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Transportation and Telecommunications Committee  
January 31, 2017

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[LB346 LB347 LB404 LB418]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Tuesday, January 31, 2017, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB404, LB346, LB347, and LB418. Senators present: Curt Friesen, Chairperson; Jim Smith, Vice Chairperson; Bruce Bostelman; Tom Briese; Suzanne Geist; Mike Hilgers; Dan Hughes; and John Murante. Senators absent: None.

SENATOR FRIESEN: We will call the hearing to order of the Transportation and Telecommunications Committee. I'm Curt Friesen from Henderson, representing District 34, and I am the chairman of the meeting. And I'll start with a few procedural items that will need to be followed, and I ask you to please silence all your cell phones and that there will be no displays of emotion or cheering or clapping in the committee; we will respect everyone's ability to testify. We will be hearing the bills listed in the order of the agenda. Those wishing to testify on a bill should move to the front of the room. There are some chairs set up in front so that we can always have a person on deck and ready to go; and that way, if we have a lot of testifiers, we can move things along rapidly. We'll be running the light today. We will give you five minutes to speak. There will be four minutes with the green light and one minute with the yellow light; and when the red light comes on, I'd ask you, please, wrap up your testimony. When you wish to testify, you need to fill out one of the green testifier sheets on the table by the door and give them to one of the pages when you come to the table. When you begin your testimony, I ask that you clearly state and spell your first and last names for the record. If you happen to forget, I will stop you and remind you. Those not wishing to testify, but they want to indicate their opposition or support to a bill, may sign a pink sheet, there by the door also, that would list their preferences. And now I will introduce other members of the committee. Senator Tom Briese, on the end, will be with us a little bit later; he's from Albion, representing District 41. Senator Bruce Bostelman, from Brainard, representing District 23. And then I have Senator John Murante, from Gretna: District 49; and Vice Chairman Jim Smith, from Papillion, representing District 14; and legal counsel--Committee Legal Counsel Mike Hybl. And right to my left is Elice Hubbert, committee clerk. And we have Senator Dan Hughes from Venango, representing District 44; Senator Mike Hilgers from Lincoln, representing District 21; and Suzanne Geist from Lincoln, representing District 25. We have two pages: Heather Bentley from Miller, Nebraska, majoring in ag economics at UNL; and Jade Krivanek from Omaha, a junior at UNL, majoring in economics. And with that, we'll open the hearing on LB404. [LB404]

SERGEANT AT ARMS: He was going to start everything, and then he'll be here. [LB404]

SENATOR FRIESEN: Okay. We will...we will... [LB404]

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SERGEANT AT ARMS: He was going to start his committee and then be right down. [LB404]

SENATOR FRIESEN: Okay. So he'll be with us shortly. Guess we'll stand at ease for a little bit. [LB404]

SENATOR SMITH: Take it off of his opening time. We'll need you to take it off of his opening time. [LB404]

SENATOR FRIESEN: (Exhibits 15-28) I will. (Inaudible). We'll start deducting minutes off his time already (laughter). He is opening another...he has...is Chair of Education, so he's opening that committee meeting, and then he will come down. I could just stand up here, you know, and talk and entertain you, but then the transcribers have to transcribe everything that's said, so. While we're waiting for him, we do have a lot of letters, proponents, to read into the record, so I will just do that. We have: Scott Deibler from Alliance, Nebraska; Kari Clausen from McCook, Nebraska; Adam Clausen from McCook, Nebraska; Debra Clausen from Alliance, Nebraska; Brian Pfeiffer; International Brotherhood of Teamsters Local 554; Nebraska Association of County Officials; National Association of Retired and Veteran Railway Employees; SMART TD Local 934; Nebraska Professional Fire Fighters Association; Lance Flohr, Minatare, Nebraska; Anthony Trumble; Jennie Burri, Alliance, Nebraska; and Neil Burri, Alliance, Nebraska. Those would be in favor of LB404. Welcome, Senator Groene. [LB404]

SENATOR GROENE: Sorry; I had to open the other committee. [LB404]

SENATOR FRIESEN: We were patiently waiting. [LB404]

SENATOR GROENE: Your opening must not be as long as mine (laughter). Anyway... [LB404]

SENATOR FRIESEN: Go ahead. [LB404]

SENATOR GROENE: (Exhibits 1-4) Mike Groene, M-i-k-e G-r-o-e-n-e: District 42, Lincoln County. Today I am here to introduce LB404. LB404 would require, for safety purposes, a crew of at least two people for any train or light engine used in connection with the movement of freight. The bill would provide for necessary redundancy on trains to prevent accidents by implementing two-member crews. In case of emergency or mechanical issues, another crew member should be required in order to prevent accidents...one rail...when one member of the crew may be impaired or unable to detect issues which may lead to accidents. The bill calls for a fine of not less than \$100 for the first offense; it calls for no less than \$200 for the...\$200 for the...\$250 for the second offense committed within three years. It also calls for a third offense

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penalty of no less than \$500 for a third offense or more within three years. The bill also gives oversight as a requirement to the Public Service Commission, and all fines should be on the State Treasurer...given to the State Treasurer for distribution to the counties, for use in the schools, that is provided by state constitution. Senator Friesen and the members of this committee, this is clearly an issue of public safety. Nebraska has over 3,614 miles of track in the state. I think we gave you a handout with a map showing those rails--lines--and where they're at. Every district but one in the state, legislative district, has rail in it. This is an issue that affects every part of Nebraska; this is an issue that affects every...some redundancy here. We have over 10,400 railroad crossings in the state, according to the Federal Railroad Administration. We have handed out information from the Federal Railroad Administration that shows the number of incidents, and with casualty, by state, accidents by state, total casualties by state. Train accidents have gone from 48 in 2013 in Nebraska to 53 in 2014 and 56 in 2015. We don't have the final numbers for 2016. Casualties have gone from three, six, to two, and there are seven so far in 2016 in the state of Nebraska. The trains that are being covered by this bill can be over two miles long and weigh thousands of tons and pack tremendous force. You will hear testimony from people, trainmen and trainwomen, who experienced the advantage of having two individuals in a train. Lives have been saved, accidents been avoided, and the "tediousy" of being alone in a train...two people keep each other alert. We've done that; we've gone from, I believe, four or five people in a train down to two. And we're two miles long now on trains. I'm in rural Nebraska. Train accidents happen in rural Nebraska. Farm equipment, kids going to school on country roads. The trains cross our roads from Scottsbluff, from Alliance, all the way to Omaha. They follow the rivers. And they're not going 20 and 30 miles an hour; out in the rural areas, they're reaching speeds in the high 70s-80s. Things happen fast. We have letters that came in from Congressman Don Bacon, who is cosponsoring a similar legislation at the federal level, H.R.233, the Safe Freight Act of 2017. His comment was: we have two pilots in an F-15; we have two pilots in passenger airplanes. There's a reason: humans make mistakes; humans have health issues. There's a reason we put two people, no matter how far technology advances. So we have...we also have a letter from NACO, county boards, because the rural counties see these crossings and understand the danger of them. We have, from the Nebraska Professional Firefighters Association, and we also have from the Volunteer Firefighters Association, because they're the ones that go and react to the accidents at the crossings and the derailments. I am going to turn this over to the people who live it, see it, have witnessed it. And I have not talked to a trainman yet that a person has not been in the business over the road, over the rails, that cannot relate at least one accident they've seen or a suicide, which is common. But the point is: If you don't have human eyes to see it and to react, lives can't be saved. So thank you. [LB404]

SENATOR FRIESEN: Thank you, Senator Groene. Do we have any questions... [LB404]

SENATOR GROENE: Oh, questions. [LB404]

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SENATOR FRIESEN: ...for the senator, from the committee? Seeing none, thank you. Are you going to stick around for closing? Or are you... [LB404]

SENATOR GROENE: I'll either come back...I'll try to be on time, though. [LB404]

SENATOR FRIESEN: And if you're not, we'll probably close and move on. [LB404]

SENATOR GROENE: Oh...pretty thought (laughter). Do what want. All right then. [LB404]

