

MINUTES OF THE
MEETING OF THE JOINT SENATE AND ASSEMBLY COMMITTEES
ON TRANSPORTATION

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
January 22, 1981

The Joint Senate and Assembly Committees on Transportation were called to order by Chairman Richard Blakemore, at 1:10 p.m., Thursday, January 22, 1981, in Room 214 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Richard E. Blakemore, Chairman
Assemblyman Robert E. Price, Chairman
Senator William Hernstadt
Senator James H. Bilbray
Senator Wilbur Faiss
Senator Joe Neal
Senator Lawrence E. Jacobsen
Senator Clifford E. McCorkle
Assemblyman John Polish
Assemblyman Donald R. Mello
Assemblyman James W. Schofield
Assemblyman Peggy Westall
Assemblyman John B. DuBois
Assemblyman Paul Prengaman

COMMITTEE MEMBERS ABSENT:

Assemblyman Alan Glover
Assemblyman Erik Beyer

STAFF MEMBERS PRESENT:

Fred Welden, Senior Research Analyst
Kelly Torvik, Secretary

Chairman Blakemore asked Al Stone, Director, Nevada Department of Transportation, to begin the discussion with an overview from the Nevada Department of Transportation. Exhibit C.

Assemblyman Mello asked what had been done to correct the inequities of the Department in capturing Federal funding that is available to other states. Mr. Stone replied that a staff

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member had been assigned to keep track of Federal discretionary funds. He stated that the State had not lost the funds, they eventually would be received. He also stated that discretionary funds were for new construction only and the money he was asking the Legislature for was for maintenance only.

Assemblyman Price asked if there had been any successful law suits in Nevada or in the United States where people had brought suit against an entity for poor maintenance of roads causing an accident. Mr. Stone said there had been successful suits and that they did occur regularly.

Senator Hernstadt stated that in the Committee on Judiciary the State liability threshold had been raised. He was concerned that if the threshold got pierced because of many successful suits, resulting from negligence in maintaining the highway network on an overall basis, a court may waive the statutory threshold. This could result in very large judgments against the State. Senator Hernstadt also questioned how the citizens could be convinced that for driving slower, and driving smaller cars with more care they were being rewarded by a higher tax on their gasoline. Mr. Stone explained that the average driving taxpayer who drives a passenger car in State contributes approximately \$60 per year into the State highway fund. The same driver pays approximately \$60 per year on maintenance while driving on good roads. On bad roads the maintenance costs would average \$250 per year.

Assemblyman Mello questioned the fact that in some contracts that have been let the aggregate has been substandard. He also asked what the standards were and if they should be raised. Mr. Stone stated that if the aggregate supplied is below standard to a certain degree then a severe deduction is made. If it is below standard to a higher degree then the contractor must replace it. He said that the standards were minimum. They were approximately in the 5 percent category. A certain percent passes this screen or that screen or reaches certain hardness tests. If it doesn't meet these standards and cannot be salvaged then it must be replaced. Mr. Stone also said that an effort should be made to balance the standard with the cost of the aggregate. A higher standard would lessen deterioration but increase the costs. The Department is presently trying to design their facilities for a 20 year period. Many of their present facilities are being virtually glued together.

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Senator Bilbray inquired as to how the decision is made as to where the repair work is to be done. Mr. Stone explained that a priority system is used. The first priority is to protect the State's investment. In addition to that they also consider the amount of traffic, quality of service, people being served and if there are any alternate routes. All of these factors are balanced in setting the priority. Mr. Stone also stated that in their pavement management system not only pictures are shown that identify the shoving, rutting, and cracking but exactly where they are taking place. Some of the roads, even though they have light traffic, are unsafe to drive on and therefore the State is liable. He explained that he could show the committee this in a very comprehensive detailed briefing on the Pavement Management Program which he would appreciate having the opportunity to do.

Senator Bilbray questioned the fact that the Transportation Department had closed down the research division of that department. He felt that this was necessary in becoming a more cost efficient entity. Mr. Stone replied that the Department was a part of a technology transfer with all the states. This system provides them with information from all over the nation. He also explained that they had to cut back on all research and development with State funded projects. There are still some federal discretionary funds that are being utilized at this time.

Senator Bilbray asked how far a ton of asphalt would cover. Chairman Blakemore explained that the figure varied with the depth of the asphalt, but he believed that 4 inches of asphalt compacted to 2 inches of asphalt would cover approximately 11 square yards per ton.

Senator Hernstadt inquired as to whether a study had been done to show the relative damage various cars and maximum weight trucks would do. He also asked if they could be made available to the committee members. Mr. Stone said that these studies would be supplied to the committee members.

