

The meeting was called to order at 2:08 p.m. in Room 323 in the Legislative Building.

Senator Blakemore in the Chair.

PRESENT: Senator Richard Blakemore, Chairman
Senator Lawrence Jacobsen
Senator Clifford McCorkle
Senator Joe Neal

ABSENT: Senator Wilbur Faiss, Vice-Chairman
Senator Keith Ashworth
Senator William Hernstadt

OTHERS

PRESENT: Norman Ty Hilbrecht, Southern Nevada Towers, Ewing Brothers, Las Vegas
Don Taylor, Sierra Towing, Zephyr Cove, Nevada
Sue Siri, Siri's Tonopah Towing, Tonopah, Nevada
Dorothy Anderson Doering, Anderson Automotive, Carson City, Nevada
Don Hellwinkel, C.O.D. Garage, Minden, Nevada
H.K. Peterson, Nevada Public Service Commission
Daryl E. Capurro, Nevada Motor Transport Association
Robert Guinn, Nevada Motor Transport Association
Edward A. Devere, Milne Tow Service, Sparks
Harley Leavitt, Harley Garage and Mesquite Auto Parts, Mesquite, Nevada
Robert L. West, Don Bacon's 24-Hour Towing, Las Vegas
Bernardo Alcorta, Texaco Towing and Service, McDermitt, Nevada

S.B. 245 PROVIDES FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CERTAIN TOW CAR OPERATORS.

Mr. Harold Peterson, Nevada Public Service Commission, said this bill was the recommendation of the Public Service Commission, particularly the chairman. He said they have a problem in some of the rural areas, especially Virginia City, in that many times people will file an application and are put to the expense of going through a hearing because someone else in the nearby area will protest the application. This bill will eliminate the protest provision for one tow truck operator to operate primarily in the rural areas. He said this operator will still be subjected to the tariff requirements and safety requirements.

Senator Neal asked if it was a fair assumption that the bill is attempting to address itself to the necessity of a motorist not having to pay dead-head charges in order to get his vehicle towed to some other place. Mr. Peterson said that was correct.

Senator McCorkle asked what the cost is estimated to be to bring

a nonconforming tow truck up to P.S.C. standards, especially all the paper work required for one person. Mr. Peterson said it would be difficult to estimate an actual figure. Senator McCorkle said there must have been some cost disadvantage to being regulated by the Public Service Commission in order for them to come up with this bill and asked why it is disadvantageous to register now. Mr. Peterson said there are many garages in the state that have a tow truck that do not come under the P.S.C. jurisdiction because they are pulling vehicles into their own places of business.

Mr. McCorkle said Mr. Peterson had not addressed the specific reason for the need by trying to limit this bill to a rural area. He asked why were they trying to create a situation where a single tow truck operator would be competing unregulated against regulated carriers. Mr. Peterson said the single tow truck operator would not be unregulated. He would still be subjected to the tariffs, safety requirements and safety inspections. He just would not have to go through the protest situation that exists now. Senator McCorkle asked Mr. Peterson to explain the protest system. Mr. Peterson said when they receive an application, they are required by law to publish it in the paper and anyone adversely affected can file a protest and the expense of a hearing can be quite costly.

Senator Neal asked what would happen now if one tow truck operator went out and picked up a car and brought it in, would he be in violation of some statute. Mr. Peterson said he would not if he brought it into his place of business, this would be proprietary towing. If he picked it up and towed it to someone else's place of business then it would be a violation.

Chairman Blakemore asked that all the people opposed to the bill raise their hands. All hands in the room, with the exception of Mr. Peterson, were raised in opposition to the bill.

Mr. Daryl Capurro and Mr. Robert Guinn of the Nevada Motor Transport Association, spoke in opposition to S.B. 245. Mr. Guinn spoke on the procedure of obtaining a Public Service Commission certificate. He then spoke on the history of regulations in the towing industry. He said in 1971 the insurance companies submitted a bill to the legislature because of gross overcharging for towing because there was no regulation of the rates or service charges. This law also provided that the P.S.C. should prepare and publish the tariff governing the rates, charges and regulations.

Senator McCorkle asked what the rationale was for not allowing the market to just run freely. Mr. Guinn replied that the rationale that prompted the legislature to act was that there was public interest in this because this is an emergency service and unless there were some regulations of the charges, the public would get ripped off.

