

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Seventy-Fourth Session  
April 2, 2007**

The Committee on Commerce and Labor was called to order by Chair John Oceguera at 1:08 p.m., on Monday, April 2, 2007, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/74th/committees/](http://www.leg.state.nv.us/74th/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman John Oceguera, Chair  
Assemblyman Marcus Conklin, Vice Chair  
Assemblywoman Francis Allen  
Assemblyman Bernie Anderson  
Assemblyman Morse Arberry Jr.  
Assemblywoman Barbara E. Buckley  
Assemblyman Chad Christensen  
Assemblywoman Heidi S. Gansert  
Assemblyman William Horne  
Assemblywoman Marilyn Kirkpatrick  
Assemblyman Garn Mabey  
Assemblyman Mark Manendo  
Assemblyman David R. Parks  
Assemblyman James Settelmeyer

**GUEST LEGISLATORS PRESENT:**

Assemblyman David Bobzien, Assembly District No. 24  
Assemblyman John Carpenter, Assembly District No. 33  
Assemblyman Lynn Stewart, Assembly District No. 22

Minutes ID: 738



Assemblyman James Ohrenschall, Assembly District No. 12  
Assemblyman Tick Segerblom, Assembly District No. 9

**STAFF MEMBERS PRESENT:**

Brenda Erdoes, Committee Counsel  
Dave Ziegler, Committee Policy Analyst  
Patricia Blackburn, Committee Secretary  
Gillis Colgan, Committee Assistant

**OTHERS PRESENT:**

Judy Stokey, Director, Government Affairs, Nevada Power/Sierra Pacific  
Jon Sasser, representing Washoe County Senior Law Project and Washoe  
Legal Services  
Gary Childress, Manufactured Housing Division, Nevada  
Lisa Gianoli, representing Washoe County, Nevada  
Rose McKinney-James, representing Elko County Economic Diversification  
Authority  
Kyle Davis, Policy Director, Nevada Conservation League  
Hatice Gecol, Director, Nevada State Office of Energy  
Tim Rubald, Interim Secretary, Commission on Economic Development  
Fred Hillerby, representing American Council of Life Insurers and Nevada  
Association of Health Plans  
Neil Cohen, New Jersey Assemblyman, Union, New Jersey  
Charles Rainey, Private Citizen, Las Vegas, Nevada  
Marie Soldo, representing Sierra Health Services, Inc. and Nevada  
Association of Health Plans  
Bob Ostrovsky, representing Nevadans for Affordable Health Care  
Helen Foley, representing PacifiCare of Nevada  
Russ McAllister, President, Professional Fire Fighters of Nevada  
Bobbette Bond, representing the Culinary Health Fund, and the Health  
Services Coalition  
Sabra Smith-Newby, representing Clark County, Nevada  
Jack Kim, representing Sierra Health Services, Inc.  
Neena Laxalt, representing Nevada Nursing Association  
Howard Lenox, President, AT&T, Nevada  
Kristin McMillan, Vice President and General Manager of Embarq  
Fred Schmidt, representing Embarq  
Tony Sanchez, III, representing AT&T  
Dan Reaser, representing AT&T  
Dan Jacobsen, Executive Director, Regulatory, AT&T  
Joe Chicone, representing Frontier Communications

Karen Peterson, representing Verizon  
James Endres, representing XO Communications, TelePacific  
Communications, and Echelon Communications  
Steve Tackes, representing Focus Property Group  
Barry Gold, Director, Government Relations, AARP, Nevada  
Eric Witkoski, Consumer Advocate  
Ann Pongracz, Director, Government Affairs, Sprint Nextel  
Bob Gastonguay, representing Nevada State Cable Telecommunications  
Association  
Kirby Lampley, Director of Regulatory Operations, Nevada Public Utilities  
Commission  
Charles Bolle, Manager of Policy Analysis, Nevada Public Utilities  
Commission  
Suzanne Johnson, Private Citizen, Gardnerville, Nevada  
Steve Schorr, Vice President, Public and Government Affairs, Cox  
Communications  
Manny Martinez, Vice President and General Manager, Charter  
Communications  
Les Smith, Executive Director, Sierra Nevada Community Access  
Television  
Marvin Leavitt, representing Urban Consortium  
David Frazier, Executive Director, Nevada League of Cities and  
Municipalities  
Jeff Fontaine, Executive Director of the Nevada Association of Counties  
Liz Sorenson, representing Communications Workers of America, Local  
Union No. 9413  
John Doran, representing Communications Workers of America, District  
No. 9  
Charles Randall, Business Manager, International Brotherhood of Electrical  
Workers, Local Union No. 396  
William Birkman, representing Retired Members' Council, Communications  
Workers of America  
Nick Anthony, representing City of Reno

[The meeting was called to order and a quorum was present.]

**Chair Oceguera:**

We are going to have a long day today. We will do the Work Session first.

**Dave Ziegler, Committee Policy Analyst:**

The first bill we will discuss is Assembly Bill 114.

**Assembly Bill 114: Makes various changes concerning the protection of personal identifying information. (BDR 8-406)**

**Dave Ziegler:**

This bill is sponsored by Assemblywoman Pierce. It requires someone who offers a credit card by mail and who receives an acceptance of that offer with a different address than the one to which it was sent, to verify that the person accepting the offer is the same person to whom it was sent.

This measure also allows a person to sue for actual damages, costs, attorney's fees, and punitive damages if they suffer an injury as the result of a violation of certain laws about personal information and possession thereof.

There is a mock up ([Exhibit C](#)). There were amendments from Mr. Uffelman of the Bankers Association and Mr. Roshak representing the Las Vegas Metropolitan Police Department. The amendments have been included in the mock up.

**Chair Ocegüera:**

On A.B. 114, are there comments or questions or concerns? I see none.

ASSEMBLYMAN SETTELMAYER MOVED TO AMEND AND DO  
PASS AS AMENDED ASSEMBLY BILL 114.

ASSEMBLYMAN CHRISTENSEN SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN ANDERSON AND HORNE  
WERE ABSENT FOR THE VOTE.)

**Dave Ziegler, Committee Policy Analyst:**

The next bill is Assembly Bill 178.

**Assembly Bill 178: Revises provisions relating to net metering and energy. (BDR 58-1054)**

**Dave Ziegler:**

[Work Session document attached ([Exhibit D](#)).] This bill was sponsored by Assemblyman Bobzien and others. We heard this bill on March 5, 2007. There were a number of witnesses who testified on that bill. This changes the definition of net metering; it requires the utility to develop a net metering tariff and a standard contract, and to take prompt action on applications. It also establishes the Wind Energy Systems Demonstration Program Act for schools, other public properties, private residences, small businesses, and agricultural

properties. That demonstration program is similar to the solar demonstration program. The sponsor, Mr. Bobzien, has been working on proposed amendments with the parties. The proposed amendments are attached. The first sheet explains the amendments and then the amendments are mocked up behind that page. I would point out that the Wind Energy Systems Demonstration Program Act is not affected by the proposed amendments and it remains part of the bill.

**Chair Oceguera:**

Mr. Bobzien, would you like to report on the status of this bill?

**Assemblyman David Bobzien, Assembly District No. 24:**

We have worked very hard and diligently on this bill. We have made significant negotiated progress with Sierra Pacific on a number of issues they had with this legislation. I am grateful for the partnership that we have on this bill. In the end there was one issue that we were unable to come to terms with and that is the existing 30 kilowatt, secondary cap. Above that cap, the utility may charge for the bidirectional meter that is required for net metering as well as additional facilities charges and other charges that are above and beyond what customers pay in similar rate classes.

The original policy goal of this legislation was to increase the amount of net metering that occurs here. In spite of the fact that we have been doing net metering in the State for ten years, we are still only looking at 228 customers that engage in this practice. None of them are above that secondary cap. My original legislation raised that secondary cap to 1 megawatt. We have brought that down to 100 kilowatts. As I stated, I do not believe that the power company is in support of this, at this time.

I understand that the Public Utilities Commission (PUC) has provided the Committee with an email in support of the amendment.

**Chair Oceguera:**

Are there any questions for Mr. Bobzien?

**Assemblyman Conklin:**

You removed the splitting of the renewal energy credit, is that correct?

**Assemblyman Bobzien:**

Yes. We had discussed the possibility of doing some sort of allocation of the portfolio energy credits based on the varying levels of investment in a given project, but decided that in the spirit of working together, we would take that proposal out of the bill.

**Assemblyman Conklin:**

I am curious, why did we take one piece out and leave another in?

**Chair Ocegüera:**

Perhaps we should ask the power company. While we wait for them to come to the witness table, we have another question.

**Assemblyman Settlemeyer:**

In looking at the mock-up, Section 2, number 2, originally it was 150 kilowatts, then changed to 5,000 kilowatts, and now 1 megawatt. Could you explain?

**Assemblyman Bobzien:**

That was part of the negotiated progress that we made. It is important to remember that there are two caps in play here. That is the primary cap. Originally the bill took it to 5 megawatts and we are now down to 1 megawatt. We think that gets us to where we want to go. It is, however, the secondary cap that is problematic.

**Judy Stokey, Director, Government Affairs, Nevada Power/Sierra Pacific:**

I want to echo what Assemblyman Bobzien said. We have been working together trying to resolve all these issues. There were many and we have been able to resolve all of them, except this one. This one is raising that secondary cap from 30 kilowatts up to 100 kilowatts. 100 kilowatts represents a large commercial office building and there is a subsidy in doing this. Even though we want to increase the renewable energy and net metering customers, we try to limit as much of the subsidy as possible to our residential customers. The language is not clear in regard to a customer that has a 1 megawatt load and they put in a 100 kilowatt system. The way this is written we believe that they could avoid the entire demand charge for their whole 1 megawatt load. We want to make sure that is limited to the 100 kilowatt system, and then we would be okay with the bill.

**Chair Ocegüera:**

Mr. Bobzien, is that your understanding? It sounds a little different.

**Assemblyman Bobzien:**

We may want to have clarification from Legal as to what the language is. My understanding has always been that the charges could not be above and beyond what are charged to comparable rate classes.

**Brenda Erdoes, Committee Counsel:**

I would concur with Mr. Bobzien.

**Judy Stokey:**

If that is the intent, we are okay as long as the demand charges above that 100 kilowatt level would not be avoided.

**Chair Oceguera:**

Are there other questions from the Committee? I see none.

ASSEMBLYWOMAN BUCKLEY MOVED TO AMEND AND DO PASS  
AS AMENDED ASSEMBLY BILL 178.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Dave Ziegler, Committee Policy Analyst:**

The next bill in the packet is Assembly Bill 195 ([Exhibit E](#)).

**Assembly Bill 195: Makes various changes relating to residential landlords and tenants. (BDR 10-1127)**

**Dave Ziegler:**

This bill was introduced by this Committee and it makes various changes relating to residential landlords and tenants. It primarily affects Chapter 118A of *Nevada Revised Statutes* (NRS). It tightens the requirements on converting buildings with residential tenants to common-interest ownership; it requires in the rental agreement the name of a person within Nevada to act for the landlord; it provides that a dwelling unit is not habitable if it violates building, housing, or health codes; it amends the statutes that specify when a tenant is guilty of unlawful detainer; and it makes other changes.

The main proponent was Jon Sasser from Nevada Legal Services. There was also testimony from Ryan Works representing the landlords, Ernie Nielsen, Marshall Schultz, and Teresa McKee from the Nevada Association of Realtors. There is a mock up in your packet ([Exhibit E](#)) which shows the amendments that Mr. Sasser submitted the day of the hearing. There is also a letter in your packet from Marshall Schultz which was submitted the day of the hearing and which, at the bottom of the letter, suggests an amendment. There was some correspondence received today having to do with an unresolved issue about an escrow account. The last page shows some alternate amendments which we received from Mr. Sasser earlier today having to do with the one unresolved issue.

**Chair Oceguera:**

Mr. Sasser, could you clarify these amendments for the Committee?

**Jon Sasser, representing Washoe County Senior Law Project and Washoe Legal Services:**

The one unresolved issue is if a tenant is to utilize the rent withholding option under Section 6, whether there would have to be money paid into escrow in a court, if a tenant wanted to raise that defense in court. We have not been able to fully resolve that issue. It is my understanding from the landlords that they are willing, today, to support the bill with the original amendment which I submitted on March 7 and we would carry that issue on to the Senate if that is the pleasure of this House to pass it through.

**Chair Oceguera:**

Are there any questions from the Committee? I see none.