SENATOR FRIESEN: Thank you, Senator Groene. Okay, all those wishing to testify in favor of this bill can come forward. There are some seats up front. If you want to, kind of, if we're going to have numerous testifiers, let's line up and we'll get started. Welcome. [LB404]

BOB BORGESON: (Exhibits 5-7) Thank you, Senator. Good afternoon, Senator Friesen... [LB404]

JADE KRIVANEK: (Inaudible). [LB404]

BOB BORGESON: There's 11, 11 copies there. [LB404]

JADE KRIVANEK: Okay. [LB404]

BOB BORGESON: Members of the committee, my name is Bob Borgeson, B-o-b B-o-r-g-e-s-o-n. I'm the state legislative director for SMART, the International Association of Sheet Metal, Air, Rail and Transportation Workers. My office is located at 3333 South 24th Street in Omaha. Our members work on the Union Pacific, BNSF, and the Nebraska Central Railroads. They operate trains all across Nebraska, from Morrill to Omaha, McCook to South Sioux City. We are here to support LB404. We thank Senator Groene for introducing this important public safety bill. In the 104th Legislature, the same bill was introduced as LB192 and heard by this committee in 2015; the bill died in committee. SMART conducted a statewide poll in February 2015. I have provided each of you a copy. The survey showed a tremendous amount of public support for requiring two people on all freight trains. We feel that data is still very relevant today. Along with that survey, I have provided you a copy of a letter from our consultant, Mr. Dean Mitchell, who conducted the Nebraska survey, and a more recent survey just completed January 30, 2017, in neighboring Kansas; he kind of summarized that. The Federal Railroad Administration has been proposing some kind of rule on train staffing for several years. They solicited comments for a federal rule for an extended time and still, to this day, have not issued a rule. It is doubtful that any federal regulation will be enacted because President Trump has signed an executive order halting any

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new regulations. The state of California is the latest state to enact a two-person crew law. This year Oregon, Washington, Maryland, and other states are considering taking up two-person legislation. These are mile-long trains hauling every kind of hazardous material through Nebraska. Why should the health and safety of our communities be put at risk by an operating practice that would utilize less than a two-person crew? This is a public safety bill. We don't feel that any fewer than two crew members can adequately protect the public, the crew, and the railroads. This is just plain Nebraska common sense. With me today are individuals who are actual operators of trains in our state. Many have driven hundreds of miles to testify before you on this important matter. They are the real experts on this issue. In conclusion, we would ask for the committee's support in moving LB404 to the floor for consideration by the full Legislature. And I would be happy to answer any questions the committee might have. Thank you. [LB404]

SENATOR FRIESEN: Thank you, Mr. Borgeson. Any questions from the committee? Senator Smith. [LB404]

SENATOR SMITH: Thank you, Mr. Chair. Good to see you, Mr. Borgeson. [LB404]

BOB BORGESON: Good seeing you, Senator. [LB404]

SENATOR SMITH: I've got a question for you. Why...so why the exemptions in this particular bill? [LB404]

BOB BORGESON: Why the what? [LB404]

SENATOR SMITH: Why are there exemptions in this bill? Why do we want to have exemptions? So on the second page, there is...it reads, "For purposes"--this is line 3-5--"For purposes of this section, train or light engine used in connection with the movement of freight does not include hostler service or utility employees." So why... [LB404]

BOB BORGESON: Well, there are some positions in the yard that are single-person. We're talking...this is primarily directed at freight movement on the main line. [LB404]

SENATOR SMITH: Okay. And then I do have another question about the Federal Railroad Administration. So I think that they're undertaking some ruling on two-man crew at this point. Is that true? [LB404]

BOB BORGESON: They...I think that's a completed...I think they ended that, and they didn't issue...they ended the comment period. And I believe, the last time I looked at the federal reg app

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that I have, it said it's completed and that there wasn't no more action to be taken. We fully expected the past administration to issue a rule, and they never did. [LB404]

SENATOR SMITH: All right; thank you. [LB404]

SENATOR FRIESEN: Thank you, Chairman Smith. Any other questions from the committee? Seeing none, thank you for your testimony. [LB404]

BOB BORGESON: Thank you very much...appreciate it. [LB404]

SENATOR FRIESEN: Welcome. [LB404]

JOE MEUSER: (Exhibit 8) Thank you. Joe Meuser, J-o-e M-e-u-s-e-r. And forgive me; I'm a little nervous. So we'll try and get through that. [LB404]

SENATOR FRIESEN: Relax. [LB404]

JOE MEUSER: That's why I wrote it down for you so, hopefully, it will go better. Mr. Chairman and Senators, thank you for the opportunity to give my input on this very important legislation, the two-man crew bill. As background, I would like you to know my name is Joe Meuser; I live in North Platte. I'm a locomotive engineer, employed by a Class I railroad for the past 23 years. I operate freight trains every day, in and out of the largest classification rail yard in the world, without any type of set schedule or...and at any time, day or night. When I began my career, most freight trains were just over a mile long with one or two...one or possibly two, diesel electric locomotives on the head end. I operated those trains with a throttle, a brake, and three gauges. Today it's not unusual to get called for a train that's over 12,000 feet long and weigh over 20,000 tons, with locomotives in various locations throughout the train. And the technology that allows me to do that is called distributive power and requires multiple computers and monitors with hundreds of functions, all operated from the engineer's control stand on the lead locomotive. The demand for my attention is constant. The federal government has mandated the development and implementation of Positive Train Control. The railroads are testing various control systems to help save fuel and operate trains more efficiently. The use of these systems is mandatory and, again, demands attention. The point of all of this is simply to give you an idea of what goes on inside the locomotive cab. And while this may or may not be of interest to you, the real concern should be what is going on outside the cab. This is where you, your friends, and loved ones walk, drive, ride bikes, and all the other activities that are your daily lives. This is what a second pair of eyes and ears in the cab monitors while I operate the train. The conductor watches all the things outside the cab that affect the safety of the public as our trains go through the middle of your

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towns at 70 miles an hour. The conductor monitors signals that are similar to traffic signals that tell us how to move the train. He or she also help watch other trains for defects that can have serious impact on people and property near the train. He or she is also the person that gets out on the ground to make it possible for emergency responders to access the crossings that have been blocked by a train that has had to stop for whatever reason. I'm sure, at some point, you will hear the railroad tell you that technology has made it possible to operate trains safely with only one person. I'm here today to tell you that they are half right. It is possible; it is just not safe. With all the different types of freight trains that travel through your communities every day, it's essential that the primary concern is the continued safe operation of every train. Train crews are very well prepared and willing to do what is necessary to keep our trains running safely in all types of weather at all times of day and night. I'm here today to ask you to help make sure that we have the most important tool to do our job--a two-man crew. Thank you for your time and consideration. I'd be more than happy to answer any questions you might have. [LB404]

SENATOR FRIESEN: Thank you, Mr. Meuser. Any questions from the committee? Seeing none, thank you for your testimony. [LB404]

JOE MEUSER: Thank you. [LB404]

SENATOR FRIESEN: Welcome. [LB404]

TROY MERRITT: (Exhibit 9) Hello, Senators. My name is Troy Merritt, T-r-o-y M-e-r-r-i-t-t. I am the legislative rep of Local 286, SMART Transportation Division, and a 17-year conductor for the Union Pacific Railroad out of North Platte, Nebraska. I'm also a nine-year veteran of the United States Navy. Over my career as a railroad conductor, I have seen the size of trains go from 4,000 or 5,000 feet, which is approximately one mile long, to some being built to almost 15,000 feet, or three miles long, some with tonnage of over 20,000 tons. Railroads would like to see them even longer if the FRA didn't have rules against it. In the course of a day, one certified conductor and one certified engineer will take a train over several hundred miles. We must have the general knowledge of our specific territory, FRA rules, as well as these reference materials and logs while traveling down the rail: transportation rule book, instruction...which is 703 pages; Instructions for Handling Hazardous Materials, 55 pages, Form 8620; the 2016, which is the present model that we have, Department of Transportation Emergency Response Guidebook, 400 pages; System Special Instructions, 145 pages; North Platte area timetable, 47 pages separated into 9 separate subdivisions; a Council Bluffs area timetable, 27 pages separated into 8 separate subdivisions; we must be familiar with the present-day train list, which is a train manifest--placement of cars, hazardous material, tonnage, length, and power requirements; complete all work on a train work order--cars to be set out, cars to be picked up, hazardous material or...oh, yeah...hazardous material, tonnage, tonnage specifications placement in train; we must go

