is the rate."

Mr. Glaser said that he could see what he was getting at as regards a football team or some such thing but I am still worried about further ramifications.

Mr. Wood stated that California law says that the school district may contract with any certificated carrier for the transportation of pupils without going for a formal bid but if they go to someone who is not a certified carrier they must go to formal bid.

Mr. wood further stated that to those people that are worried about the school bus operation they are far better off with this bill. You can reduce school bus costs with this.

Mr. Hafen then said that they had four more bills to go over.

Mr. Wood said he was surprised to talk so much on this but that he did not think it was that controversial.

Mr. Glaser said that he thought they had clarified this now.

Hafen then brought up SB 136 a bill which adds qualification requirement for operators of driver training schools. Chairman Hafen said that this was a bill which had been referred out of Committee. Margie Foote had it placed on the Chief Clerk's desk and I brought it back into Committee because I had heard something on it, and thought it deserved more consideration.

Mr. Bailey said it came out with the Department of Motor Vehicles blessing on it.

After much discussion it was decided to act on SB 136.

Motion was made to "do pass" SB 136.

Motion seconded.

Motion carried.

Chairman asked Mr. Ashworth if he would speak on it.

Mr. Ashworth accepted.

Chairman then asked if the Committee wanted to take any action on Jim Wood's bill.

Mr. Howard: I would like to ask Grant a question. How would this affect a school bus in a rural county carrying kids to a basketball game in Reno?

Mr. Davis answered that if they were just paying immediate expenses they could do it.

Mr. Howard said what would this bill do to that?

Mr. Davis answered that it wouldn't stop them from doing it.

Mr. Glaser then said he would like to go to Larson on this and see if they have any opposition on this.

Mr. Howard made the motion to do pass SB 128 unless Mr. Glaser reported back some objections.

Motion seconded.

Motion carried.

Chairman said they would now take up SB 209. A bill which authorizes changes in numbering and lettering systems for license plates.

Mr. Bailey spoke on this. He said they wanted this bill so that they could mainly give the number "O" to Ormsby County.

It was developed after some discussion that this was favorable with the Committee.

Mr. Kean moved to do pass SB 209.

Motion seconded.

Motion carried.

Chairman Hafen said that the only thing we have left on this agenda is the railroad crossing bill.

At this the guests left the meeting.

Mr. Ashworth asked if there were any rules in this Committee where if we kill or indefinitely postpone a bill that it doesn't have to be immediately told and passed around on the floor.

Then referring to the crossing bills he said that the Public Service Commission seemed to be searching for a way out of the decisions they have to make.

Chairman Hafen asked if Carl had any remarks on this.

Mr. Clark Guild said that there was one question which Tom Kean raised the other day.

Mr. Kean said he tried to take the view of who was most capable of doing what. And it seemed to me that the highway department was the most capable of building a crossing for a road. So I would say that the railroad be equipped to fix the road if it covers their tracks or something of their responsibility. I was trying to arrive at a logical decision of who should do what.

Mr. Guild said he tried to get this information and had a wire from Mr. Vorkink, General Attorney in Los Angeles for the Union Pacific. He read as follows: "This is in reply to your telephone inquiry regarding the question posed to you by Assemblyman Kean concerning SB 420. The statutory provisions now in effect provide that the PSC must allocate the cost of maintenance in the same proportions among the parties as the costs of installation or construction are allocated. The statute which was adopted in 1963 had prospective application only. Accordingly at most of the grade crossings in the state of Nevada the railroad now pays all costs of maintenance. The statute NRS 704.300 only comes into effect if the PSC is asked to allocate costs at a new grade crossing or at the upgrading of protection at an existing crossing. In the last ten years it has become increasingly evident both nationwide and in Nevada that the reason for new grade crossings and the upgrading of protection at existing crossings is the dramatic increase in motor vehicle traffic upon streets and highways. The number of trains using railroad tracks has declined steadily since World War II. It has been recognized recently by most of the Western states and the federal government that since this decrease in protection is made necessary by the motoring public that the cost of paying for the increased protection should be paid by the motoring public through the appropriate local governmental agency. The amendment of NRS 704.300 in 1963 is in harmony with this trend.

The railroad feels that it gains no benefit at all from the installation of a new highway crossing at grade of an existing railroad track and, in fact, incurs a potential liability for possible rail motor vehicle accidents. SB 420 would allocate all of the cost of construction of a new state highway grade crossing to the state highways and all of the maintenance thereafter to the railroad. This sound equitable at first hearing. But analysis of a typical installation leads us to a different conclusion. A new grade crossing protected with automatic No. 8 flashing light signals and automatic gate arms will cost approximately \$30,000 at today's price of labor and materials and will require approximately \$1,000 maintenance each year. Under the Federal formula which we have proposed in AB 734, the railroad would pay 10 percent of the initial cost of construction or \$100 per year thereafter, under the proposal of SB 420, the railroad would pay no share of the installation but would pay the entire \$1,000 for annual maintenance thus, it is clear that after three years and approximately four months the railroad has broken even on the two different proposals and every year thereafter under the SB 420 approach the railroad would be penalized progressively more and more. For example, after ten years the railroad would have paid out \$10,000 under the 420 approach and would have paid out only \$4,000 under the federal rule proposed by the railroads in AB 734. We feel this would be an extremely unfair result considering that the railroad derived no benefit from the new grade crossing whatsoever. The same analysis would apply to upgrading of automatic protection at an existing

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crossing, although in that case the railroad would derive some benefit from this reduction of possibility of a grade crossing accident occurring. Please call me immediately if Assemblyman Kean desires further information on this point.

Discussion of AB 734 followed and it was developed that Grant Davis would make changes in the bill that on page, lines 35, 37 and 41 and 44 insert the word "materially" before the word "altered", then on page 1 lines 18 and 19 "including the speed of trains". Then on page 3 line 5 insert the language of Section 2 of SB 420.

Chairman Hafen said that the Committee would have another look at it when Grant had finished with it.

Motion was made to "do pass" as amended.
Motion seconded.
Motion carried.

AB 129 which would restrict the use of school vehicles was discussed briefly and AB another bill relating to school buses also.

Motion was made to postpone both indefinitely.
Motion seconded.
Motion carried.

Meeting adjourned at 12:05.