ASSEMBLYWOMAN BUCKLEY MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 195 WITH THE AMENDMENTS CONTAINED IN  
THE MOCK UP WITH THE ORIGINAL VERSION ON SECTION 6.

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Dave Ziegler, Committee Policy Analyst:**

The next bill in your packet ([Exhibit F](#)) is Assembly Bill 224.

**Assembly Bill 224: Makes various changes to provisions governing the regulation of factory-built housing, manufactured buildings and modular components. (BDR 43-583)**

**Dave Ziegler:**

This bill was introduced by this Committee on behalf of the Manufactured Housing Division (MHD). It makes various changes to provisions governing the regulations of factory built housing, manufactured buildings, and modular components. It allows the Administrator to waive the required examination of an applicant for a license as a specialty serviceman, if the applicant holds another valid state license that is substantially similar; it requires a service provider to enter into a written agreement with each person for whom he will work; it requires the Manufactured Housing Division to adopt, by regulation, nationally recognized codes and standards for factory built housing, manufactured buildings, and modular components; and it requires the

Manufactured Housing Division to adopt regulations covering reconstruction and alteration.

On March 16, 2007, Lisa Gianoli representing Washoe County, offered an amendment which is attached. The main proponent on this bill was Miss Diamond from the Manufactured Housing Division (MHD).

**Chair Ocegüera:**

Are there any questions from the Committee? I see none. Is Ms. Gianoli present? I see someone in Las Vegas.

**Gary Childress, Manufactured Housing Division, Nevada:**

I am here to answer any questions that you may have.

**Chair Ocegüera:**

Our question is in regard to page 7, line 29, deleting the word "reasonably." Is the Division okay with that?

**Gary Childress:**

The amendment that Ms. Gianoli presented was satisfactory to the Division with the deletion of "reasonably" and consistent with the Housing and Urban Development (HUD) standards. The HUD standards in *Nevada Revised Statutes* (NRS) 461 are not applicable. That was agreeable with Ms. Gianoli.

**Lisa Gianoli, representing Washoe County, Nevada:**

Yes, we have agreed with the Division regarding any changes that we had requested and we are fine with the amendments as presented.

**Chair Ocegüera:**

Are we talking about the same thing?

**Lisa Gianoli:**

We initially brought the bill forward with the amendment deleting the word "reasonably." There were a few exchanges where they changed a few items and wording, which I believe Mr. Ziegler went through. We are fine with that.

**Assemblyman Anderson:**

Do you, or do you not want the word "reasonably" deleted from page 7, line 29?

**Lisa Gianoli:**

We do want the word struck.

**Assemblyman Anderson:**

With regard to the issue that requires the Manufactured Housing Division (MHD) to adopt by regulation the nationally recognized standards, is that consistent with what you have agreed to?

**Lisa Gianoli:**

Yes.

**Chair Ocegueda:**

Does the Division feel we are on the same page?

**Gary Childress:**

Yes.

**Assemblyman Conklin:**

We have one amendment in front of us that deals with striking the word "reasonably." There is nothing else in front of us right now. Is that correct?

**Lisa Gianoli:**

Yes, that is correct. The others were questions that we confirmed, going back and forth, that in their reading there was some confusion between our building department and the wording. We are all fine on that now.

**Chair Ocegueda:**

So, one of the questions was requiring MHD to adopt by regulation the nationally recognized standards, and you have now agreed?

**Lisa Gianoli:**

Correct.

ASSEMBLYMAN ANDERSON MOVED TO AMEND AND DO PASS  
AS AMENDED ASSEMBLY BILL 224.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN ARBERRY WAS ABSENT  
FOR THE VOTE.)

**Dave Ziegler, Committee Policy Analyst:**

The next bill is Assembly Bill 249. ([Exhibit G](#)).

**Assembly Bill 249: Revises provisions relating to dispensing opticians. (BDR 54-547)**

**Dave Ziegler:**

This relates to Dispensing Opticians and was introduced by this Committee on behalf of the Board of Dispensing Opticians. It directs the Board to adopt regulations on minimum standards for lenses, frames, and other devices dispensed by a licensee; it authorizes the Board to subpoena the books, papers, and documents; it allows reinstatement of a delinquent license within two years of its expiration; it directs the Board to adopt regulations on continuing education requirements; it makes dispensing a lens, frame, or device that does not satisfy minimum standards an additional ground for discipline; and if the Board determines a person is engaging in unlicensed activity, it authorizes the Board to impose an administrative fine.

We heard this bill on March 14, 2007. The proponent was David Stewart, the President of the State Board of Dispensing Opticians. One amendment was offered by Mr. McMullen, representing LensCrafters. That amendment is in your packet.

**Chair Oceguera:**

Mr. Anderson do you have a question?

**Assemblyman Anderson:**

My questions were answered.

**Assemblyman Conklin:**

In the bill the Board has to adopt the minimum standard, and then if we amend Section 1, the minimum standard becomes the industry standard. Is this correct? Does that mean no higher standard can be placed?

**Chair Oceguera:**

I believe that was Mr. Anderson's question from before. Is that correct, Mr. Anderson?

**Assemblyman Anderson:**

It is the question that I asked and I have been assured that is their understanding also.

**Chair Oceguera:**

Are there other questions from the Committee?

**Assemblyman Horne:**

Are we talking about Section 3, listed as number 2 on the proposed amendments? I have in my notes from the hearing that it was supposed to apply to Section 4.

**Chair Oceguera:**

Research is telling us that you are correct Mr. Horne. It is a typographical error.

**Assemblywoman Gansert:**

I actually see it in Section 3 and there is some language in Section 4 regarding continuing education also.

**Chair Oceguera:**

It appears to be in both sections.

**Brenda Erdoes, Committee Counsel:**

I think we can tell from the amendment what they want to do. We can just make it consistent.

**Assemblywoman Buckley:**

I am satisfied with both the bill and the amendments. I think with regard to continuing education, you need to be careful what you add on. With regard to making the American National Standards Institute (ANSI) the standards for the Board, if they are standards that are utilized by the industry, that would be appropriate. We should make sure about that before we pass this bill.

**Assemblyman Conklin:**

My dilemma is that I am not sure the Board approved this standard. Perhaps they could affirm that.

**Chair Oceguera:**

Is there anyone from the Board present? We can hold it for another work session.

We will go to the next bill, Mr. Ziegler.

**Dave Ziegler, Committee Policy Analyst:**

The next bill is Assembly Bill 349. ([Exhibit H](#)).

**Assembly Bill 349: Revises provisions governing the Commission on Economic Development. (BDR 18-999)**

**Dave Ziegler:**

This was sponsored by Assemblyman Carpenter. It has to do with the Commission on Economic Development. It relates to grants to assist economic diversification projects. It requires grant recipients to have an up-front feasibility study and a 200 percent match. It removes the authority of a recipient to use a grant for a feasibility study and also makes a general fund appropriation to the Commission on Economic Development. No amendments were offered the day of the hearing, and this measure is referred to the concurrent Assembly Committees on Commerce and Labor and Ways and Means. It is eligible for an exemption from the provisions of Joint Standing Rule No. 14.3, Bill Action Deadlines.

**Chair Oceguera:**

Are there any questions from the Committee? I see none.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS ASSEMBLY BILL 349.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Chair Oceguera:**

We will open the hearing on Assembly Bill 277.

**Assembly Bill 277: Makes changes concerning the abatement of property taxes. (BDR 32-948)**

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

This bill gives the same advantage to geothermal as is given to other renewable energy sources in regard to property taxes. We believe that Elko County has a great potential for geothermal development and our Economic Development Authority has had some consultants in. There is a firm that is drilling for geothermal and it looks promising. It takes a lot of money to develop these plants and infrastructure. I see no reason why geothermal should not be treated the same as other renewables.

**Rose McKinney-James, representing Elko County Economic Diversification Authority:**

As we looked at the history of efforts to provide incentives for renewables, we found that it was an oversight leaving geothermal out. There has been much discussion with respect to other aspects of renewables, but somehow geothermal was not made a part of the existing law and we simply want to

correct that oversight. We support this as it is a path forward for the furtherance of geothermal development in an area that has a substantial resource.

**Chair Oceguera:**

Are there questions from the Committee?

**Assemblywoman Buckley:**

I have a question concerning the cost-benefit analysis. I am concerned about some projections for the next two to four years, which may affect the State's funding or the State's requirement to contribute to any taxes that are lost at the local level; and waivers for property taxes with some school districts already suffering under a cap. My question is twofold. Are there any projections about the fiscal impact in ten years? Second, have any other states set requirements stating that any taxes abated may not exceed the investment that is given? I would think that with geothermal that would not happen because the investment has to be so high. When we look in general on abatements and incentives for renewable energy, that has to be part of the equation. Any comment on either of those issues?

**Rose McKinney-James:**

I am not a tax expert and I am not aware of any projections that have been undertaken through the task force or any of my client-related work. This process requires an application through the Economic Development Commission and there may well be some parameters established there. Representatives of the industry would want to have those discussions with respect to how this would have an impact in the future. We are looking to provide the start and the push, but we do not want to create problems. There is a delicate balancing act that needs to be achieved. If you believe it would be appropriate to have this discussion at some level, we would be happy to participate in that. I do not have specifics to respond to the question at this point.

**Chair Oceguera:**

Are there further questions from the Committee? I see none.

**Assemblyman Carpenter:**

I would like to say I am always concerned about rebates. The Economic Development Commission will be looking at this and if they feel that the pluses do not add up, they do not have to give these rebates. I think they would have to look at it every year to see if these companies are making money and no longer in need of these incentives. I think there are built-in parameters.

**Kyle Davis, Policy Director, Nevada Conservation League:**

This is a bill that makes good sense in terms of making sure that all of our renewable potential is encapsulated into this program. It was an oversight that geothermal was not included. We have vast geothermal resources and we definitely want to make sure that they have the same incentives to produce as our other renewable energy resources.

**Hatice Gecol, Director, Nevada State Office of Energy:**

I would like to express that we are supportive of this bill. This will encourage the development of the geothermal industry for electricity production. We are currently utilizing less than 8 percent of the available resources with geothermal.

**Chair Oceguera:**

Are there others wishing to testify in favor of A.B. 227? I see none. Are there any others wishing to speak in opposition? I see none. Are there any wishing to speak in the neutral?

**Tim Rubald, Interim Secretary, Commission on Economic Development:**

I am available for questions with regard to Speaker Buckley's question. The Commission does economic impact analysis on all of the abatements that are being considered. Many of the abatements that we deal with have the opportunity for the Commission to determine an abatement of up to 50 percent for up to ten years. I believe that this one was put into place four years ago.

**Assemblywoman Buckley:**

Could you work with our staff, Ms. Erdoes and Mr. Ziegler, so that we could get some information on all the various abatements and some information on the economic impact studies that you have done. It would be very helpful for us to review.

**Tim Rubald:**

I would be happy to get together with them.

**Chair Oceguera:**

Are there other questions for Mr. Rubald? I see none. Are there others wishing to testify? I see none. I will close the hearing on Assembly Bill 277.

I will open the hearing on Assembly Bill 303.

**Assembly Bill 303: Adds provisions relating to insurers who require medical examinations before issuing, renewing, reinstating or reevaluating policies of insurance. (BDR 57-919)**

**Assemblyman Lynn Stewart, Assembly District No. 22:**

This is a simple bill. I can best explain it by relating the scenario that brought it about. We often have constituents that present challenges to us and we often say we will do what we can for them. This constituent applied for an insurance policy and was given a medical examination in June, 2006. Five months later, in November, he was told that his policy had been denied because he had a serious medical condition. The purpose of this bill is to prevent that from happening. The bill clearly says that if a medical examination is given for a life insurance policy, that the life insurance company must notify the individual, within 30 days, if the policy will be denied or there is a serious medical condition.

We have a friendly amendment that Mr. Hillerby will present that clarifies one of the issues here.

**Chair Ocegüera:**

If it clarifies the intent of the bill, that will help.

**Assemblyman Stewart:**

This is Mr. Fred Hillerby who is representing the American Council of Life Insurers.