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through issued track warrants for the train subdivisions to be traveled on, making sure all are strictly complied with--speed restrictions, rail and tripping hazards, wide dimension loads, and maintenance; we must have the knowledge of system special...or system general orders, superintendent bulletins, and subdivision general orders, which are daily changes to the above referenced materials; maintain a northern region job briefing checklist, Form 24357; log the whole day's events--each signal passed more restrictive than green, train defect detectors, and other issues encountered with the train--in the conductor report, Form 20849; and we must also communicate with the train dispatcher, maintenance foreman...encountered during the tour of duty and, of course, log each individual thing in the conductor report and job briefing checklist--at the present time, strict rules ensure that the conductor alone makes all said communication for the train and public safety. Federally mandated rules are so vast and, coupled with the...improperly manned boards, inability to sleep at the drop of a hat, and general stresses of life, can affect the safe operation of railroads. In my Seabee battalion, nothing was done on an individual basis. We made all movements as a fire team, squad, platoon, or even a battalion, because, after all, there are safety in numbers. First responders don't act alone to emergency calls. Even our government, with three branches, has a system of checks and balances to make sure it's not left up to one to make such large decisions and get the job done correctly. It is simply unsafe for one person, one employee, to do all the things that are entailed in getting a train over the road. When talking about safety, two minds are better than one; two sets of eyes, two sets are ears are better than one. This is common sense. If the railroads want to take yet another crew member off these trains, it's all about profits, not safety. Thank you for your time and consideration for this very important legislative bill, as it's a matter of safety for all Nebraskans. [LB404]

SENATOR FRIESEN: Thank you, Mr. Merritt. [LB404]

TROY MERRITT: Any questions? [LB404]

SENATOR FRIESEN: Any questions from the committee? Seeing none, thank you for your testimony. [LB404]

TROY MERRITT: Thank you, sir. [LB404]

JERRY STILMOCK: Mr. Chairman, members of the committee, my name is Jerry Stilmock, J-e-r-r-y, Stilmock, S-t-i-l-m-o-c-k, testifying on behalf of my clients, the Nebraska State Volunteer Firefighters Association and the Nebraska Fire Chiefs Association, in support of LB404. For the reasons that you have already heard, we are in support of this measure. We were in support when the bill was brought to you previously. More eyes, more bodies...accidents happen; and when the brakes stick and the train car starts sparking and the fires start, it's the first responders, the men

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and ladies that I'm happy to represent before you today. 2011...there was a derailment at Benkelman. The fire departments, the rescue squads came out, and they responded. I don't know whether there were...how many train crew members there were on that particular incident. But I can assure you that the people on the scene are volunteer men and ladies across the state, and they believe that having two-person crews would be beneficial as Nebraska continues with its rail industry. Thank you very much. [LB404]

SENATOR FRIESEN: Thank you, Mr. Stilmock. Any questions from the committee? Hearing none, thank you for your testimony. [LB404]

JERRY STILMOCK: Thank you, Senators. [LB404]

SENATOR FRIESEN: Welcome. [LB404]

CHARLES BACON: Thank you. My name is Charles Bacon, C-h-a-r-l-e-s B-a-c-o-n. I reside here in Lincoln, Nebraska, in District 27. I am a certified locomotive engineer and have been for over 37 years. I'm 58 years old. I love my job, and the railroad has been good to me. I have worked all jobs out of Lincoln, including yard jobs. Currently I run from Lincoln to McCook. The run is 231 miles, and I've been in this run for about six years. I've had no safety violations in 30-plus years. I support this two-man crew bill because of the length of the runs...got it right here...and the difference...different time we go to work, 24/7, and the different conditions: type of trains, length, commodity, weather, fog, rain, snow, ice, heat, cold, in all hours of the day or night. I've worked on holidays, birthdays, anniversaries, and Husker games. I've worked when I've been tired, sick, and when my family has celebrations or they've been sick, also. I know that two trained people and four eyes are better than one trained person and two eyes. The new technologies are still in testing phases; PTC, Trip Optimizer don't always work like a real person and are not implemented on all the divisions we are run on. Amtrak runs on the same division as me and has none of these technologies, PTC or Trip Optimizer. The highest of priority trains run on the division that I run on, as well as hazardous freight trains, the really nasty stuff. We have trains handling some of this nasty stuff safely through very populated areas, as well as very remote areas, with no access to the tracks, close to waterways, rivers, lakes, next to homes, as well as schools, churches, arenas, ballparks, and Memorial Stadium. We have been hauling trains safely with two persons in the cab of the controlling locomotive for over 30 years. Do you want to allow railroads to implement something new that may or may not work, when you have, for over 30 years, done it safely? If we don't implement the two-man crew on every train, the railroads will take trains...make trains less safe, because the technologies cannot see or control what my coworker and I can from that train. That's all I have. [LB404]

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SENATOR FRIESEN: Thank you for your testimony. Are there any questions from the committee? Senator Bostelman. [LB404]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. Sir, I have a question for you. You had a couple acronyms in there that I'm not really familiar with. [LB404]

CHARLES BACON: Okay. [LB404]

SENATOR BOSTELMAN: Could you explain those a little bit? And you seem to be...you referred to that there's numerous types of trains that may belong to them. Is it different companies, rails, whatever, that run on those same tracks? Can you explain that a little more to me? [LB404]

CHARLES BACON: That run on our tracks? [LB404]

SENATOR BOSTELMAN: Right. [LB404]

CHARLES BACON: Amtrak, which is passenger service, they do not have the technologies that we have between Lincoln to McCook right now, which is the Positive Train Control. Why they don't have it, I don't know. There's also what they call a Trip Optimizer, which kind of like is a cruise control, and it's supposed to save fuel. That doesn't always work either. I've had issues with the Positive Train Control also, where it just automatically shuts down and you're in control of the train and, all of a sudden, it shuts down and you don't have it. Then you got to take over. It's like having a person that you're training, and you're wondering what he's going to do next. And does that answer your question? [LB404]

SENATOR BOSTELMAN: Yes, I guess follow-up with that, if I may. So Amtrak would be the only other rail. Are there any other, other than your... [LB404]

CHARLES BACON: Freight trains? [LB404]

SENATOR BOSTELMAN: Right, other than trains that you're operating. Other... [LB404]

CHARLES BACON: They don't...they do not have PTC, Positive Train Control, on, I believe, the run from Lincoln to Alliance now. They do not have it. That's a 400, almost a 400-mile run. [LB404]

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SENATOR BOSTELMAN: Okay; thank you. [LB404]

SENATOR FRIESEN: Thank you, Senator Bostelman. Any other questions from the committee? Seeing none, thank you for your testimony. [LB404]

CHARLES BACON: Thank you. [LB404]

SENATOR FRIESEN: Welcome. [LB404]

RON TRAUERNICHT: How are you doing? My name is Ronnie Trauernicht, R-o-n-n-i-e T-r-a-u-e-r-n-i-c-h-t. I am in Mr. Hilgers' 21st District; there's a lot of railroaders that live out there, so. Anyway, I'm a conductor; I hired out in April 2004. The reason I'm relaying this story is to help all understand the importance of public safety and to train crews having a conductor and an engineer on the head end of every train, that that is the best-case scenario. About two years ago, I was coming back on a train via the Napier line, which is dark territory; in other words, there are no signals. So you have to have a conductor, copies of track warrant, written via the radio. And the engineer is running the train; he can't do both at the same time. There's not a lot of dark territory left, but there still is. My engineer--we were probably about three miles out of Hamburg, Iowa--told me that his chest hurt; he couldn't breathe. And I asked him "Does your arm hurt?" because my first thought was a heart attack. And he said it did. I immediately got on the radio, contacted the dispatcher, and told them, you know, on that Napier line particularly, there's not a lot of places to stop. I did know, from my experience on the line and from the training I had, that there was a crossing at Hamburg that was very accessible to ambulance and rescue unit, so I went ahead and told Mike to just relax. In our training, we do learn how to stop a train, and so in an emergency situation, I did stop the train at the Hamburg crossing. That allowed the ambulance to meet us there. They were there; they got him off. Thankfully it was not a heart attack. It was some kind of a chest contraction that his muscles tightened up. That was a good thing. But the fact that I was there to help him...this could happen at any time to anybody. And I just...I can't imagine what it would be like to have somebody alone on a train and something like that would happen. We were lucky; we were on an empty coal train, okay? But had this been a train--and we do bring them up from Kansas City a lot--there are mixed-merchandise trains with hazardous materials on them. What if it would have been one guy on the head end? What if he would've had a heart attack? It's just...I don't want to think about the repercussions from that. And that's about all I have. If you have any questions or... [LB404]