Assemblyman DuBois asked if when a road got to a certain point of deterioration did the deterioration tend to increase at an ever increasing rate. Mr. Stone stated that deterioration occurs at 11-16 percent per year. Deterioration depends on traffic as well as lack of traffic, since lack of traffic causes oxidation from the hot sun and a number of other things.

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Assemblyman Polish questioned why Nevada did not use concrete instead of asphalt. He realized the cost was high but the durability should justify the cost. Mr. Stone replied that concrete does have light maintenance for the first 20 years but after that maintenance is ever increasing. Concrete then required complete reconstruction after 40 years; it therefore was not justified in cost.

Senator Faiss stated that he believed the Department was asking for additional money to fund their developments. If the addition was approved how long would it be before other funds would be needed to keep the roads in repair. Mr. Stone explained that the Department's request is on sort of a sliding scale, or an index tax, which acts very similar to a percentage. They have gone through this more complicated method in order to keep the collection costs in the Department of Taxation down. He said the figure can be as high as one quarter to one half million dollars if a straight percentage is used rather than using a sliding type scale. A percentage tax, the special fuels tax that is now received and is on a type of honor system from the truckers, would be very difficult to handle. This is because the price at any particular time cannot be figured out. On the other hand, the sliding scale is responsive to inflation. The Department's request has a 12 percent inflation factor which is very conservative.

Senator Neal questioned what would be a fair increase on diesel fuel. Mr. Stone felt that there was no such thing as a "fair" increase. He explained that the average passenger car contributes close to \$60 per year. A large truck that carries 80,000 pounds and drives 90,000 miles per year pays only \$1,900 per year. If the large trucks paid for the damage they were doing, using the \$60 figure for the passenger car then the truck would probably be paying \$500,000 per year. The economic system could not stand the type of system where you pay for what you do. If they were required to pay for the damage they did the retired and the needy would have to pay the increase in the grocery store. Mr. Stone is therefore against anything that is not an equal increase across the board.

Assemblyman Price asked where the \$1,900 was paid by the average trucker every year. He had heard that truckers did not pay anything. Mr. Stone described where the \$1,900 would be paid.
Exhibit D.

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Mr. Price asked if all these fees work their way back to the Department of Transportation. Mr. Stone replied that he was only identifying fees that go into the highway fund. The \$60 figure for the passenger was also only what is contributed to the highway fund.

Mr. Price stated that regardless of the fact that they may or may not be adequate, the large trucks were still paying by a different method. They were paying a share into the fund. He believed many people thought the truckers were not paying anything because they did not pay a fuel tax.

Mr. Stone explained that a report by the U. S. Controller General to Congress stated that large trucks were "a burden we can no longer support." This report also makes equivalent the large truck, Exhibit D, and 9,600 automobiles. One pass with this truck would be equal to 9,600 automobiles passing the same point.

Senator Neal asked if Mr. Stone favored an increase in the load limit. Mr. Stone replied that he did not. Mr. Stone stated that traffic averages out 10 percent trucks and 90 percent other vehicles.

Senator Neal inquired as to whether studies have been done in terms of weight limits of trucks and road deterioration. Mr. Stone stated that deterioration was taken care of in the original planning, assuming that they had enough funds.

Senator Neal pointed out that when talking about trucks they had failed to add other things such as tandem trailers. Mr. Stone explained that the tandem trailers themselves were not problem unless they were out of control. A tandem that goes down the highway at 85 miles per hour and is out of control could do considerable damage.

Senator Jacobsen noted that people have already told government that they do not want any more taxes. Then he questioned whether the Department had an in-house economist who could trouble shoot within the Department for some cost efficient methods. Mr. Stone explained that the whole Department was made up this way. There has been a total effort in the past six months to economize. The fact that they have stayed in operation and not filled 160 jobs is testimony to that. In reference to the 2¢ tax on fuel, which was voted down by the public, he stated that those funds would be used solely for new construction.

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Senator Jacobsen stated that he had seen two Department trucks hauling sand from Minden to Carson City within ten days. He felt sure that within a few weeks they would be then hauling sand from Carson City to Minden. His point being that more coordination of efforts would be one method for the Department to save money. Mr. Stone replied that he was not aware of such lack of coordination. He said that he would check into the matter and report back to Senator Jacobsen.

Senator Jacobsen brought up a point that there is a dangerous condition at the intersention of Capitol Courts and Highway 395. He was not sure of the number of wrecks there already but it was obvious that something must be provided for safety. Upon bringing this to the attention of the Department, Senator Jacobsen stated, he was told that it was on the schedule for 1985. Mr. Stone replied that if funds were available he could schedule it for next week.