**Fred Hillerby, representing American Council of Life Insurers:**

We support this bill. Some issues have been raised. Typically, when you are required to take an examination, the insurance company contracts with a nurse practitioner who does a history and a physical, and perhaps there is some blood drawn for a screening panel to be done. Sometimes, that is all that happens. Once the company receives those results, and if it does indicate a potential diagnosis, that information should come from a physician, not from a letter from a clerk at the insurance company or an insurance broker. What we are proposing in the amendment ([Exhibit I](#)) is that the insurers are required to notify the primary care physician of the applicant within that 30-day period. They also need to notify the applicant that their physician has been notified and hopefully they will contact their physician if they have not already been notified by their physician. We think the discussion ought to be at that level and not between a staff person at an insurance company and the applicant.

I appreciated Mr. Stewart being amenable to this proposed amendment.

**Assemblyman Horne:**

The first thing that struck me was a possible liability of an insurance carrier for giving false information on a person's condition. Was that the reason why they do not tell the applicant in the first place? If so, does this change protect the insurance carrier?

**Fred Hillerby:**

I do not know that all insurance companies do not provide that information to an applicant. Our thought was they should not be making a diagnosis. If they see things that could be a problem, that ought to be a discussion between that person and their physician, once we provide the information that additional testing is warranted. I do not think we should be making a diagnosis. If an abnormal lab result were seen, you may jump to conclusions that should not be made until the physician is involved. Probably, it would avoid some liability.

**Chair Ocegüera:**

Are there further questions from the Committee? I do not see any. Mr. Stewart do you have more people to testify?

**Assemblyman Stewart:**

No, Mr. Chairman, we do not have anyone else.

**Assemblywoman Buckley:**

I have a question. Our legal counsel pointed out that not everyone has a primary care physician. In the drafting of this amendment, if we do process the bill, we would probably have to say primary care physician, if any, or you would have to build in what you would want done if they do not have a primary care physician. Do you have any comments on that?

**Fred Hillerby:**

I thought about that but I was unsure how to address it. There has to be some consideration of that. Generally, when you fill out an application for life insurance, you put down who your physician is. There could be a situation where someone does not have a physician.

**Assemblywoman Buckley:**

If that happens do you have a preference of who would be notified? Would you want the applicant to be notified if they did not indicate any physician?

**Fred Hillerby:**

The clear intent was for the applicant to be made aware of the condition. I assume that the only thing left would be to notify the applicant, with the suggestion they contact a physician in their area.

**Assemblywoman Buckley:**

Mr. Stewart, would something like that be acceptable?

**Assemblyman Stewart:**

It definitely would.

**Chair Oceguera:**

Are there others wishing to support this bill? I see none. Are there any others in opposition to this bill? I see none. Are there any speaking in the neutral? I see none. We will close the hearing on A.B. 303.

We will open the hearing on Assembly Bill 479.

**Assembly Bill 479: Revises provisions governing insurance coverage for a dependent child. (BDR 57-1301)**

**Assemblyman James Ohrenschall, Assembly District No. 12:**

There are many young people trying to pursue their education and medical insurance can become a barrier to them. This barrier might keep them from finishing a bachelor's degree, a master's degree, a law degree, or a medical degree. In Nevada, we do not want to have this barrier. We have a guest on the phone line to testify.

**Assemblyman Tick Segerblom, Assembly District No. 9:**

Our first speaker is Assemblyman Cohen from New Jersey.

Mr. Cohen, you have been called to testify on our bill, which is similar to the bill you have in New Jersey, which allows young people up to age 30 to stay on their families' health insurance. Could you tell us, briefly, about your experience in New Jersey?

**Neil Cohen, New Jersey Assemblyman, Union, New Jersey:**

In New Jersey, we have about 1.1 million uninsured. Some of the health insurance companies were trying to make individual plans more attractive by reducing the rates. They wanted to increase the rates to seniors. That was unacceptable to us. People had not been buying individual health insurance plans in New Jersey. I suggested that even if they did lower rates, those between the ages of 18-30 were not going to be attracted. They would rather spend that money on a trip to Bermuda or a down payment on a Lexus. I suggested that by allowing the 18-30 year olds to go on their parent's policy, whether the parent is employed by the private sector or the public sector, could increase the insurance companies' bottom line. Since the health insurance companies already have the claims history for those young people since their

date of birth, we felt that claims would be small and that it would ultimately be a new revenue flow for the health insurance company and they could use that money to adjust prices on their other products.

All sectors of the business community supported it because it did not cost them a penny. It is paid for by the parents, and can be deducted from their paycheck. The more people that they add into their small or large group plan could end up as a savings for them. There was no impact on anyone and it gave insurance companies a client base that they did not have because young people are not buying individual health plans.

The only requirement is to be a resident of the State of New Jersey. You could be attending the University of Nevada, but as long as you were a New Jersey resident, you would be fine. We also required that they could not have health insurance available at their place of employment. Someone who is 19 years old, who works in an auto repair place of 5 or 6 people, can be added to their parent's policy because they do not get health insurance through their small employer. Ultimately, it has been a home run. We require that the health insurance companies and the employers notify, by individual notice, their employees, and that the insurers notify them of this benefit. The publicity in getting this information out has been difficult. We have enrolled in the past seven or eight months, almost 8,000 people. The numbers should go up to over 100,000. In New Jersey, we have Boards of Education, municipal governments, county governments, state workers, as well as a number of independent agencies and authorities. It is a matter of getting the information out to everyone.

It has been successful. We have in New Jersey what we call "charity care." Those that come to the emergency room are provided services that the State provides, from various sources, costing about \$600 million a year. We hope that this will reduce some of the "charity care" costs.

**Chair Oceguela:**

Are there any questions?

**Assemblywoman Buckley:**

Are you saying this is another way to get to the uninsured population? If you are not tied to an employer provided health care source, you are unlikely to get access to insurance. Is that one of the biggest benefits?

**Neil Cohen:**

Yes. Under our plan, the young do not have to reside in the household. They could be living in a different part of the State and as long as they do not have a dependent, such as a spouse or child, they would be eligible for this.

The benefit of this plan is that it does not cost the business community any money, nor does it cost the governmental entity. The whole cost is picked up by the parent. Age becomes irrelevant. More people being taken out of the uninsured pool is good public policy.

**Assemblywoman Buckley:**

I think you are right. The 20-year olds in this State think they are just as invincible as the 20-year olds in New Jersey. That age group does not think they will get sick. They do not value health insurance to the same degree that we do. Was there any discussion in New Jersey about high risk conditions? Would that change the underwriting or the burden that goes onto an employer who may have been willing to take the risk of their own employees, but with the dependents it might change the risk pool?

**Neil Cohen:**

If this were a situation where you have 60-year olds, then you would have the adverse selection. Of the people between the ages of 18-30, 98 percent of them do not get sick anyway. The insurance company would be making pure revenue. They are the lowest group in the feeding chain. The insurance companies would prefer you to spend \$7,000 for an individual policy. Unfortunately, that product is not selling. They are not getting any revenue. If you do get someone with a high risk condition, it is just one small piece in a larger pool. There is nothing to prohibit them from adjusting their premiums based upon that particular situation.

Once you start to get a health insurance card, at a younger age, and you see the benefits, it is more likely that when you are older you will purchase a policy.

**Chair Oceguera:**

Mr. Cohen, thank you for the answer to that question. We have several other questions.

**Assemblywoman Kirkpatrick:**

My questions require very short answers. How long has this been in place and have you seen a decline in small businesses purchasing insurance?

**Neil Cohen:**

It went into effect in May, 2006. No business has complained because it does not cost business any money. We built in an administrative fee for the processing of any information. No one is unhappy with it.

**Assemblywoman Kirkpatrick:**

In Nevada we have been trying to help small businesses get into a larger pool for insurance. Have you seen a drop in your smaller businesses going out to get insurance?

**Neil Cohen:**

No. The health insurance process is complex but there is nothing at all, directly or indirectly, attributable to the 18-30 law.

**Assemblyman Settlemeyer:**

I am not sure who can answer this question. This bill appears to be an unfunded mandate. Can someone speak to that point?

**Neil Cohen:**

We had the same thing in New Jersey. It is funded by the parents.

**Assemblyman Settlemeyer:**

My question is to the maker of the bill, where does it say that within our bill?

**Assemblyman Ohrenschall:**

We did not specifically put that in the bill. We believe that would be between the purchaser of the insurance and the insurance company. If the Committee would like that inserted, we would be open to an amendment.

**Chair Oceguera:**

Mr. Cohen, we appreciate your getting on the telephone with us today and discussing how this has worked in New Jersey. Your insight has been very helpful.

**Assemblyman Ohrenschall:**

We would like one more telephone witness, who will be brief. [Telephone connection was not made, but written testimony from Laura Tobler, National Conference of State Legislatures ([Exhibit J](#)) was made a part of the record.

**Assemblyman Ohrenschall:**

I have a PowerPoint presentation ([Exhibit K](#)).

[Reference was made to a *New York Times* article ([Exhibit L](#)).]

**Assemblyman Mabey:**

I have two daughters that are going to the University. They are under my health plan. They would qualify for how long?

**Assemblyman Segerblom:**

It depends on your plan. The law does not require that they be covered after age 18. Every plan is different. If they were required to be covered to age 28, they could charge more for that person, but the employer would not have to pay that premium. It would spread out the risk so it would be less than purchasing an individual policy. If the children are going on to graduate school, currently they would not be covered. This bill would allow parents to pay for extended coverage.

**Assemblyman Mabey:**

Would it cover a married child?

**Assemblyman Segerblom:**

No.

**Assemblywoman Buckley:**

There is a federal law that requires coverage while they are students up to age 23. But, if they go to graduate school, then they would not be covered, correct?

**Assemblyman Segerblom:**

That is correct.

**Chair Oceguera:**

Are there further questions for Mr. Segerblom or Mr. Ohrenschall? I see none. Are there others wishing to speak in favor of this bill?

**Charles Rainey, Private Citizen, Las Vegas, Nevada:**

I am a student at Boyd School of Law. I wanted to voice my support for this bill. The current system we have discourages individuals from pursuing graduate education. There are limits on how much money you can get in student loans. Trying to purchase health insurance on top of tuition and living expenses is not a reality. A system like this would help.

**Chair Oceguera:**

Are there others wishing to speak in favor of the bill? I see none. Is there anyone wishing to speak in opposition to the bill?

**Marie Soldo, representing Sierra Health Services, Inc. and Nevada Association of Health Plans:**

We support trying to find new ways to offer health insurance and to reduce the number of uninsured in the State. I think the industry has worked cooperatively over the past several years to get the uninsured numbers lowered. We are anxious to work with this Committee anyway we can.

Our concerns with this bill are that it does not address adult children living in the State. Currently, our insurance covers children up to 24 years of age who are in school. This covers anyone living anywhere outside of the State. Health Maintenance Organizations (HMO) would have difficulty with that since they cover service areas. This bill does not require the parent to cover the expense of the premium. This bill does not indicate whether the person could be married, or has children of his own. It does not speak to whether that person is working and is being offered health insurance by their current employer. If we are going to go down this path, maybe we should start thinking about requiring health insurance and having some discourse on that. I would ask you to give that some consideration.

**Assemblyman Mabey:**

Currently, if you are in an HMO and are in a different state and have an illness, will the HMO cover that?

**Marie Soldo:**

Emergency care would be covered out of area. This bill does not address emergency care, this is comprehensive benefits, regardless of where in the United States, or Europe, or anywhere that person lives.

**Chair Ocegueda:**

Are there further questions for Ms. Soldo? I see none.

**Fred Hillerby, representing Nevada Association of Health Plans:**

I would like to underscore one thing that Ms. Soldo said. The impression I got from listening to the Assemblyman from New Jersey, was clearly that the additional premium would be borne by the dependent or his family. That is not addressed in this bill. If you are going to go forward with this bill, we think this is the wrong way to get additional coverage. It does not address having to be in school at all. It does not address why this would be good public policy. An emancipated minor is no longer a legal obligation of the parents, yet you are asking them to insure someone for whom they have no legal responsibility.

**Bob Ostrovsky, representing Nevadans for Affordable Health Care:**

When you change the law relative to coverage, you are talking about small business and local governments. All the large businesses in the State escape this mandate because they are, in fact, self insured. Small businesses are the ones who have to administer this. The Assemblyman from New Jersey stated there was an administrative fee in their law, but there is no such fee permitted in this bill to help offset the cost of trying to collect these funds from an employee. We think this adds an extra burden on employers who want to offer that. If you are going to process this bill, I think some language should be inserted so that it does not become a mandatory subject of collective bargaining. I would try to exempt the cost of this from the calculation of minimum wage.

**Chair Oceguera:**

Are there any questions for Mr. Ostrovsky?