SENATOR FRIESEN: Okay. Thank you for your testimony. Any questions from the committee? [LB404]

RON TRAUERNICHT: Thank you, gentlemen. [LB404]

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SENATOR FRIESEN: Seeing none, thank you for your testimony. Welcome. [LB404]

DANNY CROCKER: Thank you. And thanks for the opportunity to testify on this bill before this committee. My name is Danny Crocker, D-a-n-n-y C-r-o-c-k-e-r. I testified previously on the previous bill that was before this committee in 2015, so I'm not going to reiterate that testimony. We're going to go somewhere else this time. First, let me give you some background. I've been with the railroad for 39 years; I work for BNSF Railway out of Lincoln, Nebraska. The...I've been an engineer for 38 of those years, and the last three years I've been full-time safety employee in a capacity for the railroad during that full time. So I'm very familiar with the safety aspect of the railroad and how it impacts our communities and the railroad itself. So one of the things that I wanted to expand on is the toxic inhalation hazards that we do haul. We haul chlorine; we haul anhydrous ammonia. Chlorine is used mainly by the water treatment plants in this state. The anhydrous ammonia is used as farm fertilizer, which we all know transports quite a bit. Now as far as some of the chlorine and stuff, and the problems with it, the Harvard Kennedy School of Government did a rail transportation of toxic inhalation hazards study on what would happen. I'll just read something quickly out of that. "TIH"--which is the abbreviation for toxic inhalation hazard--"rail transportation is not without risk. Deadly railway accidents involving TIH in Minot, North Dakota, in 2002, in Macdonia, Texas, in 2004, and in Graniteville, South Carolina, in 2005 resulted in the evacuation of thousands of people, forced over 800 people to seek medical attention, and caused the deaths of 13 people. The economic costs were staggering; the costs of the Graniteville accident were estimated at \$126 million. These accidents took place when relatively few people were exposed; a terrorist attack on TIH tank cars could have far worse results. One worst-case estimate predicted up to 100,000 deaths should a chlorine gas tank car be attacked and breached on the rail line that passes the Capitol Mall in Washington, D.C., during a major outdoor public event. Although there have been no incidents of terrorist use of TIH in the United States, in Iraq in 2007 there were several attacks on chlorine containers carried by trucks." Now we're talking about terrorist attacks and probably not very likely in the state of Nebraska. But we do have a high urban threat area in this state involving Omaha, Nebraska. But we also have in Lincoln, as you know, we have Memorial Stadium with over 90,000 people in attendance seven Saturdays a year in the fall. That is very close to the main lines that run from BNSF from Lincoln to Omaha on those lines. It doesn't have to be a terrorist attack to have a derailment and have an incident caused like this. Back in February 19, 1969, we had a derailment in Crete, Nebraska, that ruptured two tank cars of anhydrous ammonia. Eight people in Crete died from the result of that accident. So this is a very real concern; it's happened before. What the conductor and the engineer working together can do is spot incidents and, you know, defects that can occur that can cause these accidents which, you know, Positive Train Control and other technologies can't prevent. We do have...we've gotten much safer in those 39 years. We went from having a five-person crew when I first hired out to having two people now. It can be done; we, you know, the technology is there to operate with one person. But can it be done safely? Not to the extent where you can eliminate everything. And I know in this world

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we're never going to eliminate everything totally, but we can operate with safety first as our priority. And that's what I think this bill would help us to do. So that's it. Any questions?  
[LB404]

SENATOR FRIESEN: Thank you, Mr. Crocker. Any questions from the committee? [LB404]

DANNY CROCKER: Okay; thank you. [LB404]

SENATOR FRIESEN: Seeing none, thank you. [LB404]

KEVIN POTTHOFF: Good afternoon, Senators. [LB404]

SENATOR FRIESEN: Welcome. [LB404]

KEVIN POTTHOFF: First off, I'd like to thank the gentleman earlier for his military service. And anybody else that would have to testify today, thank you very much. My name is Kevin Potthoff, K-e-v-i-n P-o-t-t-h-o-f-f, and I reside in Senator Hughes's district. I did also testify at the last hearing two years ago. There's going to be an awful lot of testimony with an awful lot of different scenarios and accidents and incidents that have happened, so I'm going to just start off by relating a situation that happened to me February 10, 2011, at 12:42 p.m., Mountain time, one half mile east of Wray, Colorado, on a trip from McCook westward toward Denver. A woman and her mother, 56-year-old woman and her mother, left their home 200 yards north of the railroad tracks on a dead end county road. Evidently they must have had a conversation going or whatever, but although I was blowing the whistle and it was very loud, they did not notice me until the last second. Anyway, we did make contact. Their car was demolished, and I stopped the train immediately. I was able to send the conductor back a very long ways to see what the situation was. He found them unresponsive at that ...before that I had called 911 and so the emergency services were on their way. But there was no way to be sure that we had cleared that crossing until the conductor had gotten back there. When the emergency services showed up, he was able to let them across to attend to these victims. I, for one, believe that adults put themselves where they put themselves. My biggest concern, other than the fact that these two women did die, was for the children that just get told where to go with the parents and grandparents. Those kind of things...you get through them but you never forget them. The other thing I'd like to talk about a little bit is...this May it will be 43 years for me with the railroad. 2011 wasn't my first incident with a fatality. I've seen most of the changes: from cabooses to no cabooses; to five-man crews, to two-person crews; long runs--used to be 130-140 miles--now we're in excess of most of the runs of 200 miles. The railroad has implemented this Trip Optimizer technology to save fuel. That doesn't always work. So rather than when Trip Optimizer doesn't work, they give you a throttle limitation to limit your ability on speed. So you

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may...your goal may be to get to point Z from point A. If you're allowed to run the throttle at maximum throttle, you would maybe get there in seven hours. A lot of times you don't get to point Z on account the throttle limitations. You maybe cut it for under 55, but you'll be running at 30 all day, lengthening the time that you must stay attentive, compared to the time that you maybe wouldn't have had to. One other thing I'd like to say is that we do carry an awful lot of very volatile commodities. Oil isn't quite as heavy as what it used to be, but ethanol is big in our state, along with the fertilizers, the anhydrous ammonias and that type of stuff. I presently switch in the yard, and I handle these commodities all the time, so I do see the amount of this product being traversed and created in our state. We have a lot of traffic through the McCook area, but I also have a great concern for the area of Gothenburg, Nebraska. That's where my daughter and her family live. She actually works for Senator Williams, in his bank, as a loan officer. So I get a lot of stories about all the trains that go through there at night and wake my grandson up. So business is heavy; the risk is not diminished. When we went from five people to two people, it was dramatic. I cannot even fathom the risk the state of Nebraska would endure with a one-person crew. Thank you. [LB404]

SENATOR FRIESEN: Thank you, Mr. Potthoff. Any questions from the committee? Seeing none, thank you for your testimony. [LB404]

KEVIN POTTHOFF: Thank you. [LB404]

SENATOR FRIESEN: Other proponents who wish to testify? Welcome. [LB404]