Senator Bilbray stated that there was a similar lack of coordination between public service agencies in regard to repair of regional streets. He noted that there must be some effort to coordinate projects so that a street only need be under repair once rather than three or four times. Mr. Stone concurred with this and stated that an effort has been made to remedy the situation by setting up rigorous rules and regulations about repairing the street. Mr. Stone believed that some progress has been made at least on the state highways in the past several years. Chairman Blakemore pointed out that counties were not immune to the problem.

Senator Hernstadt asked how many miles of highway would have to be abandoned if the maintenance program did not pass the legislature and funds from the gas tax and the diesel fuel tax remained the same. Mr. Stone explained that the first step would be to abandon new construction projects that were not already earmarked; this money to be used for maintenance. He also said that by converting construction funds each year, other than interstate, to preserve the existing 5,000 miles the Department could probably limp by for another year or year and one half without giving up an inch of the system.

Mr. Stone stated that the Department has some very badly needed construction projects that are important to the economic development of the State. He realized that this would be a hard decision and that he was looking to the legislature for direction.

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Senator Blakemore asked Mr. Stone to supply each committee member the projected gas tax data and urged all of the members to review it.

Senator Bilbray asked Mr. Stone if the members of the committee could have the opportunity to tour the Department of Transportation and view the facilities. Mr. Stone replied that the members of the committee were welcome at any time and that a tour would be set up.

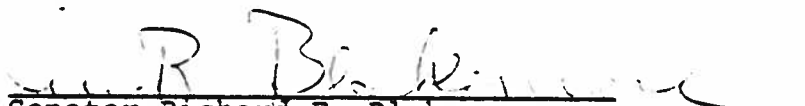
There being no further business, the meeting was adjourned at 2:05 p.m.

Respectfully submitted by:



Kelly R. Torvik, Secretary

APPROVED BY:



Senator Richard E. Blakemore
Chairman

Dated: _____, 1981

AGENDA

COMMITTEE MEETINGS

Joint Senate and Assembly Committees on Transportation, Room 214.

Day Thursday, Date January 22, Time 1:00 p.m.

General discussion with Department of Transportation on
up-coming legislation.

COMMITTEE MEETINGS

ATTENDANCE ROSTER FORM

JOINT SENATE AND ASSEMBLY COMMITTEE ON TRANSPORTATION

DATE: 1/22/81

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
<i>Orvis E. ...</i>	<i>S...</i>	<i>...</i>
<i>Tari Tankovich</i>	<i>NV DOT</i>	<i>5440</i>
<i>Al Stone</i>	<i>Nevada DOT</i>	<i>885-5440</i>
<i>Pete Pradera</i>	<i>Nevada D.O.T.</i>	<i>885-5813</i>
<i>Garth Dull</i>	<i>N.D.O.T.</i>	<i>885-5440</i>
<i>Chris Broderick</i>	<i>LV Review Journal</i>	<i>885-7534 885-7534</i>
<i>Don Dignity</i>	<i>KLAS-TV</i>	<i>882-6941</i>
<i>H.K. Peterson</i>	<i>PSC</i>	<i>885-5116</i>
<i>Joel Willey</i>	<i>PSC</i>	<i>885-5694</i>
<i>John Eck</i>	<i>Sou. DAC TEN Co</i>	<i>329-2492</i>

The purpose that I am here today is to give you an overview of the Nevada Department of Transportation and to answer any questions you may have concerning transportation and to accept any criticism you may have of the Department's Operation.

In the past, the Department has been described as a big bag of worms, a big black secret box and no one from the outside is allowed to look inside the box. This image is one the staff and I have worked hard to change during the last six months and will continue in an effort to make the Department an "open book" for you, our Transportation Board and for the public.

With little notice, the items I touch on in the next several minutes, my staff and I will be most willing to give you a complete detailed and comprehensive briefing on each item either collectively or individually. Any transportation item you wish information on during this session or during the times between sessions, the Department's staff and I will make an all-out effort to obtain whatever information you may need.

You made us a Department of Transportation during the last session of the Legislature. You mandated that we develop a state transportation policy and goal.

We have accomplished your mandate and I will read our goal from the document we sent to you in November. "The transportation goal of Nevada is to assure a comprehensive, energy efficient, mulit-modal transportation system that ensures mobility for all citizens in the State and is consistent with the social, economic, and environmental objectives. This system must meet the needs of the public for adequate, safe and efficient transportation facilities and services at reasonable costs."

These are pretty words and anyone could say, Al that's a lot of motherhood and apple pie. But let me assure you, the Department takes this goal for dead serious. Any Assistant Director and most of the Division Chiefs in the Department can come close to reciting this goal word for word.

To achieve this goal, the Department must preserve the existing transportation system by ensuring adequate cost effective maintenance of the transportation network within the State. Here we are failing our responsibility miserably. We are misusing funds given us by the taxpayers of the State.