**Assemblyman Mabey:**

I do not understand why you said this just applies to small business. Explain that for me, please.

**Bob Ostrovsky:**

Almost all of the large employers in this State are covered by one of two funds, either through a collectively bargained Taft-Hartley fund which is exempt from local and state control, or an Employment Retirement Income Security Act (ERISA) self funded plan. I am talking about large banks, casinos, grocery stores, almost every large employer you can think of. There are some that buy insurance, but most of the individual policies and group policies that are sold in the State are sold to small businesses. As you mandate things, they tend to spill over to small business.

**Chair Oceguera:**

Are there any questions?

**Assemblywoman Buckley:**

Ms. Soldo, we are always looking for ways to get more groups covered. If issues in the bill were clarified, could you support the bill? Is there any age group where it might make sense, since the children generally are low risk? This could expand a coverage group if the parent paid and there was no question about that, and might that not take a small bite out of the uninsured?

**Marie Soldo:**

Anything we do that insures more people, young or old, would take a bite out of that number. I do not know the answer to that question. It needs to be

reviewed by our actuaries. A lot of states do a number of different things. We would have to look at that. If a young adult is offered insurance and he chooses not to have it, and wants his parents to pay for it, I do not know if that is the way we should go. If we have a group of young people not working but in school, perhaps we could accommodate that. We have accommodated up to the age of 24 in our products.

**Assemblywoman Buckley:**

I would appreciate it if you could check on that. Even if it were some version, age 25, age 26, who are not eligible for any other health insurance. I think it would be helpful information for us to know as we try to find ways to get more people insured so that the cost of the uninsured is not borne by all the people you are trying to protect.

**Helen Foley, representing PacifiCare of Nevada:**

We echo many of the concerns that Ms. Soldo and Mr. Hillerby expressed. One issue that we heard of the other day was that Internal Revenue Service (IRS) regulations state that after the age of 24, providing that insurance to a child would become a taxable event. That should be taken into consideration. I was intrigued by Assemblyman Cohen's testimony, but it sounds like their law has so much more to it than what we see in this legislation. As part of the United Health Care family, PacifiCare is in many of those states that have passed this legislation and we would be happy to go back and see what the experience has been for them and also specifically what their legislation says and how restrictive it is.

**Chair Oceguera:**

Are there questions for Ms. Foley? I see none.

**Russ McAllister, President, Professional Fire Fighters of Nevada:**

I am not sure whether I would oppose this bill or not. I do not know if it applies to me. I have two locals, Las Vegas Fire Fighters and Clark County Fire Fighters who have self insured trusts, but they are not ERISA, they are ERISA look-alikes. I do not know if we would fall under the guidelines or not. They are small, self insured, health insurance trust plans and we negotiate through collective bargaining for the amount of revenue that has come in on behalf of the employees, and we supplement that with dependent premiums. We also have retirees in our plan and so for a small plan, we cover quite a few people. Without knowing what the actuarial costs would be, I do not know what the financial impact would be to our plan. Without knowing the ramifications, I cannot say if I could support or oppose it.

**Bobbette Bond, representing the Culinary Health Fund, and the Health Services Coalition:**

We are not opposing this bill, we are really intrigued by the possibility of figuring out a way to cover this population, but I do not think there is enough information in this session to figure out the actuarial impact. We would like to know what happened in these other nine states. We need to know when it was introduced and what the impact was on the uninsured and also the impact on health insurance costs. We would need to better understand the actuarial element to be able to participate.

**Sabra Smith-Newby, representing Clark County, Nevada:**

Perhaps I could answer a part of Mr. McAllister's question. Clark County does believe that this bill applies to them and because of that, we are in opposition. We currently cover adult children up to age 19 and then up to age 25 when they are full-time students. We believe this is an additional mandated coverage that is unfunded. We are self-funded and because of that we operate as a trust, and we believe that our members should have a say in what kind of coverage they want and what they want to pay for it.

**Chair Oceguera:**

Are there any questions? I see none. Are there others wishing to oppose the bill? I see none. We will close the hearing on A.B. 479.

We will be pulling Assembly Bill 523 from the agenda. Mr. Conklin, do you have any comments?

**Assembly Bill 523: Makes various changes concerning insurance fraud.  
(BDR 57-881)**

**Assemblyman Conklin:**

I have been working with groups involved with this bill and building a consensus has been difficult. All parties involved have agreed to work together in the Interim to see if we can come with a more comprehensive plan for next session.

We will open the hearing on Assembly Bill 382.

**Assembly Bill 382: Requires a policy of health insurance that provides coverage for a full-time student to provide coverage during a medically necessary leave of absence from school. (BDR 57-902)**

**Assemblywoman Marilyn Kirkpatrick, Assembly District No. 1:**

This bill was brought forward by myself. [Distributed an article entitled *Illness Hits, Coverage Quits* ([Exhibit M](#))]. I met with a parent from New Hampshire over

the summer. Her daughter Michelle was a college student and she was diagnosed with colon cancer. It was unexpected and the doctors told her that she needed to cut back on her classes in order to start the chemotherapy and maybe recover. Michelle's family was a middle-class family. They did not have a lot of extras. She decided not to put that burden on her parents because it was going to be about \$550 a month for Consolidated Omnibus Budget Reconciliation Act of 1984 (COBRA) and they could not afford it. Michelle continued through school to keep the insurance so that her treatment could be paid for. Since I met with her over the summer, Senator Hillary Clinton and Senator Judd Gregg have introduced federal legislation. I spoke with our Nevada Congressional Delegation this weekend and they are in full support of this. We believe that by allowing the federal government to do it, more people could be helped. It has been in place in New Hampshire for two years. It has helped only three students out of the entire population. It does not affect the self funded plans, and it does not affect the trust fund plans. If the federal legislation is passed, it could help 40 students per state as opposed to just the 3 in New Hampshire.

Michelle passed away two years after her chemotherapy treatments. She was very diligent in keeping her family's insurance. That is why I am bringing it forward, for her family as well as working with our Federal Delegation.

**Chair Oceguera:**

Are there questions from the Committee? I see none. Are there others wishing to testify in favor of this bill?

**Jack Kim, representing Sierra Health Services, Inc.:**

I am actually neutral on this bill. American Health Insurance Plans are working with the sponsors on the federal level to address this issue. It will cover more people on a national basis.

**Assemblyman Horne:**

Would this include those with mental health or drug treatment problems?

**Jack Kim:**

I do not know. I would have to take a look at the bill again. I believe the bill, as currently written, was only for cancer treatments.

**Assemblywoman Kirkpatrick:**

It was for an emergency situation, such as if your child had appendicitis and had to have their appendix removed and they had to drop out of school, their insurance would be dropped. Nationwide they have not addressed it. It would

cover students that had an unusual circumstance. I do not believe that mental health and drug problems would be included.

**Assemblyman Horne:**

The amendment you distributed states "medically necessary." There have been students who have been diagnosed with schizophrenia who needed to be hospitalized and I was just wondering if that would be considered medically necessary.

**Assemblywoman Kirkpatrick:**

Our intent was to follow the other states' legislation because this would match the federal legislation that has been introduced. I do not believe that those areas were addressed. We were trying to see that the student would not lose their insurance coverage if they had to drop from school. I would be more than happy to ask our federal delegation about this.

**Neena Laxalt, representing Nevada Nursing Association:**

I would like to add an amendment ([Exhibit N](#)) should this bill go forward. The amendment would change the language from "physician" to "health care provider."

**Chair Oceguera:**

Are there any questions? I see none. Anyone else wishing to testify?

**Sabra Smith-Newby, representing Clark County:**

We are neutral but we do have some proposed amendments ([Exhibit O](#)). Currently, the self funded plan for Clark County does allow extension of coverage by way of federally mandated COBRA which is up to 36 months or an extension of coverage of up to 12 months to any individual who is totally disabled. [She articulated the proposed amendments.]

**Chair Oceguera:**

Are there any questions?

**Assemblyman Horne:**

What is the rationale for changing the 12 months to 6 months? Do you think six months is enough time to recover from some serious illness?

**Sabra Smith-Newby:**

In some cases six months may be enough, in other cases not. Our intent was to start with the six months and if the Committee would like to add a renewal, for instance, a semester at a time, we would be okay with that.

**Assemblyman Horne:**

So you are asking us to put in six months and leave the discretion to you to extend that should you deem it to be appropriate?

**Sabra Smith-Newby:**

Yes, sir.

**Chair Ocegueda:**

Are there further questions? I see none. We will close the hearing on A.B. 382.

[There was an 18-minute recess.]

**Chair Ocegueda:**

We will call the Committee back to order. We will open the hearing on Assembly Bill 518.

**Assembly Bill 518: Revises provisions governing the regulation of telecommunication service. (BDR 58-1128)**

**Howard Lenox, President, AT&T, Nevada:**

[Spoke from written testimony ([Exhibit P](#)).]

**Assemblywoman Buckley:**

What percentage of the business in Northern Nevada would you say consists of a household with one old-fashioned landline?

**Howard Lenox:**

It is between 10 and 40 percent.

**Assemblywoman Buckley:**

Is there a greater percentage in a certain area?

**Howard Lenox:**

Mr. Jacobsen is pointing out that the rich areas, such as Incline Village, are very high in terms of having just single stand-alone landlines. As well as some of the underserved markets.

**Assemblywoman Buckley:**

Do you mean rural Nevada?

**Howard Lenox:**

Yes.

**Kristin McMillan, Vice President and General Manager of Embarq:**

[Spoke from written testimony ([Exhibit Q](#)). She also used a PowerPoint presentation ([Exhibit R](#)).]

**Fred Schmidt, representing Embarq:**

By way of background, in the mid 1980s I was a Public Utilities Commissioner during the time long distance telephone markets were open to competition and then from 1988 to 2000, I was the Consumer Advocate responsible for protecting customers when major telephone technologies and competition began to take hold. You may recall in 1997 I recommended to this Committee, and you adopted, the formation of the Bureau of Consumer Protection, an evolution of the office of Consumer Advocate that was premised on the need to shift the resources and focus of that office to protect consumers from consumer fraud and deceptive trade practices of the new, unregulated, communications companies that were then beginning to enter the marketplace. I testified at that time that the Bureau of Consumer Protection was necessary as a reformation of the office since the Consumer Advocate would have less traditional telephone rate cases in the future, but there would still be significant need to protect Nevada consumers from unfair trade practices and from consumer fraud. Today, I appear before you supporting [A.B. 518](#) because it is clear that sufficient competition now exists and that our traditional landline telephone companies Embarq and AT&T should be given a fair opportunity to compete in that marketplace. I also support [A.B. 518](#) and came to the conclusion to testify today because the legislation still contains important continuing consumer protections that are necessary to ensure the goal that we have had for universal and affordable telephone service.

Let me highlight a few of those protections. The lifeline telephone service which Embarq offers today and upon which 40,000 Nevadans depend, is provided by Embarq to any customer who meets an income test of up to 175 percent of federal guidelines. The rate for that service today is only \$6.62 per month including taxes. The lifeline rate and the regulation of that service, along with the assurance that it will continue to be provided, remains required by this legislation. It is the same throughout Embarq's service territory, the rate is only slightly different in AT&T's territory. The number of customers we serve in Embarq today is 27,000. Totally, throughout the state the number is over 40,000 between these two companies.

In addition to that consumer protection, the Public Utilities Commission (PUC) will not be restricted and will still be able to handle complaints that consumers file, whether it is regarding a service or a billing issue. More importantly, 911 service which is critical in many instances, will continue to remain under

the oversight of the PUC. In addition to that protection, Embarq and AT&T will continue to be the provider of last resort, essentially providing a safety net for customers in the marketplace. Under this bill, they would not be allowed to discontinue providing that service unless authorized by the PUC.

Another protection that is in this bill that is important concerns competitive resellers who currently rely upon Embarq or AT&T's network will continue to have the wholesale rate for that service fully regulated by the PUC. The PUC will also continue to oversee the functional compatibility of the alternative technologies that some of these providers bring to the marketplace, so that the quality of service expected by consumers can continue. In addition, those providers will still have the PUC as a dispute resolution mechanism to handle potential disputes that may arise between competitive providers.

Finally, there is a transition period in the bill which provides that the rate that is currently provided for basic residential customers of Embarq and AT&T would not increase or decrease before July 1, 2008, and smaller rural telephone companies would continue to remain fully rate-regulated by the PUC unless they apply and could show that that service should change. With the consumer protections that I have highlighted, I believe it is time to allow Embarq and AT&T to compete more fairly in the marketplace. Without revealing competitively sensitive commercial information about market shares, I can clearly state for you from public information, that each of these carriers before you today has lost more than the 15 percent share that was cited in the newspaper this morning as a test and as a part of the PUC regulations today.