PAT PFEIFER: (Exhibit 10) I'm sure that was just an oversight on brother Kevin's side, because I do live in Gothenburg and I know he's concerned about me, too, so. My name is Pat Pfeifer, P-a-t P-f-e-i-f-e-r. I am the chairman for the Brotherhood of Locomotive Engineers and Trainmen. I think I am going to be the last one, as far as proponents, so everything I've wrote down, I'd like you to keep, but I'm not going to repeat it. Instead I get to talk about my new favorite phrase: facts and alternate facts. These guys are facts; they live it. You look at their eyes and fatigue, everything we're going through. Alternative facts...that their carriers ain't looking to go to a one-man crew. That's...we don't...we're not negotiating; we're waiting for a Presidential emergency board to seal our fate. 1985...that's when we lost all our brakemen. This year, whenever it gets settled, I'm sure it's going have language for a one-man crew. All the safety issues that they talk about, they live it every day. You know, when you look at the amount of railroaders in this state--their kids, their families--a lot of times, you know, we take for granted we're coming home; but we don't know. I know I got a better chance with a second person there. Now when I...which I've been watching you; you guys have had some hard work this year. Appropriations today, talk about where the money is at. This is the most common-sense bill that does not cost a penny to appropriations, that protects more people in the state--for nothing. We got two railroads that are

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making a billion dollars a quarter profit. And if that's not enough that we're willing to leverage a brother or sister, somebody at a crossing, a town...all that stuff is real; it happens. This is such a common-sense thing that says, "You know what? Railroads are doing good." Good for you, great business plan; it really is. Why do they need more? Why...why are we, you know, throwaway? I mean public safety should be public safety; that's what you guys do. You all took that oath: I will protect the people of the state. Don't cost a penny. You're going to hear alternative facts and data; there's no data saying a one-man crew is any...or...a two-man crew is any safer. Hoboken, New Jersey? I think you guys seen that on the news. One man on a crew, on an engine...ran into the depot; things happen. Men break down, but machines break down, too. Everything they say, everything they talk about--Trip Optimizer, all the technology--we want it. We want the technology, because if it helps us that much, that helps the railroads. Well, I don't want to see the railroads go bankrupt, go...if they ain't got a job; I ain't got a job; that's a common sense. Public safety--that's what this is about. It's not about my job; it's not about me being safe. It's about me knowing that, when my kids walk across those tracks, they got four sets of eyes looking out for them. That's when you're walking across those tracks, or your kids or your grandkids. We have to keep looking out for them. When we see a car that we know is starting to smoke--the wheels, brakes are sticking--we're starting fires, we're not burning down this farmer's field or this town. This bill is about safety; it's common-sense safety. And, again, what you guys are doing this year...and I commend you and I wouldn't want to trade spots with you for nothing. This does not keep...cost a penny. You have the right, by the Rail Safety Improvement Act, to enforce a safety law for this state that exceeds federal whip. Thank you very much. Any questions? [LB404]

SENATOR FRIESEN: Thank you, Mr. Pfeifer. Mr. Hilgers...Senator Hilgers. [LB404]

SENATOR HILGERS: Thank you, Mr. Chairman. And thank you, Mr. Pfeifer, for your testimony, for coming down today. [LB404]

PAT PFEIFER: Yep. [LB404]

SENATOR HILGERS: I didn't write it down fast enough, but you were referring...I heard a date, 1985, and then, I think, a reference to, maybe, a Presidential board. [LB404]

PAT PFEIFER: President...Presidential Emergency Board--I believe it's 218. [LB404]

SENATOR HILGERS: Could you expand on that? [LB404]

PAT PFEIFER: 218...we could not...you know, when we talk about collective bargaining, our unions, the rail carriers--which they all negotiate together, National Carriers Conference and all

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of our unions--we negotiate together for a national contract. When you can't come to an agreement, you go through mediation and add self-help, either a strike or a lockout. And then we get ordered back to work or...and a Presidential emergency board is a path, and we have to take the recommendations of the Presidential emergency board. Technology allowed them to get rid of brakemen. Hindsight: for me, that was the best training program they ever had, but it's saved the carriers a lot of money. It also put responsibility back on these other two crew members. We have another one probably going to come up. And the Section 6 notices from all the carriers had language...a crew size dependent upon operational needs. I don't get to decide what it is; the carriers do. Does that answer your question? [LB404]

SENATOR HILGERS: It does. One follow-up? [LB404]

SENATOR FRIESEN: Sure. [LB404]

SENATOR HILGERS: If I might. That does. Thank you; I appreciate that. So the decision is sort of a third-party mediation decision. Do you know? Maybe you don't know, but do you know if that has a preemption effect, power of federal law over preempting state statutes that might conflict with that decision? Do you know? [LB404]

PAT PFEIFER: It's...I don't know if they're going to, on the President's emergency board, if it'll get into public safety. It will get into our work rules, our pay, pay or insurance--stuff like that. Again, the Rail Safety Improvement Act is how California passed their two-man crew bill. The Rail Safety Improvement Act of 2008 gives you guys the right and the authority to enforce law for the safety of their state. [LB404]

SENATOR HILGERS: But at the...I'm sorry. Do you mind if I just follow up on this? [LB404]

SENATOR FRIESEN: Go ahead. [LB404]

SENATOR HILGERS: Just so I'm on the same page with the knowledge that you have...so my understanding is there, if there's a nationwide negotiation... [LB404]

PAT PFEIFER: Yeah. [LB404]

SENATOR HILGERS: ...amongst the things that can be negotiated is crew size. Is that right? [LB404]

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PAT PFEIFER: Well, that's...that's always the...I guess that's always a possibility. But, you know, it's like two cars running at each other; sooner...sooner or later, something's going to...someone is going to get hurt. We're not willing to give up, remember? Because it's not about jobs; it's about our safety. The railroad is not willing to not talk about it because it's about their profit and their efficiency. I get it. [LB404]

SENATOR HILGERS: So just...so just so I understand the process. [LB404]

PAT PFEIFER: Okay. [LB404]

SENATOR HILGERS: I'm not, you know...so there's maybe negotiation at that point, there's an impasse on crew size potentially. [LB404]

PAT PFEIFER: We are. [LB404]

SENATOR HILGERS: Oh, there is. [LB404]

PAT PFEIFER: Yeah. It's... [LB404]

SENATOR HILGERS: So then it goes to--just so I understand, you can just tell me if this is right or not--then it would go to this Presidential review board, because there's an impasse. That board might say: okay, you can't have one crew member. It resolves it for both sides. [LB404]

PAT PFEIFER: Absolutely. [LB404]

SENATOR HILGERS: So assuming that happens, that decision of the Presidential review board, would that... [LB404]

PAT PFEIFER: Binding arbitration. [LB404]

SENATOR HILGERS: ...binding on. And then would it, would it preempt states that have conflict...so states that it's two, two-man crew, would it...would that state statute be preempted by the decision of the Presidential review board? [LB404]

PAT PFEIFER: Then, unless it's silent in there, about that...so...and we are at that impasse. We filed for mediation; the carriers have filed for mediation for healthcare. You know...yeah. Hey, you know, I love my company and I'm sure my brothers love theirs, too. We want the same thing

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that...you know, we have a different opinion. You know, the proponent...or the opponents that are going to get up here, they're doing their job. But you know what? They don't go to work at 2:00 in the morning. They see, and they argue the mandate that's set through from the company. I argue the mandate that these guys live through. That's...so...but we are at an impasse in national negotiations that...and I believe there was one case: Wheeling v. Lake Erie, or Wheeling and Lake Erie v. the BLET, where we went on strike and we ended up mandating a two-man crew. The Supreme Court failed to hear that, to overturn that, so. [LB404]

SENATOR HILGERS: Okay. No, I appreciate that. As we think about the implications of a state law, I just want to understand what the federal...you know, this is, as you know, very heavily regulated at the federal level, as well, so I want to make sure what room the states have. [LB404]

PAT PFEIFER: Oh, yes. [LB404]

SENATOR HILGERS: So I appreciate that explanation. [LB404]

PAT PFEIFER: Well, at the end, you...like they...again, the Rail Safety Improvement Act already has that law. Unless they don't...if they don't kill that, you still got...you still got the authority. [LB404]