Senator Neal asked what the objection was to the bill. Mr. Guinn replied that the present operators have gone through the expense of having their certificate granted and having been going through trauma the past several years in trying to get rates adjusted to where they are finally making a reasonable profit. This bill says that if a person comes in and files an application to the Commission to operate one tow truck in conjunction with a service station, garage or any other private enterprise, the Commission will grant it without a question. The protest is in doing that on that basis without any showing of convenience and necessity.

Senator Jacobsen asked if the committee could be supplied with a map pinpointing all the towing operators throughout the state. Mr. Peterson said he would supply one. (Mr. Daryl Capurro brought one in March 20, see Exhibit A.)

Mr. Norman Ty Hilbrecht, Southern Nevada Towers and Ewing Brothers, Las Vegas, spoke in opposition to S.B. 245. He said he could attest to the abuses before regulations were legislated. He said he believes the quality of service and value of equipment provided has been greatly upgraded. The difficulty he found with this bill is one of the reasons why regulations came into being in the first place; that is, inviting a person whose real business is overhauling engines, changing tires and pumping gas to enter into a little side operation as a common carrier and this is insured in the bill by saying he does not qualify unless he is operating a tow truck as a sideline. Present common carriers are very competitive which allows lower rates. He noted how there could be a conflict for a person to be working on another type of job in a garage or body shop when he is called to perform a towing service. He said that common carriers are lauded for their response time. Mr. Hilbrecht stated that if this bill were passed and the P.S.C. was going to police this industry, they would need a substantial personnel increase to properly administer enforcement.

Mr. Ed Devere, Milne Tow Service, Sparks, spoke in opposition to S.B. 245. He said that in 1965 when 9,000 lb. trucks were brought under the jurisdiction of the Public Service Commission each individual carrier had his own tariff which he provided to the P.S.C. according to the rules and regulations. He said that 1978 was the first year that the towing industry has had a profit in the 9,000 lb. and below class of tow truck. He passed out copies of both tariffs, 9,000 lbs. and below and 9,000 lbs. and above (see Exhibit B in the secretary's minutes). He said that since the enactment of the legislation the towing industry has come closer to being a professional industry which enables the towing people to buy better equipment, hire more qualified employees for higher wages and give better service to the communities.

Mrs. Sue Siri, Siri's Tonopah Towing, spoke in opposition to

S.B. 245. She said it took over \$25,000 just to get into the industry and took over two years to finalize it.

Mrs. Dorothy Anderson Doering, Anderson Automotive, Carson City, spoke in opposition to S.B. 245. She stated she has nine tow trucks, three of which are in the over 9,000 lb. class and the remaining six in the under 9,000 lb. class. She stated that since the legislation has controlled tow trucks she has felt more secure in investing money because of the protection in volume. Since all tow truckers have to have the same prices they compete in service and equipment.

Mr. Harley Leavitt, Harley Garage and Mesquite Auto Parts, Mesquite, spoke in opposition to S.B. 245. He stated that the Public Service Commission cannot enforce the truckers they have now.

Mr. Bernardo Alcorta, Texaco Towing and Service, McDermitt, said that the P.S.C. has no law enforcement north of Winnemucca in which to keep out-of-state wreckers out of Nevada.

Mr. Don Taylor, Sierra Towing, Zephyr Cove, spoke in opposition to S.B. 245. He said that as certified carriers they have to provide in-town law enforcement, clean abandoned cars from the highways which they sell to a wrecking yard. He said the bill indicates anybody can have a certificate of public convenience to operate a tow truck. He said this bill would open up the industry to where his son could have a tow truck, his wife could have a tow truck and his manager could lease a tow truck from him which essentially would make everyone owner/operators. This means the present system could be totally circumvented. He said most of the rural areas have a service station/garage combination who can have a tow truck now and tow to their places of business without a certificate. He said the dead head charges from Virginia City to Reno would be the same as from Reno to Virginia City.

Mr. Don Hellwinkel, C.O.D. Garage, Minden, spoke in opposition to S.B. 245. He said that he fought the first legislation for the P.S.C. to regulate the towing industry but then he found it was a benefit to him and now he likes it. He said that in the process of this changeover the towers have done a better job. He now feels he has a privilege by having a permit to serve the public in the best way he knows how. He said the system would be degraded if this bill were passed.

Mr. Robert West, Don Bacon's 24-hour Towing Service, Las Vegas, spoke in opposition to S.B. 245. He said he could not emphasize enough that there are people now who are cutting the rates, offering gimmicks and the Public Service Commission cannot police it because they do not have the personnel.