While that should not be perceived as a bright line test, it is one good indication that a competitive marketplace exists. For these two companies to continue to provide the important consumer program like lifeline service and to continue to offer the provider of last resort function, it is important that they be allowed to more fairly compete in today's marketplace. The rate regulation was meant as a substitution for traditional monopoly services, not being allowed to charge what otherwise might be a monopoly price. That no longer applies today when meaningful competition exists.

With regard to the comparison between electric utilities and electric deregulation, many of you will recall I was very skeptical about deregulating that service in the late 1990s, but we wandered into that territory and paid a price. That is very different than what is happening in the telecommunications market. The reason for that difference is we tried to create an electric competition market on the retail level from the same cloth. We tried to provide options for everyone for retail competition when we all still depended on only one physical facility, the electrical wiring that goes to each customer's house.

That is different than the telecommunications market today, where numerous facilities-based and other options are available to customers to obtain service for a telephone call.

**Chair Ocegüera:**

I do not know if this question is for you but, I would like to look at that transition period and maybe extend it. The transition period could run through the next Legislative Session so that we could have some oversight and see if this is actually working.

**Kristin McMillan:**

That is something we will certainly take into consideration.

**Chair Ocegüera:**

You referred to the two lifeline percentages being different, I certainly think they should be the same across the state. That is my personal opinion.

**Fred Schmidt:**

The percentage, itself, is not different. The percentage of customers is different because each has a different base of customers. The eligibility criteria is different. Is that what you are referring to?

**Chair Ocegüera:**

Yes, the eligibility criteria.

**Fred Schmidt:**

Embarq has one of the highest standards, if not the highest standard, that I am aware of in the country at 175 percent of the federal standard. The federal standard is only 135 percent and I will let Mr. Sanchez or Mr. Lenox speak to their amenability to a different standard.

**Chair Ocegüera:**

Okay, Mr. Sanchez, why not give your testimony first and then we will go to questions.

**Tony Sanchez, III, representing AT&T:**

We believe that A.B. 518 takes into account several protections for the elderly, low-income and underserved populations in Nevada. As we have discussed this bill with various stakeholders over the last year, there seems to be general agreement that Nevada customers have alternatives for telecommunication services. For example, many legislators that we heard from are currently using alternatives to traditional landline service, whether it is cell phone, Voice-Over Internet Protocol (VOIP), or by other means. At the same time, we have heard

concerns expressed about low-income customers and customers who might not be in a position to learn more about alternatives for telephone service. We understand that some customers just need their landline phone to keep working the way that it has since 1965. You pick up the phone, you listen for the dial tone, you dial the number and it works. Assembly Bill 518 provides protections for these customers. First, this bill does not change the lifeline program that offers discounts to low-income customers. Federal Communications Commission (FCC) guidelines suggest that customers at or below 135 percent of the federal poverty guidelines should be eligible to apply for discounted telephone service. In Nevada, AT&T and Embarq meet these guidelines. In Northern Nevada customers at or below 150 percent of the poverty line are eligible for discounted service. In the south, eligibility is at 175 percent. Also measures have been undertaken to reach out and enroll those deemed most eligible for the program. For example, any customer who is already receiving governmental assistance is automatically signed up for lifeline. They do not have to apply. Lists of eligible people are received by AT&T from the Department of Health and Human Services and these customers are automatically given the discounted service. Under A.B. 518 lifeline service also remains under PUC jurisdiction. The Commission will continue to oversee eligibility and discounts. I would note that these discounts are quite significant. Normally a customer would pay about \$16 monthly for local telephone service. Lifeline customers, as you have heard, only pay a little over \$6 for local service. A portion of this discount is covered by federal subsidy and part is covered by contributions by AT&T and Embarq. In addition, both companies devote significant outreach efforts each year to inform the public about the availability of this service. Quarterly advertisements are provided along with other forms of outreach. These efforts are funded solely by AT&T and Embarq, and they do not receive subsidies to cover these.

It is our belief that low-income customers will continue to be safeguarded under this legislation. From an overall perspective, the pricing flexibility provided for in A.B. 518 expands consumer choice, it is going to lead to better prices, while at the same time protecting consumers, either low-income, seniors, or savvy technology users. We hope we have made it clear that in our efforts over the past year, we have heard the desire to protect the consumers and we are here today to work with you to address those concerns, and at the same time, update the industry that is the cutting edge, not at the cutting edge of technology today.

**Chair Ocegüera:**

The lifeline portion of this bill is very important to several of us. You said there is a quarterly newsletter and other things. What other things, and do you think we could expand upon the outreach for the lifeline system?

**Tony Sanchez:**

Absolutely, we could expand our outreach programs. We heard that a year ago when we first started talking to each of you about the potential changes to these statutes. Advertising is one form. Other states have various different methods to reach out to the public, such as public service announcements. We are willing to bring a range of alternatives to meet the Committee's concerns.

**Chair Ocegueda:**

Okay. Are there questions from the Committee:

**Assemblywoman Buckley:**

Could someone help me by just laying out exactly what we are talking about with this measure? You all know it so well, but for anybody who is viewing this or has not kept up with this issue every day of their life for the past two years, could you describe what it would mean for one of my typical constituents, 70-years old, not on lifeline, no desire to get any help from a government program, but on a fixed income, does not have a cell phone yet, maybe has one line, maybe has voice mail, maybe not yet there, maybe they would not be under the new basic network service, lives in Las Vegas, not in a rural or hard to serve area, what happens to that person?

**Kristin McMillan:**

There are a couple of possible impacts here. With the ability for us to have a greater pricing flexibility there will be a transition period. During that period of time the basic residential stand-alone line, that price would not change during the transitional time period. Unfortunately, the price does not decrease either. There are other companies who provide stand-alone service. They would have the opportunity to go to another company and some of those companies are charging rates that are lower than ours for that service. In terms of Embarq's service, we would not lower that service because that would take a complex proceeding before the Public Utilities Commission in order to do that.

**Assemblywoman Buckley:**

What happens in 2010?

**Kristin McMillan:**

I was just going to explain. After the transition period is completed, perhaps nothing happens. We may decide at that point that we do not change the price because of market conditions. Obviously, it is going to give us the chance to respond to those market conditions. We know that one of our prime competitors is offering basic stand-alone residential service at a rate that is \$1 less than ours today. We know that Voice-Over Internet Protocol (VOIP)

providers are providing service at rates that are more than \$1 less than we are providing today. It certainly would give us the opportunity to respond to those competitive offerings and respond to market conditions. It is hard to predict exactly what could happen, but it would give us the freedom and the flexibility to respond to market competition. Today, we do not have that ability.

**Assemblywoman Buckley:**

What percentage of Embarq's business is just the stand-alone phone line?

**Kristin McMillan:**

The stand-alone basic residential is approximately 15 percent of our total.

**Assemblywoman Buckley:**

What I am concerned about is that the customer, who chooses lots of things, will be the more desirous customer, because they buy more. I worry about that 15 percent, especially in the older population, that are not yet embracing VOIP and who do not have a lot of bells and whistles, they just want the phone.

**Kristin McMillan:**

And, we will continue to provide that service. We will remain the provider of last resort. We take on the responsibility, like no other provider, to continue providing that basic service to customers. Do we think our competitors are going to do that, yes. They will continue to provide that service as well. To the extent that there are competitive services out there, if we lower our price, our competitors will respond. That is what happens in a competitive market. It is possible that prices could go up for the basic residential customer, but it is more likely that prices would come down.

**Assemblywoman Buckley:**

I am very sympathetic to the argument that there should not be an unlevel playing field among competitors. It does not make sense to treat one company as a monopoly and not allow flexibility, when you are competing against companies that are not required to have that same regimen. But, is there any way to marry that concept with the concept that those residential customers would have some protection or, if they do not switch from the incumbent monopoly and are only getting stand-alone services, that they could still be protected by the PUC or they would still share that same discount as they had in the past?

**Fred Schmidt:**

I think that is what is happening today. That is why the bill has the provider of last resort obligated to continue service and tying it to a state regulatory agency

so that it will continue and not be eliminated. It is also why we have the lifeline provisions in the bill.

**Assemblywoman Buckley:**

A lot of people do not use lifeline. It is a great goal and I know you have been working to get more people into it. Put that aside for a moment. A lot of people do not want to deal with the government paperwork, but they still have only one phone. Remind me what being provider of last resort actually guarantees?

**Fred Schmidt:**

That guarantees that there will be someone to provide that basic telephone line service.

**Assemblywoman Buckley:**

At what rate?

**Fred Schmidt:**

After this bill goes into effect, the only guarantees on the rate will be the marketplace or the lifeline service rate availability. Embarq is committed to doing outreach. A customer may fall into a situation where they are not attracted to one of the many providers, which is not a reasonable assumption, because we have found with the current marketplace, there are competitors reaching out and just going after those residential customers, even on a price basis with Embarq. Embarq reaches out through community centers so that if that person's rate went up, and they were upset because of that, they would still have options both in carriers and to then go onto the lifeline service. I cannot promise you that someone will not experience a price increase as a result of this legislation. Unlike the electric deregulation, there is no specific price cap except for the customers in that low-income category.

**Assemblywoman Buckley:**

Thank you for the answer.

**Howard Lenox:**

In terms of qualifications and the ability to get lifeline service, the State of Nevada is unique compared to most other states. There is an automatic process for enrollment. If you are receiving assistance, we receive those tapes from Health and Human Services and one does not even have to reach out. Even if they are unaware of the program, or if they are too proud to apply, we will put them on the program immediately. We are certainly willing to work with the Committee and whomever else you would like us to work with to look at ways to ensure that we get the greatest outreach in that regard.

**Assemblyman Anderson:**

Ms. Buckley's question concerned me. I want to be sure I am not drawing an incorrect conclusion. The person who is utilizing basic services, their rate would be going up after this bill goes into effect? Are they going to be carrying a greater burden since they are the stable part of the program or is it going to remain the same?

**Howard Lenox:**

In a competitive marketplace, it would be folly for us to raise prices. We are in a very competitive marketplace today, whereas a decade ago there were relatively few choices for where one could go to get their residential service. Today, we find ourselves competing with a number of different competitors who use systems and infrastructure different than our own. We cannot guarantee that a price will not change in the future, in order for us to remain competitive, but we will have to respond to market conditions and price appropriately.

**Assemblyman Anderson:**

Am I then to assume that the response to market conditions may cause you to raise your basic rates in order not to reduce your overall cost of operating?

**Howard Lenox:**

What we see today in markets is that the general trend in pricing is to come down. I cannot promise you today that we would never raise a price. Nevertheless, we do know that prices directionally go down in a competitive marketplace.

**Assemblyman Anderson:**

Will there be some regulatory body that is going to make sure that the offset does not happen?

**Howard Lenox:**

There is nothing automatic that would change the prices. The market will drive us where we need to be in order to be responsive to our competitors. I will give you an example. In another state, there is a large cable system provider who is now offering basic telephone rates of \$10 per month. We would have no choice in a market like that but to respond, less we lose even greater numbers of customers. Again, there is no guarantee the prices will go up, market conditions will drive us to where we need to be. The companies in this industry are locked into a battle for the customer.

**Assemblywoman Gansert:**

My concern is about the rural markets. What would happen to them?

**Howard Lenox:**

This bill specifically provides for the Public Utilities Commission to look at the policy issues around rural subscribers and how best to deal with them over the long term. That is an issue that we need to look at. That investigation would take place during the transition period. It would give this body, as well as the Commission, an opportunity to best understand how to manage the rural markets.

**Assemblywoman Kirkpatrick:**

What I heard was that the middle class person would be the one to see the increase in their rates across the board. Is that correct?

**Kristin McMillan:**

No. At every level we are going to have to respond to the market conditions in terms of pricing our products and services. As a company operating in a competitive market we are going to have to find ways of operating as efficiently as we can, lowering our costs, because we will not be able to go to the PUC and recover our costs through rates. Directionally, as Mr. Lenox said, prices are probably headed down, not up.

**Assemblywoman Kirkpatrick:**

My rates have gone up over the years, I have never seen them go down. Others, you said, would have choices to go other places. Were you saying if you do not like the prices, go somewhere else?