SENATOR FRIESEN: Thank you, Senator Hilgers. Any other questions from the committee? Seeing none, thank you for your testimony. [LB404]

PAT PFEIFER: Thank you. [LB404]

REUBEN REISIG: Good afternoon. [LB404]

SENATOR FRIESEN: Welcome. [LB404]

REUBEN REISIG: I am Reuben C. Reisig. I work on the coal line up at...at Wyoming and through Nebraska. Excuse me; got a...excuse me; I got a cold. But I worked for Union Pacific Railroad for 25 years. [LB404]

SENATOR FRIESEN: Excuse me. Could you please spell your name? [LB404]

REUBEN REISIG: Oh. R-e-u-b-e-n C. Reisig, R-e-i-s-i-g...R-e-i-s-i-g. [LB404]

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SENATOR FRIESEN: Okay. Thank you. [LB404]

REUBEN REISIG: But as I was saying, I worked on the coal fields in Wyoming and Nebraska. Our trains are tremendously big; they're all about 135 to 150 cars long, weighing over 20,000 ton. I've been a local chairman for four terms. I've been an alternate legislative rep for 18 of those years, as I worked on a railroad. I've seen numerous incidences, even though we're in a rural area. There's not very many towns that we do go through; we go through one town only. In my career, I've seen engineers have a...go into a diabetic shock; conductor would have to stop the train. I have seen engineers have heart attacks. I've heard it from other crew members, you know. An engineer would have a heart attack, have to stop the train before entering the main line, have to call for emergency support from the mines because they do have ambulances in that area. In some of those areas where we work, there isn't roads close to the tracks so that they can get emergency personnel there. I don't know what it'd like...it'd be like in a big community like down here where you have numerous rail crossings at grade and you don't have a crew that...a two-man crew on there to watch for every...every car that comes up to the gates. Out at Lusk, Wyoming, we had an incident where...you have to understand, a lot of times the conductor is the first responder on that train. And a couple summers ago, we hit a kid that was 12 years old on a bicycle. And the first thing that happens is, you know, we dialed the emergency number on our radios to call the dispatcher and ask for help immediately. Well, in the meantime, you have a conductor that's on the ground with a first aid kit, trying to help the little boy that's dying. The engineer, in that instance, and the conductor...the engineer did not see the little boy. As they went around the curve at Lusk, Wyoming, the boy was rolling, still in the dust along the railroad tracks. But there has been numerous incidents where we've had engineer go and have a stroke. And thank God, there was a conductor on the train that could stop the train. You know, the railroad tells you that they have numerous safety appliances, like we have crew alerters. A lot of times those crew alerters do not work. I've been with engineers over the years, where they kind of get used to that crew alerter. And it's a button on the dash that you're supposed to respond, every so many seconds, to keep you awake; that's the basics of the crew alerter. Well, when you live in sleep deprivation constantly, you can look across the cab, and we're six feet apart, and the engineer is doing this number for several miles; that's the only thing that keeps him awake, besides the conductor that says: Hey, you okay? Do we need to stop? Do you need to take a break? Without that second man on that train, our safety is going to be in jeopardy throughout this whole state and throughout the whole country. I mean, it is no joke. You know, the railroad, they preach safety, safety, safety. It's not safety, safety, safety; it's dollars, dollars, dollars. That's, that's all they, that's all they know. You know, there's...what's funny is we had a...we've had several guys, and these guys probably have had it, too, where, in different locations, where a crew gets called at 2:00 in the morning and the engineer don't show up, or the conductor don't show up; the guy had a major heart attack just before he got to work. Now what would've happened if that crew would have come to work and the guy would have had a heart attack on the train? You know, that's some of the things that we need to look at. We had two local

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chairmen, engineers' local chairmans, that died, within three days of each other, from massive heart attacks. The one BLE (sic: BLET) local chairman up at South Morrill had come to work that day. He was feeling fairly good. Got to his motel room, checked in, went in, set his lunch bucket on the bed--on the floor--and his grip on the bed, and had a massive heart attack and died right after he got off the train. Three hours prior to that, they did call the railroad and asked the railroad to send some help out there because they thought the man was having a heart attack. And the railroad did not send anybody, didn't stop the train...said: How long is it going to take you to get to Bill, Wyoming? We're 30 miles from there. They said: Keep going; we'll send help. They never did send help. They come out, took his blood pressure. He went to bed, like I said...died. The other local chairman come to work, got ordered, died three miles from the depot, had a massive heart attack at the road crossing. Again, like I say, you know, you guys take a good look at that LB404, and we sure appreciate your support. If you got any questions, I'll be glad to ask them. [LB404]

SENATOR FRIESEN: Thank you for your testimony. Are there any questions from the committee? Seeing none, thank you for your testimony. Welcome. [LB404]

JASON MEYERS: Good afternoon, Senators. My name is Jason Meyers, J-a-s-o-n M-e-y-e-r-s. I'm in Senator Hughes's district, live in McCook, Nebraska. I started my job, my career with the railroad, in 2006. I started as a conductor; enjoyed the economic downturn of 2008/2009 and spent about 18 months on furlough; come back to work; went to the engineer's program in 2012; got my engineer's card and have been operating as a locomotive engineer since then. Out of McCook we go several different directions, primarily east to Lincoln and west to Denver. There's a lot of rural communities out there and a lot of very isolated areas. We've heard a lot of doom and gloom earlier today. I am a proponent, big time in favor of this LB404. We've heard a lot of doom and gloom and how dangerous the railroad is and how bad things we carry and how...I mean, look at any of the guys that come up here and testify for LB404; we're not the picture of health. Our sleep habits are poor; our eating habits are worse. A good friend of mine relayed the information we're not a 24/7 employee; we're 25/8. We don't know for sure when we're going to work; we don't know for sure when we're going to be home. We hope we can...to be there for events: birthdays, anniversaries, whatever it may be, holidays. It's very hard to come up here to explain to all of you the lifestyle we live and the dangerous situations we live in, because you can't really...you can't really appreciate it until you live it, the experience. And I had no idea what I was in for when I started. I like my job. The railroad has given me great opportunities financially, namely. I've missed a lot. It comes to the point to where you either give your kids what you hope they need or you see them grow up; and you can't always do both. As far as the doom and gloom and the danger, we are very, very safe. That's been proven. The accidents that do happen, the incidents that happen, are...all the things you hear about is the bad; you don't hear about the celebrations. I live 150 yards away from the mainline tracks east of McCook. I'm not scared of the chemicals we haul. I know we're safe. I trust the guys that are out here doing the

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job. But I guess, to make it relevant, to maybe help you guys understand what we deal with, I'm going to put it into a scenario, hopefully, that can explain it. But you're going to get in your car and you're going to drive from, let's just say, Lincoln to McCook. But it's a one-lane road. There are places you pull over and meet traffic; for the most part, it's one-lane road. You don't know for sure when you're going to go. You know they're going to call you and tell you to go. You don't know if you're going to make it. You can only drive for 12 hours. But you don't know how far you're going to go; you don't know how soon you're going to go. But on this trek, you can't listen to the radio, you can't read a book. Everything you're going to eat or drink, you pack with you. And if you need to use the restroom, well, it's there with you, but you've got to have an opportunity to stop to do it. And sometimes you make it; sometimes you don't. You don't know where you're going to get stopped. You're at the mercy of the dispatcher; he's going to tell you where you're going to stop or when you're going to go or how far you're going to go or if you need to stop and do something on the way. It'd be very, very hard to do, I think, by yourself. I mean, Lincoln to McCook is not a big drive. We did it this morning, came down, but there were four of us in the vehicle. Now do this all by yourself. It's a killer to do it day in, day out. Then, when you get to McCook, you know you're going to have at least 10 hours in McCook, but you don't know; you might have 24. But, at the drop of a hat, you've got to turn around and drive back...same scenario, same events take place. Would you want to be that guy out there, all by yourself--guy or gal, I'm sorry--out there all by yourself, making that drive 25 days a month, 20 days a month--whatever it may be--and never know for sure when you're going to go, when you're going to be back? You do have the opportunity to take time off but, when you do take time off, it's within a set requirement. You can't have too much off or then you're disciplined for it. You do have, you know, rights, as far as getting your rest and making yourself rested for the trip. But again, you know, you push the envelope too far and you're subject to discipline for it. So if you're out there driving that route and, you know, you got somebody coming against you...the same scenario, you know, a one guy by himself operating a train or a car in this scenario. You know, you're tired and fatigued. Do you want to meet that other guy, not knowing his, his status? Or worse yet, you're out there driving that car and you've got to cross the tracks, knowing that there's a one-person crew in that train, on that locomotive. Do you want to...do you want to meet them? Do you want them to meet you? Do you want to have your family and friends, and whatever else out there, experiencing that? And life is busy. And I mean, we see it all the time, going up and down the rails: people come to the grade crossings...might be talking, might have the radio turned up, might be thinking about three different things, talking to the kids in the backseat, whatever. Just coming home last week, I had a near miss, coming eastbound at Yuma, Colorado. A farmer and his sprayer were going down the road parallel to us, going the same direction we were. And he turned to cross the tracks, quarter mile in front of us. 55 mile an hour, quarter mile...nothing I could do. He stopped, his booms come across the crossing, he saw us and backed up just as we got to him; and we didn't get him. It's a helpless feeling. Two guys in the cab can talk about that, see it coming up. Hey, something coming up, up here. Be alert, pay