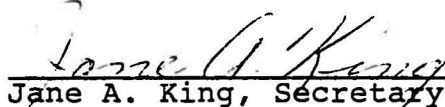
Attached are letters sent in opposition to S.B. 245 that are to

be in the record.

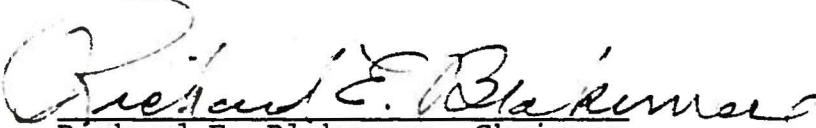
Chairman Blakemore closed the hearings on S.B. 245.

There being no further business, the meeting was adjourned at
3:45 p.m.

Respectfully submitted,


Jane A. King, Secretary

APPROVED:

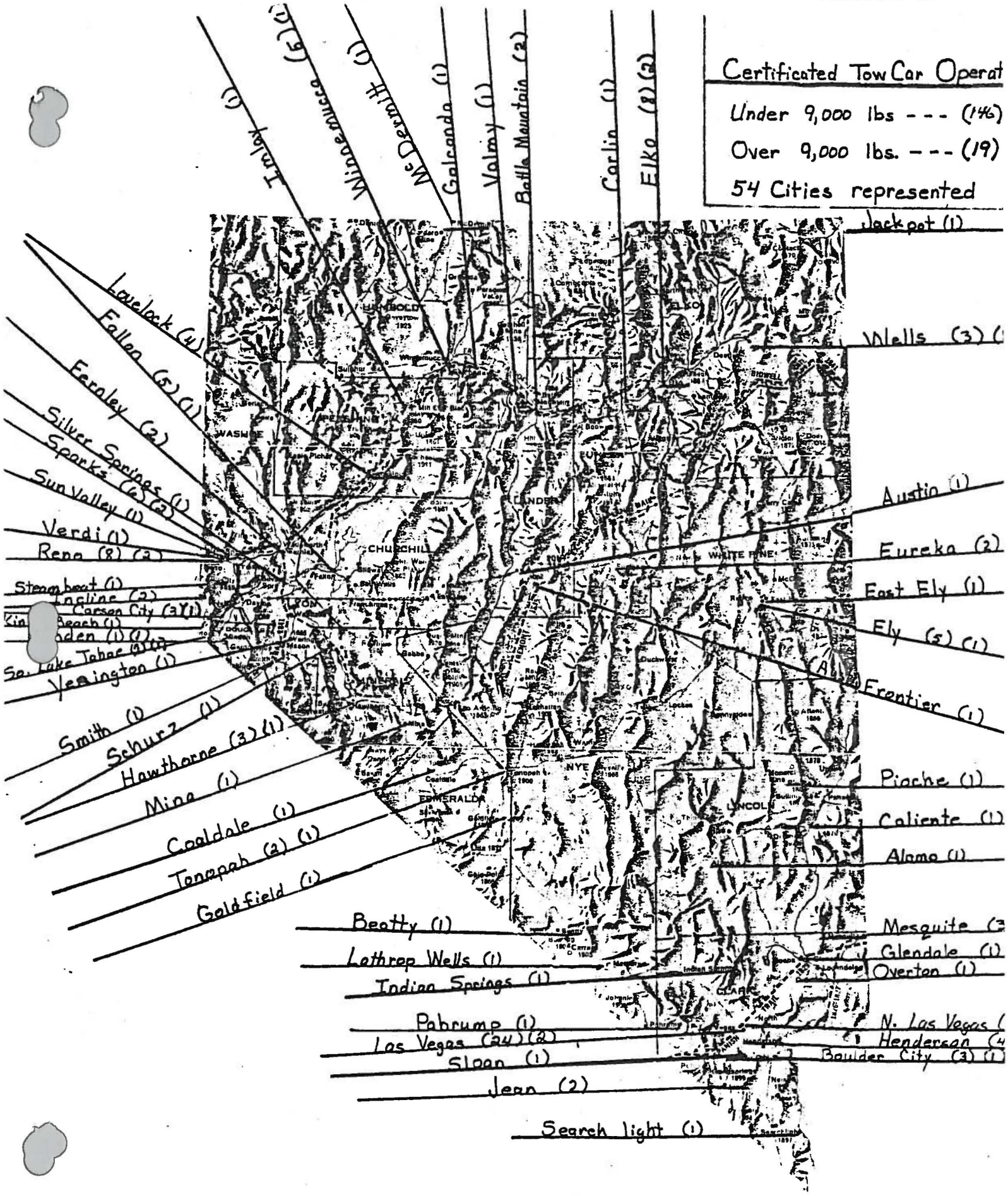

Richard E. Blakemore, Chairman

Certificated Tow Car Operat

Under 9,000 lbs --- (146)