**Kristin McMillan:**

I think everyone will have the opportunity to have choices in the marketplace and go elsewhere if they find a better value. Our basic rates have not increased for five years. Our basic residential rate has stayed at \$10.40 for the past five years. To the extent that you have a package of services, depending on what is in that package, perhaps you have upgraded your services with additional features and that is why your rates have increased over time.

Communication providers now are full-service providers, they are providing a full portfolio of products and services that include not only the basic voice service but obviously, high speed Internet services and even entertainment services. That is what customers are looking for now. There are looking for the convenience of having a full package of services with one bill and the opportunity in a competitive market is to price those so that the customer can experience the best value. In a competitive market those customers will have alternatives.

**Assemblyman Conklin:**

There has been a lot of discussion about the competitive market. If you took your regulated businesses out of the marketplace, for like products, how does their price compare with yours?

**Kristin McMillan:**

It depends on what the product and service is that you are talking about. If you are talking about a basic residential service, there are some carriers that are providing that service at a price lower than ours, there are some companies that are providing that service at a rate higher than ours. There are bundles of products and services, those are hard to compare. There is very aggressive advertising and promotions. Customers, every day, are being bombarded with advertising from competitive carriers who are offering price promotions and are trying to outdo the competition.

**Assemblyman Anderson:**

If you bring in a service at a lower cost, are you going to show that change in the new service as a reduction to everybody in the system, or only those people who make application at a particular moment in time? For instance, if your price drops for computer lines, are you going to make sure that the billing practice is done for everybody who is using that, regardless of when they signed up for it, or are you going to differentiate the price upon a particular moment in time that they signed up for it?

**Kristin McMillan:**

I think you might be talking about a promotional situation. Today, competitors do not have any restrictions on how they can offer promotions unlike companies such as AT&T and Embarq. Under this legislation, we would be freed up, like our competitors, to offer promotions without restrictions regarding the length, the duration, and the reach of those promotions.

**Assemblyman Anderson:**

So then, your customers would have to be constantly checking with you for each of their particular services to find out if they are the best available in order to get the market price with each promotion that comes along in their particular service area?

**Kristin McMillan:**

Certainly customers could be checking with us, but again, there is significant, very aggressive advertising going on right now. Competitors are definitely reaching customers in that regard.

**Howard Lenox:**

We do aggressive outreach on our promotions. Our promotions last for a duration of time. At the conclusion of those promotions, we reach back out to the customer in an attempt to renegotiate with them and make sure that we keep them as a customer. For every promotion that is expiring, there are multiple other competitors who would like very much to have the opportunity to pick that business up. It is in our best interest to continue to reach out and go to those customers, as we do today, so that others do not offer something that would be substantially better to entice them to switch.

**Chair Ocegüera:**

Are there further questions from the Committee?

**Tony Sanchez III:**

We have Dan Jabobsen and Dan Reaser who would like to briefly go over some technical amendments that will only take a few minutes of the Committee's time and they will be able to answer any technical questions.

**Dan Reaser, representing AT&T:**

[Spoke from written testimony ([Exhibit S](#)).]

That testimony provides you a background of the regulatory context within which this legislation is being proposed based on the Legislature's acts since 1989 and again in 1999 and 2003. I also have provided in that testimony a line-by-line analysis of what the bill does, for the Committee's consideration. There are some amendments that have been discussed with competitive local exchange companies and we have agreed to those amendments. Those proposed amendments have been distributed to you ([Exhibit T](#)). [Addressed the six amendments individually.]

**Chair Ocegüera:**

Are there any questions on the amendments?

**Assemblyman Settlemeyer:**

Could you explain again the concept of small scale providers saying that they could show cause and could be converted? Are you taking away the lifeline ability for the rural areas?

**Dan Jacobsen, Executive Director, Regulatory, AT&T:**

No. What we wanted to do was leave the small carriers alone, for now. For example, Verizon serves Douglas County, but we wanted to give them the opportunity if, when they feel there is enough competition in the area where they serve, can file an application with the PUC and ask for a change to

something similar to what AT&T and Embarq are requesting. They would still be required to provide lifeline service. That is not going to change.

**Chair Oceguera:**

Are there others wishing to testify in support of the bill?

**Joe Chicone, representing Frontier Communications:**

We service the areas of Elko, Wendover, Tonopah and mostly the rural areas. We support this bill and urge your consideration.

**Karen Peterson, representing Verizon:**

Verizon serves Douglas County and portions of Lyon County. With the amendments proposed by AT&T, Verizon also supports A.B. 518.

**James Endres, representing XO Communications, TelePacific Communications, and Echelon Communications:**

These are all competitive local exchange companies in the State of Nevada. We are not opposed to the bill, given the amendments proposed this afternoon by Mr. Reaser.

**Chair Oceguera:**

Are there any questions? I see none. Are there any wishing to speak in opposition to the bill?

**Steve Tackes, representing Focus Property Group:**

This is a 92-section bill. We have concerns only with Sections 15, 16, and 17. The problem that we see with these sections is that they have been used in a somewhat anti-competitive way. These sections say that the provider of last resort, namely Embarq and AT&T, can refuse to provide service to certain subdivisions under certain circumstances. We have seen in Florida, and we hope it would not happen in Nevada, where they have used that as a club to say you need to deal with us, you cannot go to any alternative providers. That concerns us greatly. If we heard Mr. Schmidt, on behalf of Embarq, correctly, he said that they would continue to be the provider of last resort and would remain so until the PUC says otherwise. That goes a good way to solve our problems. We are hopeful that we can work out our problem with the bill proponents. We only became aware of this bill this past week when it was introduced. We were not a part of any earlier negotiations. If the goal here is competition, the bill should not have something that would tend to work against competition.

**Barry Gold, Director, Government Relations, AARP, Nevada:**

[Presented written statement with summary ([Exhibit U](#)).]

**Eric Witkoski, Consumer Advocate:**

We have talked to some of the parties and still have some concerns about this legislation. I also have some observations. Section 2 was referenced where basic service was exempt, but it was exempt only if it was the sole part of that package, promotion, contract, or discount. We are concerned that it would cause customer confusion and complaints.

Sections 4 and 18, do allow AT&T and Embarq to be unregulated. That would be a finding if the market were competitive, without any real market analysis. This causes us some concern. There has been some discussion regarding the small provider. Section 21, states they must petition the Commission before being declared a competitive supplier, but again, that condition does not apply to AT&T and Embarq.

Section 22, would not be subject to any review of earnings. Currently, if they want to change the rates, they have to have a rate case. This bill would remove that requirement. Sections 25 and 39, would require that they not increase rates until June 30, 2008. We believe that is too soon. However, in Section 26, there seems to be an acceleration clause, where the PUC on its own motion or by the petition of someone could have that service deregulated. Therefore, they could raise the rates before July 1, 2008.

Additional provisions in Section 29, allow a competitor supplier to discontinue service on ten-day's notice. Section 44, exempts competitive suppliers from having the PUC approve mergers, acquisitions, and changes in control. That is concerning because of the concentration going on in the industry now.

Under current law, there is some provision for the companies to pursue having a service deregulated, however, they have chosen not to do that for the residential services. They have had some concerns about the information being confidential, but the PUC does have provisions where that information can be kept confidential and hearings can be closed.

There was a reference to a PUC investigation that had to do with historical test years, hybrid test years, and future test years, and that was the scope of what the PUC issued. I believe the PUC has not found that the telecommunication industry is competitive.

It is interesting to note that Judge Green's decision in the 1980s was referenced. That is where the Bell companies were broken up, but if you will look around now, you will see that SBC has acquired a lot of those companies, PacBell, Nevada Bell, Bell South, and AT&T. There has been some trend of

consolidation in putting it back together. Embarq noticed in their annual report that there is a trend towards consolidation. Anytime you go to competitive markets, you want to be sure that you have plenty of competitors so competition does take over the regulation.

The wireless is not a substitute for the landline service. There is a lot of growth in cell phones, but I believe it is a complement, not a substitute for landline service. Regarding Sections 15, 16, and 17, I think there needs to be some addressing of those issues regarding the private installation of telecommunication lines. We will continue to talk to the parties, but I am not sure we can get there. We understand there is a transition. Embarq, when they spun off from Sprint/Nextel, looked at extending their Plans for Alternative Regulation (PAR) to 2010 unless the law changes. If the law changes, that guarantee goes away.

We recognize there are different ways to go. There is some legislation with some oversight provided. A deregulation procedure should have consumer protections in it, or some direction from the PUC to investigate the competition, some control, some monitoring, and revoking if necessary.

**Chair Ocegüera:**

Are you saying cell phone, wireless, and cable technology does not have an application for the "little old lady" that we are trying to protect? It seems like a wireless application works as well.

**Eric Witkoski:**

I do not believe the "little old lady" we are trying to protect, has a cell phone, I am not sure they can see the numbers on the cell phone to dial. They are used to having a phone line in their home, that is the one that is the most reliable, they have not forgotten to charge the phone, they can find it, and they can dial if they have a health concern. We just want to be sure that that service is available. Basically, there is one line into the home with the phone company. The other line into the home is the cable and I recognize that they are starting to provide service. There is some competition there.

**Assemblywoman Buckley:**

The market has changed a great deal. I think we see a more unlevel playing field between the regulated monopoly and the other providers so that it is causing a competitive disadvantage to the monopoly. Is there some way to balance those issues by making the playing field more level among the industry groups that are now in the other's business, while still ensuring an orderly transition and not hurting those who are not yet ready to use alternative phone service?

**Eric Witkoski:**

That is the fork in the road where we are. We are going through a transition from a monopoly to a competitive market. Hopefully, that is what develops. I believe we need some oversight. The companies should have some flexibility regarding tariffs. There are some changes that could be made, there is also some transition that could occur that would allow competition to develop and technology to develop further.

**Assemblywoman Buckley:**

What could we do, today, to level the playing field and further competition, while ensuring appropriate consumer protections?

**Eric Witkoski:**

I think the rate cap is a good idea. It provides customer protection. If the argument is that competition is here, then rate caps should not be a problem.

**Assemblywoman Buckley:**

Did we do a rate cap in electrical deregulation?

**Eric Witkoski:**

We did. We had a three-year transition and we got on the threshold of that. I think you would still need the PUC to monitor and determine whether the competitive market is still active, and revoke it if competition diminishes. That is what you see in some states. Some oversight is needed.

**Chair Oceguera:**

Are there further questions from the Committee? I see none.

**Ann Pongracz, Director, Government Affairs, Sprint Nextel:**

We have some concerns about A.B. 518. We have prefiled some testimony ([Exhibit V](#)) that T-Mobile has requested that they be regarded as signing on to our testimony today. We would request that our written testimony be included in the record.

**Chair Oceguera:**

We will place it into the record.

**Ann Pongracz:**

Sprint only has three concerns about this draft legislation. We do not take a position on the bulk of the legislation. We believe that certain technical amendments are needed to clarify that this legislation will not increase regulation of wireless carriers. Second, we are concerned that this legislation

might make it much easier to deregulate special access and switched access. Special access is a product that wireless carriers purchase from the local telephone companies such as AT&T, Nevada and Embarq to connect our points of presence to our business customers. Switched access is a product that we purchase from AT&T, Nevada and from Embarq to connect our points of presence to residential and small business customers. Those two products do not have effective competitive alternatives in the marketplace and we would be very concerned about any reduction in the oversight of those two products. Third, we are concerned that A.B. 518 creates an inequitable situation regarding treatment of the universal service fund. As it is written today, A.B. 518 requires wireless carriers to pay into the fund, however, it does not allow wireless carriers to draw down on the funds, even if the wireless carriers are willing to apply to the Commission and be determined to have a lower cost alternative to providing services in insular, rural and high cost areas.

You heard the President of AT&T say earlier today that the wireless business is quite competitive. We agree. You will not be surprised that we have some concerns given the increased focus that the incumbent phone companies have on our business. We feel that there are a couple of provisions here that are written to potentially give the local telephone incumbents a competitive advantage vis-a-vis the wireless carriers and other competitors and we suggest that certain amendments be made. We have detailed those in our written testimony. We have not had the opportunity to discuss them with the incumbent local telephone companies, and, like Mr. Tackes' clients, we did not have an opportunity to discuss this legislation with the proponents prior to its being filed.

We hope that there will be an opportunity and time allowed for us to have these discussions in a meaningful fashion and get our concerns resolved.