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attention. I hope you guys will get this out of committee and get it out there to where we can do some good with it. Thanks. [LB404]

SENATOR FRIESEN: Thank you, Mr. Meyers. Any questions from the committee? Seeing none, thank you for your testimony. Welcome. [LB404]

JON JOHNSON: Welcome. Thank you, Senators. My name is Jon Johnson, J-o-n J-o-h-n-s-o-n, from McCook, Nebraska, Senator Hughes's district. Going to drive a couple points in again, like everybody else has drove, over and over again, of the two-man crew. I appreciate this bill coming before you. I think it'd be a great bill to have in the state of Nebraska. Every day I go to work; I hug my wife and my kids goodbye before I leave. There's a good chance that that may be the last time I hug them, because we do operate anywhere from 8,000 to 15,000 tons of freight in one trip that operate. We handle anywhere from paper, dry goods, to hazardous materials. In those hazardous materials there's inhalation hazards. One derailment could cost our life versus everybody else's. The benefit of having two-man crew is, when I get up there...I'm an engineer, so I operate the train. My conductor, he's the one who has the manifest of the train. He is able to list where all the hazmat, if we have any, is placed in the train, in case there is an incident. And then we could...he's the one who would go back and operate with the...or correspond with the first responders of the fire department to let them know if that hazmat has been derailed or not. Per our rules, one person has to either stay on the head end of the train, or we have to secure that train before we, both people, leave that locomotive. With a one-person crew, we wouldn't have that immediate response as of going back during a derailment. The other key point I have is first responder has, as Jason has said, our eating habits, sleeping habits, aren't probably the best. There's a younger group; there's older groups. There's a lot of engineers and conductors that are reaching the 50-60 years of age. If there's one person in the cab and he has a heart attack or a health issue, who's going to be the first responder? Is he going to be able to operate the radio to call for help, call 911? With two people in the cab, we have one person that's able to do that. As another key point, I'd like to point out is, as we're operating trains across Nebraska, we operate a 200-plus mile radius...it takes...they're...it's not radius, but length...we will be placed into sidings, as they say, to meet other trains. Well, in Nebraska the run between Lincoln and McCook is a 230-mile run. There's 211 crossings so, when we pull into a siding, there's...has to be someone who cuts that crossing to let the public by. Some of the towns, that's the only access they have to get across the railroad tracks. Without the second person in the cab, again, we would have to wait for a responder to come out, what could take up to 45 minutes to an hour. Technically what we're supposed to do is have that crossing cut within 15 minutes. With a second person on the cab, that's easily done. And there's the other point...the PTC is a great tool for us; it's a safety tool. It's not elimination tool. It is an...it's...they call Positive Train Control...it allows the train to operate without going by a...we have signals out there for the traffic when we drive in cars. The yellow means slow down, red means stop, green means go. The same for a train...green means go, yellow means slow down, red means stop..all that Positive Train Control is going to do is let you

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go on a green, make you slow down on a yellow, and it's going to stop you before you go by the red. That is, to my feeling, is not a replacement for a second person in the cab. It's more a second distraction because, not only do we have two screens to operate the train we're looking at, plus looking out the windshield, we also have the PTC screen that's over here that we're watching to make sure that we're operating within its limits. So I'm looking at this screen here, these two screens operate my train, and I'm looking out the window to make sure that we don't have anybody crossing a crossing at the wrong time or going through a gate or...seen it just the other day, coming out of Denver, a kid on a bicycle decided to walk in front of our train. Luckily we responded; the conductor had caught it before he had a chance to cross it. I warned him with the horn and he stopped short, and we didn't cause an incident there. Thank you for your time, and thank you for presenting this bill. Any questions... [LB404]

SENATOR FRIESEN: Thank you for your testimony. Any questions from the committee? Seeing none, thank you. [LB404]

JON JOHNSON: Thank you. [LB404]

LANCE FLOHR: Good afternoon. My name is Lance Flohr. I'm a resident of Scotts Bluff County. I am a locomotive engineer; I work... [LB404]

SENATOR FRIESEN: Will you spell your name, please? [LB404]

LANCE FLOHR: Oh; excuse me. Lance, L-a-n-c-e, Flohr, F-l-o-h-r. Okay, I'm a locomotive engineer out of Alliance, Nebraska. I'm working that 367-mile run right now, between Alliance and Lincoln; and it's a grind, let me tell you. I've got stories; I don't...I'll dispense with those. One thing I'd like to bring up is erosion of safety rules. It used to be locomotive or...excuse me, freight trains had to have their air brakes visually inspected every 500 miles. Somebody had to go on both sides of the train to make sure each one of those brake shoes, on every single wheel, set up and released on that train before it was released to travel further. That's been extended to 3,000 miles now. Wintertime operations provide a challenge for engineers. Locomotives have air compressors on them, and these air compressors charge the brake system. Most trains...well all trains have an air brake system, which stops the trains. Some...there are supplemental electric brakes on the trains as well, but not all trains are equipped that way. But they all have air brakes and they are charged by these large compressors on the locomotives. The ability of these locomotives to charge the system in the wintertime is hindered because of cold weather and so forth. And it used to be that, if the locomotives were charging more than 60 cubic feet a minute on a train, the train was not allowed to move. That's been increased to 90 with the use of distributive power now--locomotives on either end or in the middle of the train now. So now another rule that was set up to ensure that the brake system does work has been eroded.

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Locomotive inspections: Locomotives were...used to be required to be inspected every 92 days; there are locomotives out there right now that have two-year waivers. They're running up and down those rails for two years, and the only thing that they look at is to make sure that those brake shoes are there and that nothing is leaking on the ground. There are no exhaust leak checks or anything so forth. Plumbing and for the pipes and hoses and everything don't get inspected like they used to be. And with these rules changing, I really fear that having two people in the cab...that, that is coming; and that is something I really don't want to see compromised. We've made changes and we've adapted to all these other rule changes and safety procedures that have come along. But this is something that I feel very strongly about, that this is one thing that we cannot compromise on. This is something that we should hold ourselves to and hold the carriers to as well, not only for my safety, but yours and your loved ones as well. Thank you. [LB404]

SENATOR FRIESEN: Thank you, Mr. Flohr. Any questions from the committee? Thank you for your testimony. Any other proponents who wish to testify? Welcome. [LB404]

RICHARD HEDRICK: (Exhibit 11) I am Richard Hedrick, and I'm for the two-man crew. When I started, we had five men or... [LB404]

SENATOR FRIESEN: Could you please spell, spell...could you please spell your name? Spell your name? [LB404]

RICHARD HEDRICK: Richard Hedrick, H-e-d-r-i-c-k. [LB404]

SENATOR FRIESEN: Thank you. [LB404]