Over 9,000 lbs. --- (19)

54 Cities represented



Law Office of
Hy Forgeron

EXHIBIT A

Post Office Box 452
Battle Mountain, Nevada 89820
Telephone 635-5195
Area Code 702

March 8, 1979

Senator Richard Blakemore
Chairman
Senate Transportation Committee
Nevada State Senate
Carson City, Nevada 89710

Re: SB 245

Dear Senator Blakemore:

I am writing this letter on behalf of Jim Read, a Chevron service station operator in Battle Mountain. I recently represented Mr. Read in obtaining the transfer of a certificate of public convenience and necessity from an existing tow-car operator to him. The finalization of this transfer is expected to take place next week. The procedures followed were those required by the Public Service Commission.

Senate Bill 245 purports to require the Public Service Commission to issue a certificate to anyone who applies for it, so long as they have but one tow-car and agree to the Commission's tariff. It appears to me that there are a number of real problems with the Bill itself and other problems which will occur if the Bill is passed.

Those operators who now possess certificates have obtained them in one of three ways:

- a. "Grandfather right".
- b. Formal application to the PSC for a new right.
- c. Purchase of an existing right.

Those persons who were grandfathered in had an existing business complete with the necessary equipment. Those persons who made formal application for a new right incurred considerable time and expense in doing so under the existing PSC application procedures. Those persons who purchased an existing right, such as Mr. Read, have obviously incurred expenses far in excess of the equipment requirements. Regardless of the manner in which the right was acquired,

Senator Richard Blakemore
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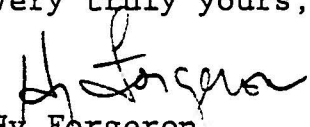
all of those persons who now possess a certificate have a substantial investment therein and will stand to lose most of the worth of that investment if SB 245 becomes law.

One of the main reasons behind the commission's control of tow-car operators is to keep the public from being defrauded. SB 245 does not even require a person licensed thereunder to comply with any commission regulation other than tariffs. It appears to create a separate category for anyone who wants to get into the tow business.

It is my understanding that Idaho has had a similar problem. Anyone who wants goes out and buys a wrecker and they're in the tow business. Price cutting and service cutting have destroyed any value the towing business previously had. Regardless of an operator's promise to abide by the tariff, enforcement under those conditions is impossible. A goodly percentage of the tow business in Nevada is rendered to tourists. Since tourism is one of the bedrocks of our financial status in this state, I believe the current PSC regulations are more appropriate than the changes suggested by SB 245.

Rather than create new business for previously unlicensed and inexperienced operators, I believe that SB 245 will have the effect of destroying the value of the certificates currently held and will further encourage price wars with the attendant reduction and service which is a natural function thereof. I understand that the hearing on SB 245 is scheduled for March 15th. I would like to be personally present and testify. However, I will be in trial and will be unable to attend. Please notify me of any change in the hearing date or of any additional hearings.

Very truly yours,


Hy Forgeron
Attorney at Law

HF:dl

markets under the names.

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WESTEX

March 9, 1979

Senator Richard Blakemore
Senate Transportation Committee
Nevada State Legislature
Capitol Complex
Carson City, NV 89701

RE: Tow Car Operators (SENATE BILL 245)

Dear Senator Blakemore;

In that other commitments will not allow me to attend the public hearing on Thursday, March 15, 1979, at 1:30 p.m., to testify in opposition to Senate Bill 245, I would appreciate it if you would consider the following and make this letter a part of the record on this bill.

SB 245 would indiscriminately grant a certificate to all who apply to operate a tow car in furtherance of their business. We, as a tow car operator, hold a certificate of public convenience and necessity issued by the Public Service Commission for the operation of a tow car with unladen weight of 9,000 pounds or more, have made a substantial investment in our equipment. The amount of our investment is in the neighborhood of \$50,000.00 and our return on that investment is very small. By indiscriminately granting additional certificates to all who apply, it would destroy the sound economic conditions and competitive practices necessary for us to continue our investment in our equipment. It is our opinion that we would lose a portion of our present business and it would be necessary for us to subsidize our tow car operation with some of our other operations. In the long run, this would reduce the level of service, equipment, and personnel required and the public would suffer.