First let's look at what the responsibility of preserving the existing system really is. The Department of Transportation has the responsibility for maintaining the 5,000 miles of the State's highway system. To replace this 5,000 miles of highway network at today's prices would cost \$10 billion. The base and surfacing only for this system at today's prices would cost approximately \$2 billion. The highway surface deteriorates at an annual rate somewhere between 11-16%. Highway construction and maintenance costs over the last 7-8 years have increased at a rate of 15-20%. For the last two years we have been attempting to keep the system together with a band-aid approach. This approach is not cost effective. In order to be cost effective, it leaves us with two alternatives, either reduce the system and service or find additional revenue in order to preserve the system in a cost effective manner.

In order to avoid complete bankruptcy in the last six months, the Department now has 160 fewer employees. We have eliminated all State funded resurfacing projects, and eliminated all State funded training, eliminated all State funded research and development programs, and we have severely cut our maintenance activity. These actions were taken just to survive. We have cut many services such as closing selected rest areas during winter months, unless a serious safety problem, we have cut trash pick-up on roadways.

In order to become more efficient, more cost effective, more financially accountable for the funds that we do have as well as for the additional funds we will ask you for in this session of the Legislature, we have developed and implemented a pavement management program. This program not only identifies our needs but identifies the most cost effective repair strategy and sets priorities on what should be accomplished next.

Our maintenance management program has been modified to give direct input to our budget process in combination with our pavement management program.

We are on schedule with our new Equipment Management program and hope to have this system operational by this coming summer.

Our budget process now starts with a detailed annual work program for each individual, unit, division, etc. and must be justified with relation to the goals of the Department. This process requires work standards in order to identify manpower needs each year.

We have started reorganizing the Department for a more efficient operation and to get a smaller ratio between the chiefs and workers. This process will be done through attrition and accomplished over the next two years. Part of the total effort is to obtain more engineering responsibility for our maintenance operation since this is where we intend to spend the largest portion of State funds over the next 12-year period.

In order to preserve and maintain our 5,000 mile system in the most cost effective manner, the Maintenance Management System has produced immediate needs, which at today's dollar would cost \$227 million. A complete briefing on this system will show not only where the needs were identified, but pictures in each county of the roadway section and the proposed repair strategy to correct these sections. To meet these needs, a briefing is available at your request on our 12-year plan to finance these badly needed repairs to the system. This plan will indicate the sacrifice in badly needed new construction throughout the State that must be sacrifice in order to preserve our existing system.

I have heard the rumor running around that MX will solve all the Department's problems. I can assure you this is not true. There are two funding mechanisms under this MX project if it becomes a reality. They are defense access funds and and community funds. Under defense fund this will address approximately 150 miles of our 5,000 mile system. Under the community impact fund the Department will be in direct competition with not only local entities of government but in other

functions such as health, education, environment, and whatever else. To even break even on MX is going to be a big struggle and one that we are fighting everyday with the Air Force and the Corp of Engineers.

In the spring of 1979 when this body was in session, the Department had purchased a ton of asphalt, for \$70. Today the Department is paying \$186 per ton for asphalt. Last week I was advised by the industry that another \$30 per ton increase would occur early in February. If you believe the Wall Street Journal and the gasoline increases they predict by mid-summer, then I would expect that the cost of asphalt per ton by this summer will be \$250 per ton. 85% of the increase in revenue that I ask for this session will be for the purchase of asphalt material to preserve our system. Not for new construction. The other 15% will be for the engineering that is required to set up the project to preserve the system.

The claims against the State in the form of law suits over the last several years have skyrocketed with regard to highway and highway related accidents. Ten years ago we were getting sued for sub-standard design. This has taken a complete reversal. We are now getting sued for sub-standard maintenance.

What I would like to do now with whatever time we have left is to open this meeting up for any questions you may have on any subject to do with transportation.

LICENSES AND FEES FOR TYPICAL TRUCK TRAILER COMBINATION

Kenworth 10-wheel tractor with 40 foot Dry Box, Tandem Trailer (For-hire)

Tractor 16,500 lbs.)
) Unladen Weight
Trailer 11,500 lbs.)

90,000 miles per year

Tractor:

Registration	\$	82.50	
Motor Carrier Fees		342.00	(1)
Fuel Tax (4.5 mi. per gal.)		<u>1,200.00</u>	
Total Tractor Fees		\$1,624.50	

Trailer:

Registration	\$	57.50	
Motor Carrier Fee		<u>207.00</u>	(1)
	\$	<u>264.50</u>	

Total Fees for Combination		<u><u>\$1,889.00</u></u>
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- (1) For-hire carriers operating within
5 miles of city limits pay 1/2 unladen
weight feets.