**Jon Sasser, representing Washoe County Senior Law Project and Washoe Legal Services:**

Ernie Nielsen, who has had a long history of practice before the PUC, especially on the lifeline issues, apologizes for his inability to be here today. On his behalf, I would like to express some of the similar concerns that Mr. Gold expressed about the impact of certain sections on seniors, especially those who want just the basic service. My mother, who is 89, with a hearing aid, cannot hear anything on the cell phone. So, she has to have a landline with very large numbers so she can see the numbers and to be able to access her basic service.

The current lifeline is a discounted rate based on a basic rate, and that basic rate is set by the PUC. There is some ambiguity as to what they are now discounting for that lifeline service. Also of concern are Sections 15, 16 and 17

about the ability of a provider of last resort and the difficulty of restating a provider of last resort if things change. Finally, in Section 26, our concern is with the ability of the PUC to eliminate intrastate service for someone who needs the local service to contact their local drugstore or family within the State.

Mr. Nielsen would like to offer his services if there is an opportunity to work further on this language or any subcommittee.

**Chair Ocegüera:**

Are there any questions? I see none. Are there others wishing to oppose A.B. 518? I see none. Are there others wishing to speak in the neutral on this bill?

**Bob Gastonguay, representing Nevada State Cable Telecommunications Association:**

We wish to go on record as not opposed to this bill as drafted.

**Kirby Lampley, Director of Regulatory Operations, Nevada Public Utilities Commission:**

We would like to go on record as being neutral on this bill, with one reservation. The Chairman has already addressed that concern, which is the transition period for basic services. We think it would be appropriate to extend it at least past the next Legislative Session.

**Assemblywoman Buckley:**

Is that it? Deregulation of the telecommunication industry and that is the extent of the testimony and the analysis?

**Kirby Lampley:**

We have analyzed it in-house. We look at it on a regular basis. The Commission has not taken a formal position on this, although on the staff level we do recognize that there is a considerable amount of competition out there. We have looked at the statistics the companies have provided to us. One of the most telling ones was the graph that Ms. McMillan showed earlier which showed the increase in Nevada Power Company and the drop off in telephone customers. I think that is indicative of a very competitive industry. Additionally, I think the Commission sent a report to the Legislature in May 2006 which indicated that we recognized there was serious competition and it was time for the Legislature to take a look at the industry.

**Assemblywoman Buckley:**

What about analysis of the bill? Are there any concerns about new developments, and the regulatory scheme that was suggested, consumer protections, and lifeline? It seems it is an issue of an extraordinary magnitude and I am surprised at the level of analysis.

**Kirby Lampley:**

We have looked at all those issues as the company was developing its guidelines to bring this bill forward. We are aware of the negotiations between the company and the others and we have made a number of observations. Specifically, we had changes made regarding the provider of last resort. Protection for the rural telephone companies was another big issue. The small companies have to opt out of the current regulatory scheme in order to get into the competitive market. In other words, they would remain under the regulated paradigm that gives them protection and gives the rural customers protection also.

**Assemblywoman Buckley:**

I think the Commission recommended rate caps when we did electrical deregulation. Why no such recommendation here?

**Kirby Lampley:**

In effect there is a rate cap. That is the transition period for the basic service. If our recommendation were accepted, the transition period would extend beyond the next Legislative Session. The basic service would be held at a constant rate.

**Assemblyman Settlemeyer:**

Mr. Gastonguay, you testified that the Cable Television Association was in support of the bill as it was drafted. I assume you would still be in support if we just extended the time frame, is that correct?

**Bob Gastonguay:**

We have no problem with that.

**Charles Bolle, Manager of Policy Analysis, Nevada Public Utilities Commission:**

I am here to echo what Mr. Lampley said that we do not object to this bill. Our only concern is the local service being deregulated on July 1, 2008. We think the bill does provide some consumer protection.

**Suzanne Johnson, Private Citizen, Gardnerville, Nevada:**

I am very concerned about a number of things. I can get my phone service through the phone company and when I talk to them about high speed Internet

service, they laughed at me. I need to go to the cable company to get high speed Internet service. In this case, the cable company is considered a competitor of AT&T in Northern Nevada, but I can honestly say they do not offer everything to all locations. Under this bill, it would appear that providers are not required to publish rates for any service other than basic service. How can I, as a consumer, make some intelligent decisions even though I do not have competitive places to get my high speed Internet?

I have a friend who is on lifeline service. She is on disability. She was told a few years ago that she needed to reapply for that service every year and the welfare agency she worked through apparently did not know any different. I understand that is different now and I will pass that information along. There appears to be some glitches in the service offered.

I also have questions about the provider of last resort. There are circumstances under which the PLR can decide not to provide basic telephone service. I am trying to understand what those are. For example, some friends of mine who have a ranch would like to install a local area network that would allow high speed video and various other types of communication between buildings on the ranch. They would like to be able to install a television to see what is going on in the foaling barn and so forth. It is not clear to me that if they do this, whether they would be in violation of A.B. 518 and have their basic service dropped.

I am not sure, in looking at this bill, if it would not cause a lot of convolutions that even if the permitting process in this State were made simple, that it would not create an additional hurdle for new companies coming to Nevada.

**Chair Ocegüera:**

Are there any questions from the Committee? I see none. Is there anyone else wishing to speak in the neutral on this bill? I see none. We will close the hearing on A.B. 518. We will put this into a subcommittee. There will be one week to negotiate a settlement. The subcommittee will consist of Mr. Conklin, as chair, Mrs. Kirkpatrick and Ms. Allen. It will probably have to be a night meeting as our time is short.

We will open the hearing on Assembly Bill 526.

**Assembly Bill 526: Revises provisions governing the regulation of community antenna television, cable television and other video service. (BDR 58-1129)**

[Mr. Ocegüera left and Vice Chair Conklin took over the meeting.]

**Steve Schorr, Vice President, Public and Government Affairs, Cox Communications:**

[Spoke from written testimony ([Exhibit W](#)).]

**Vice Chair Conklin:**

Are there any questions from the Committee?

**Assemblywoman Buckley:**

I see in Section 29, the Secretary of State has been chosen as the office to issue the certificates of authority. Why was that office chosen?

**Steve Schorr:**

The Secretary of State was chosen because that is the office that deals with statewide issues. The Public Utilities Commission does not have any experience dealing with this issue. The standards are set by the Federal Communications Commission (FCC) and we felt that was the right way to do it. We feel that those that apply for it should be able to cover the cost as enumerated by the Secretary of State's Office in his fiscal note.

**Assemblywoman Buckley:**

Is that typical in the other states that are experimenting in this area?

**Steve Schorr:**

It is a combination. Some states are and some states are not. In California it is the PUC, but that has been an incredibly long, huge battle that is still ongoing. We think Nevada has a better way in leaving local governments in control of the things they need to control, which are the consumer issues, the rights of way issues, and franchising.

**Vice Chair Conklin:**

Are there any additional questions for Mr. Schorr? I see none.

**Manny Martinez, Vice President and General Manager, Charter Communications:**

[Spoke from written testimony ([Exhibit X](#)).]

**Vice Chair Conklin:**

Are there any questions from the Committee? I see none.

**Howard Lenox, President, AT&T, Nevada:**

In the interest of time and given the fact that many of the themes I have prepared to speak to you about have already been covered by Mr. Schorr and

Mr. Martinez, I will be brief. I have submitted my comments ([Exhibit Y](#)) for the record.

This bill is good for consumers in that it provides certainty with regard to market entry and consistency amongst those seeking to enter those markets, thus providing end users, the consumers of Nevada, with a greater choice of services and pricing for current and potential new services in the marketplace.

This bill anticipates and encourages the deployment of new technologies that make meaningful video competition possible. It acknowledges that consumers should have access to the many alternatives for video services including cable, satellite, Internet Protocol TV, and wireless video.

Video competition in turn will increase choice, control, and cost of savings for consumers. Increased choices for services and service providers place the customer in control not only of selection of video service but also the price they will pay.

This bill encourages investment and innovation by those who seek to provide these services, such as my company and the companies that I sit with today. The cable and telephone industry support fair competition that brings choice and value to customers. As such, we collectively support A.B. 526, and urge you to do the same.

**Vice Chair Conklin:**

Are there any questions from the Committee? I see none.

**Kristin McMillan, Vice President and General Manager, Embarq:**

I will be very brief. I concur with the testimony given by my colleagues and Embarq supports Assembly Bill 526.

**Vice Chair Conklin:**

Are there any questions from the Committee?

**Assemblywoman Buckley:**

I want to be sure I understand. Are we basically changing the regulatory apparatus requiring it to be done at a statewide level, through the Secretary of State? Are we pre-empting local regulations over franchising, and instead allowing any provider who wishes to compete to go through the Secretary of State for their authority? It will open it up so that anyone can compete and instead of being done at the local level, it will be done in one spot, statewide. Is that right?

**Steve Schorr:**

That is correct. Congress and the FCC have looked at it, and it is happening in 28 states now. The process whereby competitors needed to go through local governments for franchising was a long drawn out issue. It is a capital intensive business, that is, we spent \$330 million in 2006. In order to do that, companies need to move quickly. That is being done on the state level. I am not taking anything away from local governments, but in a competitive market place, it is how quick companies can get in and provide it. Franchise fees remain in local governments. Local governments still have the issue of consumer's rights, that is not being taken away. I know there was a concern that they were going to lose franchise fees, but that is not going to happen because of an agreement that we all reached with the exception of Reno, Nevada.

**Vice Chair Conklin:**

Are there any additional questions? I see none.

**Dan Reaser, representing AT&T:**

[Spoke from written testimony ([Exhibit Z](#)).] The written testimony provides a line-by-line evaluation of the bill and its various objectives. We also have worked out one amendment ([Exhibit AA](#)). This amendment was requested by Churchill County Communications and amends Section 67 to eliminate the one place in the bill draft where there might not be a level playing field. This particular section relates to when a County-sponsored cable company can go into another county's territory to provide service. That is in existing Nevada law. When changes were made in the bill to take the franchising from the local governments to the State, they also included an additional requirement which was that they also go to the local government. That type of cable provider would have a two-step process. We agreed that it was not the intent of the legislation and we are in agreement with this amendment.

**Vice Chair Conklin:**

Are there any questions from the Committee?

**Assemblywoman Kirkpatrick:**

I am a little confused, because I went to the meetings when local governments and everyone were trying to work together, the League of Cities was there, and we discussed the bill as a whole and there were three or four items that just did not work with everybody. These are not them. So, where did this come from?

**Dan Reaser:**

Mr. Jacobsen will be addressing those other items. This is the only amendment where the language is nailed down.

**Assemblywoman Kirkpatrick:**

I was in those very long meetings, where was that discussion then?

**Dan Jacobsen, Executive Director, Regulatory, AT&T:**

We had the meeting you were present at, it was a very productive meeting between the industry members and the local governments. We had a subsequent meeting where we spent a very long time going through the issues that were brought up at that meeting, and a few more issues. The good news is, we were able to reach conceptual agreement. We have distributed that memorandum ([Exhibit BB](#)). I wanted to make it clear that we have reached conceptual agreement and now we need the lawyers to sit down and develop an amendment that will put all these conceptual items into a very large amendment that we will bring back to the Committee. At the meeting you attended, we were able to get all the issues out, then we had a follow up meeting where we got to some agreements that resolved concerns with the exception of Reno, Nevada who will be putting forth their own amendment shortly.

**Vice Chair Conklin:**

I just want to be sure that Mrs. Kirkpatrick's question has been answered. Was this conceptual amendment that has been brought forth a compromise for any other group, or is it something you noticed after the fact that needed to be fixed?

**Dan Reaser:**

The amendment that I have provided is a single amendment which was brought by one party, which is Churchill County Communications and it is completely resolved and the language has been drafted. As Mr. Jacobsen indicated, the other discussion points with local governments that were the subject matter of a series of meetings, we have come to conceptual resolution, and the lawyers just have to draft them.

**Vice Chair Conklin:**

I just wanted to make sure that we understood where this one amendment came from.

Are there any additional questions regarding the proposed amendment by Churchill County Communications?

**Dan Jacobsen:**

Perhaps it would be helpful if I just commented. The conceptual agreement we reached is designed to help assure that the franchise fees that the local

governments are currently receiving on video services are not negatively impacted by this bill. They are designed to assure that the local governments continue to have control of the right-of-way. They are designed to assure that existing community access channels are preserved. There are a few other items in there. I believe if we can translate these concepts into an amendment that could go into the bill, we will resolve all of the concerns that local governments have with the exception of Reno, Nevada, and they will be addressing that later on.