The legislative declaration of purpose conferring power upon the Public Service Commission to supervise and regulate common or contract motor carriers as set forth in N.R.S. 706.151 is "To provide for fair and impartial regulation, promote safe, adequate, economical and efficient service and faster sound economic conditions in motor transportation, and encourage establishment and maintenance of reasonable charges for such transportation services, without unjust discrimination, undue preferences or advantages, or unfair or destructive competitive practices."

I respectfully submit that SB 245 is destroying the legislative intent previously established of not granting an undue preference or advantage to an applicant by granting to an individual who owns and carries on other private commercial activities an automatic Certificate of Public Convenience and Necessity as a tow car operator.

Senator Richard Blakemore
RE: SB 245
March 9, 1979
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In addition, under N.R.S. 706.391, there is a present review process whereby each applicant for a Certificate of Public Convenience and Necessity must show that he is fit, willing and able to perform the services of a common carriers. That the proposed operation is consistent with the legislative policy set forth in N.R.S. 706.151. There is absolutely no guarantee of the fitness and ability of an applicant to perform such service in the presently proposed Senate Bill No. 245.

It is further submitted that the applicant should at least have to make a showing that the service he is offering will actually further the public convenience and necessity.

I thank you for your attention to and consideration of the items set forth in this letter and respectfully request that Senate Bill 245 not be considered for approval in its present form.

Very truly yours,
WESTERN EXCHANGE CORPORATION

Jon R. Brinton
President

JRB/ds

CC: Senator Wilbur Faiss
Senator Keith Ashworth
Senator William Hernstadt
Senator Joe Neal
Senator Lawrence Jacobsen
Senator Clifford McCorkle
Senator Norman Glaser
Assemblyman Dean Rhoads

VAUGHAN, HULL, MARFISI & COPENHAVER, LTD.
ATTORNEYS AND COUNSELORS

ROBERT O. VAUGHAN
JACK E. HULL
P. MICHAEL MARFISI
JAMES M. COPENHAVER
A. GRANT GERBER

530 IDAHO STREET
P. O. BOX 1420
ELKO, NEVADA 89801

TELEPHONE
AREA CODE 702
738-4031
PARALEGAL
WALTER I. LEBERSKI

March 6, 1979

Senator Richard Blakemore (Chairman)
Senate Transportation Committee
Nevada State Legislature
Capitol Complex
Carson City, Nevada 89701

Re: Tow Car Operators (SENATE BILL 245)

Dear Senator Blakemore:

Our firm represents two (2) tow car operators who presently hold Certificates of Public Convenience and Necessity for the operation of tow cars with an unladen weights of 9,000 pounds or more.

In that other commitments will not allow me to attend the public hearing on Thursday, March 15, 1979, at 1:30 p.m. to testify in opposition to Senate Bill 245 I would appreciate it if you would consider the following and make this letter a part of the record on this bill.

1. SB 245 would indiscriminately grant a Certificate to all who apply to operate a tow car in furtherance of their business. Tow car operators who hold Certificates of Public Convenience and Necessity issued by the Public Service Commission for the operation of a tow car with unladen weight of 9,000 pounds or more have made a substantial investment in their equipment in the neighborhood of \$30,000 - \$50,000 and the certificate is of value to them.

2. The legislative declaration of purpose conferring power upon the Public Service Commission to supervise and regulate common or contract motor carriers as set forth in N.R.S. 706.151 is "To provide for fair and impartial regulation, promote safe, adequate, economical and efficient service and faster sound economic conditions in motor transportation, and encourage establishment and maintenance of reasonable charges for such transportation services, without unjust discrimination, undue preferences or advantages, or unfair or destructive competitive practices."

Senator Richard Blakemore
Re: SB 245
March 6, 1979

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3. The granting of a Certificate of Public Convenience and Necessity to any tow car operator who tows in furtherance of his own private activity will destroy sound economic conditions and competitive practices in motor transporations in that the present certificated holders will lose a great deal of their present business. In fact, it is foreseeable that any tow car operator which is not also operating his own private commercial activity, such as heavy duty truck repair, etc., would eventually be forced out of the tow business entirely. This would be especially true in the rural areas of our state. The vast distances between cities in Nevada make it imperative that we have reliable tow service available at reasonable costs.

4. I respectfully submit that SB 245 is destroying the legislative intent previously established of not grating an undue preference or advantage to an applicant by granting to an individual who owns and carries on other private commercial activities an automatic Certificate of Public Convenience and Necessity as a tow car operator.

5. In addition, under N.R.S. 706.391, there is a present review process whereby each applicant for a Certificate of Public Convenience and Necessity must show that he is fit, willing and able to perform the services of a common carrier. That the proposed operation is consistent with the legislative policy set forth in N.R.S. 706.151. There is absolutely no guarantee of the fitness and ability of an applicant to perform such service in the presently proposed Senate Bill No. 245.

6. It is further submitted that the applicant should at least have to make a showing that the service he is offering will actually further the public convenience and necessity.

I thank you for your attention to and consideration of the items set forth in this letter and respectfully request that Senate Bill 245 not be considered for approval in its present form.

Very truly yours,


JAMES M. COPENHAVER

JMC/ims
cc: Senator Norman Glaser
Assemblyman Dean Rhoads
Lostra Brothers

228

Peter A. Simon II

Jean, Nevada

March 1, 1979

Senator Richard Blackmore
State of Nevada
Legislative Office Building
Carson City, NV 89710

Re: Senate Bill 245

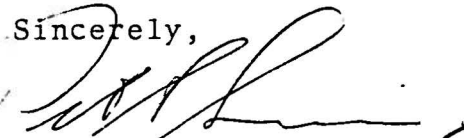
Dear Senator Blackmore:

Today I received a copy of Senate Bill 245 which will be heard by your Committee on Thursday, March 15th. I would like to express my opposition to this bill at this time.

Senate Bill 245 negates Chapter 706 of the Nevada Revised Statutes by allowing individual service station owners to operate tow vehicles. It also demands that the Public Service Commission grant the necessary certificates showing public convenience and necessity. This will allow for unrestricted towing to once again trouble the Nevada consumer. It will lead to the use of tow trucks which are not adequately equipped and they will be operated by persons who are not adequately trained. Additionally, there will be an increase in the demand for inspectors which will add to the cost of controlling the operators of towing vehicles. If this law passes, it will be very expensive for the State Government to monitor the charges and rates imposed by these individual tow operators and the opportunity for the abuse of the public trust.

I urge you to defeat this bill in Committee as it is opposed to the good intentions of the State of Nevada and Public Service Commission when they elected to control towing operations some years ago.

Sincerely,



Peter A. Simon, II

PASII/jlc

BIG JOHN AND SONS

"BIG JOHNS" BLETSCH AUTO WRECKING & TOW

1631 FOOTHILL DRIVE
BOULDER CITY, NEVADA 89005
(702) 293-~~XXXX~~ 293-4661

March 1, 1979


Senator Richard Blakemore, Chm.
Senator Wilbur Faiss
Senator Keith Ashworth
Senator William Hernstadt
Senator Joe Neal
Senator Lawrence Jacobsen
Senator Clifford McCorkle

Gentlemen:

As a tow car operator that was grandfathered in under the original group that went under the P.S.C., and as a tow car operator that worked closely with Noel Clark, the then Chairman of the P.S.C. to make it workable, and a tow car operator who has a big investment in time and effort in favor of tow car operators being under the P.S.C.....I submit to you that passage of Senate Bill 245 will undo all the good that has come to make the tow car operators reputable, and the business under P.S.C. workable. That this will once again open the field to a regular free-for-all. That service will decline, and consumer complaints will grow. This service needs professionals...and if you don't believe me, let me tell you about insurance rates. Passage of this bill will put us back where we were in the beginning, and all the good we have struggled for, lost income over, and the reputation the industry has gained will be gone.

I wish I could attend your public hearing on March 15, 1979 in Carson City, but due to the nature of this business it is difficult to be away and access to Carson City leaves much to be desired. I RESPECTFULLY REQUEST, that in all fairness, a public hearing be held in the south (Las Vegas) so that we in the industry may have a fair, fighting chance to enlighten you and defend what we have worked so hard for. Believe me, when I read the bill....I couldn't believe it. I request this hearing as a former past officer of the Clark County Tow Operators Assn.

Very truly yours,


Iris Bletsch
Owner

CC as above

Gov. Robert List
Sen. James Gibson
Sen. Jean Ford