**Vice Chair Conklin:**

Mr. Jacobsen, do you have something for the Committee on those conceptual amendments?

**Dan Jacobsen:**

Yes. You have the handout.

**Vice Chair Conklin:**

Are there any further questions for Mr. Jacobsen? I see none. Due to the nature of our time frame, you understand that this Committee will conclude all of its business in the first house on the 13th of April. I know it takes a long time to get these various technical amendments into legal language that is approved by the Legislative Counsel Bureau. Good luck.

Are there any additional people wishing to testify in support of this bill?

**Les Smith, Executive Director, Sierra Nevada Community Access Television:**

I distributed a document ([Exhibit CC](#)) that listed A.B. 518 in error. It really refers to this bill. Speaking for community access providers around the State, A.B. 526 would actually do more to help us than anything we have seen. We are working together slowly to develop a network of community access providers that can provide not only programming for the government, public, and education channels, but also provide other services for the State, for local governments, and for the Counties. We are in support of this legislation.

**Vice Chair Conklin:**

Are there any questions for Mr. Smith from the Committee? I see none.

**Karen Peterson, representing Verizon:**

Verizon supports A.B. 526.

**Vice Chair Conklin:**

Are there any others wishing to testify in favor of this bill? I see none. Are there any wishing to testify in opposition?

**Marvin Leavitt, representing Urban Consortium:**

The Urban Consortium represents the five largest cities in the State. There is a technical question as to whether we are an advocate or neutral on this bill. We would like to indicate to you the situation as it currently exists between us and the sponsors of the bill. I think it has been indicated by speakers for the industry that we have met on a number of different occasions and have discussed with them the provisions of the bill and our concerns regarding the bill as it was originally drafted. They have responded to those concerns in a number of areas and I think with the exception of the City of Reno, which has a unique situation regarding cable which they will need to address with you separately, we have come to this conceptual agreement that was mentioned.

The areas where we have negotiated are in the area of franchise fees, and we had considerable negotiation and we have essentially reached agreement where all subscriber revenues would be the base for the computation of franchise fees. This is noted in the conceptual agreement document that Mr. Jacobsen mentioned and we have agreed to that. There is also mention of financial information being provided to me and I will review that and the industry has agreed to that. That will be our final verification that it is neutral as it relates to franchise fees.

Another concern was in the right-of-way area. One of the principles of local government is that we continue with the program that we currently have with right-of-way where the local government controls that right-of-way. We have essentially agreed that the cable industry will be treated like anyone else that has facilities in local government right-of-ways.

The next area where we had concerns with the bill is where the bill currently provides the Department of Taxation with an audit. The franchise fees and the agreement that we have reached with the industry is that local governments would audit the franchise fees but no more than once every three years. When local governments hire external auditors to do that, they are to be compensated on a non-contingent basis, that is, the fee is not based on how much they find.

The next area of concern was in the area of Public, Educational and Governmental (PEG) channels. There is a formula in the bill for how many PEG channels you have and under what conditions and the agreement we reached was the PEG channels as they currently exist will be grandfathered in so that no local government would lose channels and the industry has agreed to that. For new service coming on, they would be granted this one PEG channel and then in addition they would go back to the formula to determine whether they actually had the opportunity to have additional channels.

Tomorrow morning we have scheduled a meeting between the attorneys representing local governments and the attorneys representing the industry to draft language to implement what our agreement is. We hope to finish that fairly quickly so that we can reach agreement and get it to the Legislative Counsel Bureau and back to this Committee so that it could be drafted in time for the deadlines of the Legislature.

Originally we were not advocates of this bill, but we have through these agreements reached a point where we are no longer opposing the bill.

**Vice Chair Conklin:**

I believe those were the four items that Mr. Jacobsen spoke of. Are there any questions from the Committee? I see none.

**David Frazier, Executive Director, Nevada League of Cities and Municipalities:**

As has been indicated by several who have spoken, we have in fact met with the industry and appreciate them meeting with us. As Mr. Leavitt has outlined, on the basic issues upon which there has been agreement, translating that into legalese in that lengthy document is the important next step. We are at work on that and doing so with all haste. Once again, I just wanted to indicate for the record that we have worked with the industry on this conceptual agreement and hope that shortly we can see that in the form of an agreement that meets the Legislative Counsel Bureau's requirements.

**Jeff Fontaine, Executive Director of the Nevada Association of Counties:**

I will be very brief. When we first saw the bill, we had a number of concerns. After working with the industry and local entities we have been able to reach common ground on those issues. I will not repeat what those issues are, they have been articulated before. On behalf of the Nevada Association of Counties, we are willing to continue to work with the industry on the specific language that is needed for the amendments to address those common areas and look forward to getting those amendments into this Committee very quickly.

**Vice Chair Conklin:**

Are there any questions? I see none.

We will turn our attention now to the opposition.

**Liz Sorenson, representing Communications Workers of America, Local Union No. 9413:**

I am also here on behalf of our members who are employed by AT&T. With your permission, I would like to introduce the gentlemen to the right of me. I

have Mr. John Doran our International Representative with Communications Workers of America (CWA), to the right of him is Charles Randall with the International Brotherhood of Electrical Workers (IBEW) Local No. 396, and to the right of him is William Birkman with the CWA Retired Members' Council.

I would like to let the Committee know that we have been working with the company. We have been trying to get to a place where we can support A.B. 526. We understand the concept of the bill is a good concept and there is a need for it. But, also, there are some components that are missing from this bill. I believe the components that are missing are protecting not only the members and others employed by AT&T, but also the consumer.

I have provided you with some amendments ([Exhibit DD](#)). There are three particular amendments that will take care of the issues that we have. The first one is to replace the reference to the Secretary of State with a reference to the Public Utilities Commission (PUC). That amendment actually protects the consumer. I have to disagree with the statement that was made earlier with the Public Utilities Commission not having the experience to handle this. Where does the consumer go when they have a problem with any of this? I do not believe there is a process in place like the PUC has today. With that said, we believe that the PUC is the best oversight at this time.

The second amendment that we are bringing forth is because a certificate of authority is fully transferable. We obviously want to protect the collective bargaining agreement that we have. If a transfer were to take place, with this added amendment, the collective bargaining agreement would be honored.

The third item is a new subsection to Section 34, at page 10, line 31:

Every certificate of authority is conditioned on the requirement that employees of video service providers who have direct contact with customers, including technicians performing services inside a customer's premise, and customer service and sales employees, must be employed in this state directly by the holder of the certificate and may not be employees of an independent contractor.

Obviously, that is where the protection comes in for our workers. I cannot speak on behalf of the other employers that have come forth, but I can speak on behalf of my employer, AT&T. I have been an employee of AT&T for 24 years, and I have been hearing how the industry is changing and something needs to be done. We are not disagreeing with that. The concept is good. We have been there through all those changes of technology. I think we share a

common goal with the company and that is to make the company successful and to have growth. We want to continue to grow.

We do not have a lot of turnover with AT&T, because we have great wages, great benefits, and many of our employees have many years with the company. If we are going to bring something forth with new technology that is going to provide more technology to our customers, we, the current employees, want to be the ones that are part of that. We believe that last amendment adds that protection.

**Vice Chair Conklin:**

Are there any questions for Ms. Sorenson? I see none. I assume the parties you introduced all agree with the amendments that you have brought forth. Is that correct?

**Liz Sorenson:**

That is correct.

**Vice Chair Conklin:**

Do each of you have a statement that you want to get on the record?

**John Doran, representing Communications Workers of America, District No. 9:**

I am an International Representative for CWA and we hold the collective bargaining agreement with AT&T. Our members expect job security from us. We think these amendments will give our members that security.

**Charles Randall, Business Manager, International Brotherhood of Electrical Workers, Local Union No. 396:**

I represent the workers of Embarq. I would like to mirror what Liz Sorenson has stated and add that we have all been meeting as labor to find a common area that will address all of our concerns. I feel that the amendments that Liz Sorenson has introduced may help us get to a position where we can support the bill. I would ask that the Committee support the amendments.

**William Birkman, representing Retired Members' Council, Communications Workers of America:**

I would like to say that between this bill A.B. 526 and A.B. 518, the telecommunications and the cable industry are trying to seriously erode the power of the PUC. The PUC is the only entity to go to when the senior citizens have a problem. Although these companies say they promote competition, it is also a way of telling customers to go take a hike if they do not like it.

**Vice Chair Conklin:**

Are there any questions from the Committee? I see none. Is there anyone else wishing to testify against this bill?

**Nick Anthony, representing City of Reno:**

For the record, Reno did sign in as opposed to the bill as written. We have had numerous discussions with members of the industry and have reached agreement on a number of points that Mr. Leavitt stated earlier. Reno is in a different position because at the moment we have two existing franchising agreements with video service providers. Thus, we have a competitive marketplace and both those franchises are under agreement. One will last for another 2-1/2 years and the other agreement lasts for another 12 years. We do have those agreements in place. Counsel was concerned that we would lose some of our ability to control things such as senior discounts or discounts for service for those who are economically disadvantaged. However, when reviewing these issues with the industry, we decided that we would bring forth our one amendment and we present that written amendment ([Exhibit EE](#)) to you today. What that does is grandfather any existing PEG contributions or PEG fees, such that this bill would keep the City of Reno revenue neutral.

**Vice Chair Conklin:**

Did you mention what the financial difference is to the City of Reno at this time?

**Nick Anthony:**

Under the one agreement that has 12 years remaining, the City of Reno would be looking at \$200,000 in PEG capital contributions and also ongoing PEG fees for each year based on a per subscriber amount, which amounts to about \$130,000 a year. Over the next 12 years you are looking at roughly \$2 million. With the other agreement, they are not currently providing video service but it does provide for PEG fees in the future.

**Vice Chair Conklin:**

So, just so I understand PEG fees, is that \$200,000 in the City of Reno's budget?

**Nick Anthony:**

That would be \$200,000 to go to pay for capital improvements for public access channels.

**Vice Chair Conklin:**

Are there any further questions for Mr. Anthony? I see none. Are there others wishing to testify against this bill? I see none. Are there any neutral? I see none.

I have just been informed by the Chair that this bill will also be under the jurisdiction of the subcommittee dealing with Assembly Bill 518. That includes, Ms. Allen, Mrs. Kirkpatrick and myself.

We will have one chance to get this right.

We will close the hearing on Assembly Bill 526.

[There being no further business to come before the Committee, the meeting was adjourned at 5:54 p.m.]

RESPECTFULLY SUBMITTED:

---

Patricia Blackburn  
Committee Secretary

APPROVED BY:

---

Assemblyman John Ocegüera, Chair

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

**EXHIBITS**

**Committee Name: Committee on Commerce and Labor**

**Date: April 2, 2007**

**Time of Meeting: 1:00 p.m.**

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
AB 114	C	Dave Ziegler	Work Session document
AB 178	D	Dave Ziegler	Work Session document
AB 195	E	Dave Ziegler	Work Session document
AB 224	F	Dave Ziegler	Work Session document
AB 249	G	Dave Ziegler	Work Session document
AB 349	H	Dave Ziegler	Work Session document
AB 303	I	Fred Hillerby	Proposed Amendment
AB 479	J	Laura Tobler	Prepared Statement
AB 479	K	James Ohrenschall	PowerPoint presentation
AB 479	L	James Ohrenschall	New York Times article
AB 382	M	Assemblywoman Kirkpatrick	University Business article
AB 382	N	Neena Laxalt	Proposed Amendment
AB 382	O	Sabra Smith-Newby	Proposed Amendment
AB 518	P	Howard Lenox	Written testimony
AB 518	Q	Kristin McMillan	Written testimony
AB 518	R	Kristin McMillan	PowerPoint presentation
AB 518	S	Dan Reaser	Written testimony
AB 518	T	Dan Reaser	Proposed Amendment
AB 518	U	Barry Gold	Written testimony
AB 518	V	Ann Pongracz	Written testimony
AB 526	W	Steve Schorr	Written testimony
AB 526	X	Manny Martinez	Written testimony
AB 526	Y	Howard Lenox	Written testimony
AB 526	Z	Dan Reaser	Written testimony
AB 526	AA	Dan Reaser	Proposed Amendment
AB 526	BB	Dan Jacobsen	Conceptual Agreements
AB 526	CC	Les Smith	Written statement
AB 526	DD	Liz Sorenson	Proposed Amendments
AB 526	EE	Nick Anthony	Proposed Amendment