RICHARD HEDRICK: I am a retired Burlington Railroad engineer, and I am here to testify that two-crew-member train crews are necessary. One time the crew members were necessary I was on a freight going to Lincoln. We were crossing...slowing down for the slow order going into Crete. We saw a car stalled on the crossing, the father and the...at the steering wheel and the mother sitting with a child on the side. The brakeman went out on the front and the moving engine and motioned and swore at the...to get out of the white car. They got out of the car before we hit the car, throwing the car some 20 feet. I dropped off the engine at the crossing. Natives had assembled. You weren't blowing this whistle; we were blowing the whistle. You were going too fast; we were not. This is going to be a problem with no crew, no truck driver, et cetera, so. My grandfather kept office books longhand. He lost his job to the typewriter. It is time to wake up to the fact there are not going to be any good jobs. The Republicans won't do anything for the job problem; The Republicans are still fighting Roosevelt's solution to the 1930's solution. Roosevelt had enough Democrats to pass 40-hour week, time and a half for overtime, vacations, Social Security, so far. The 1 percent excuse for taking all the money: If the money had

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the...people had the money, there would be inflation. There is one thing I like about Trump: He builds big hotels for the 1 percent so they can put his name on them. This is better than Romney, putting his money in a offshore bank; I got "Trumped." Thank you. [LB404]

SENATOR FRIESEN: Thank you for your testimony, Mr. Hedrick. Any questions from the committee? Seeing none, thank you for your testimony. Are there any other proponents for LB404? Seeing none, I ask any opponents who wish to testify on LB404. [LB404]

JEFF DAVIS: (Exhibit 12) Jeff Davis, here on behalf of BNSF Railway. Mr. Chairman, ladies and gentlemen, our employees' concerns are very real, and I want each and every one of you to know that BNSF is committed to safety: the safety of our employees, our neighbors, and our community. [LB404]

SENATOR FRIESEN: Sir, excuse me. [LB404]

JEFF DAVIS: Yes, sir. [LB404]

SENATOR FRIESEN: Will you spell, spell your name? [LB404]

JEFF DAVIS: J-e-f-f D-a-v-i-s. [LB404]

SENATOR FRIESEN: Thank you. [LB404]

JEFF DAVIS: Over the last decade, we've operated a record number of trains and had the safest years in our railroad's history, safer than the days when we had three-, four-, five-, even seven-person crews. Train accidents are scary; we get it. Those train accidents you see on TV on the news are, literally, 1 in 100,000 or more, and almost every one of those trains mentioned has two crew members on it. What you don't see, and the story that we have to tell, is that today 1,400 BNSF trains are going to safely reach their destination, and they'll reach their destination safely tomorrow and every day this year. Predicting and preventing the next train accident is, literally, like trying to find a needle in a haystack. But at BNSF, we are committed to finding that needle and preventing every accident because we believe that every accident is preventable. We need technology to do that. Better equipment design, better materials, better signaling, better communications equipment, and modern wayside detectors are just some of the technology advances that have made railroading safer. We identify risks, plan for safety in everything we do. Last year we averaged a little more than one incident per million train miles traveled. Actual accidents are even less. We're proud of our safety record, but we can never rest because trains are dangerous, and any accident is one too many. Safety this...of this...is the premise of this bill, and

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I'm happy to talk more about it; but there are three points that I want to make to you this afternoon: 1) Common sense says that two crewmen on a train are better than one, but the actual scientific studies, not the public opinion polls, either say there's no effect or the actual opposite effect; it's a detriment to safety. Human error is the number one cause of all train accidents. Our employees are worried; so am I. Ford is going to start making a car without a steering wheel, Budweiser just test-drove a driverless truck in Colorado, Freightliners testing driverless trucks on I-80. And the North Platte Bulletin just published an editorial, asking not if, but when driverless trucks are coming to Highway 83. The technology is coming, and we're in this together, and we're going to have to find a way to work it out if this industry is going to survive. This bill is an attempt to draw you into labor negotiations on operating practices. And on this point you need to know BNSF Railway did not offer this deal up to SMART TD; they came to us. And here's a quote, "Without any input or feedback from the rank and file, without any consultation with the local unions, without issuing one single update or bulletin, the general committee"--that's not the railroad--"goes and offers us up--completely out of the blue--a tentative agreement." I don't blame our employees for being mad, but don't make us the scapegoat on an issue that they brought to us. We are currently in negotiations/mediation; we've got another meeting tomorrow. BNSF has not put this issue on the bargaining table, and neither side can terminate an agreement on their own. I repeat...we have not put this issue on the table so, if the two parties negotiating a labor agreement do nothing, the status quo--two people on a train--remains. The FRA has proposed a minimum crew size rule; they've accepted more than 1,000 comments and held a public hearing on the rule. Even the Nebraska Legislature has already commented. Once that regulation is finalized, any law will be preempted, even if they delay it or reject the rule, they will have preempted and occupied the field. To close, we're going to keep operating trains with certified engineers and conductors for the foreseeable future, but I can't tell you what's going to happen 10-15 years down the road. Well, this fight has been going on for more than 50 years and will probably go on for another 50. All I ask is that you let us work with our employees to implement new technology like we've done for the last century, so that we can continue to make railroading safer for our employees and for everyone. Thank you. [LB404]

SENATOR FRIESEN: Thank you, Mr. Davis. Any questions from the committee? Senator Hilgers. [LB404]

SENATOR HILGERS: Thank you, Mr. Chairman. Thank you, Mr. Davis. I'll point to a couple questions on your discussion on the negotiations with...on your labor negotiations. There's currently a collective bargaining agreement in place; is that right? [LB404]

JEFF DAVIS: That is correct. [LB404]

SENATOR HILGERS: When does that agreement expire? [LB404]

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JEFF DAVIS: It's my understanding that the agreement doesn't expire. [LB404]

SENATOR HILGERS: It does not expire? [LB404]

JEFF DAVIS: It's perpetual until it's changed. [LB404]

SENATOR HILGERS: And so... [LB404]

JEFF DAVIS: So... [LB404]

SENATOR HILGERS: Oh, go ahead. [LB404]

JEFF DAVIS: So, you know, we can't operate without an agreement. So, I mean there's a...there's a...that agreement is going to be in existence until there's a new one that replaces it. So right now we're in mediation and then, if we go to a Presidential board, you know, then that's sort of the binding arbitration. But there will always be an agreement in place. [LB404]

SENATOR HILGERS: Thank you. So that...I was going to ask you the same question as I had for Mr. Pfeifer earlier, regarding that...the board that you're talking about. So as I understand your testimony that the idea of two-man crew...that's not under negotiation right now? Or is there... [LB404]

JEFF DAVIS: That is correct. [LB404]

SENATOR HILGERS: So there's not an...is there...would you...well, so there hasn't been a proposal to change two-man crew from either side? [LB404]

JEFF DAVIS: The last proposal was in a, in a...in our previous negotiations that SMART TD brought to us, and their members rejected it overwhelmingly. And then we started seeing these bills pop up in legislatures all across the country. [LB404]

SENATOR HILGERS: And what was in that proposal that you said was brought to you? [LB404]

JEFF DAVIS: Oh, well, basically it would be in areas where there is...and my recollection on this is a little fuzzy because it's been three, at least three or four years now...but in areas where there is Positive Train Control that's federally mandated on the 60,000 miles of track where there's

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passenger rail or, I believe, a certain number of, you know, toxically inhalable, hazardous materials being hauled, that, you know, basically we have to implement the technology to be able to remotely operate those trains and shut them down. Okay, so basically the agreement would have been on those areas; it would not have...my understanding is it would not have applied to those hazardous material trains at all. But, you know, basically it was a framework for how we would work together and do this, if we were going to operate with...with just one person on a train, but it all presumes that the technology is in place. And right now, I mean, we...we had to go get an extension because, when the federal government mandated that we adopt this technology, the technology wasn't even invented yet. So we're still working on it; it's a work in progress, you know, right now. So I mean it's...you know, we were mandated that we have to have it in place by 2018 but, you know, I think it's going to be longer than that before people feel comfortable. That's just my impression. [LB404]

SENATOR HILGERS: And just have one quick follow-up. So on the Presidential review...is it Presidential review board? Is that the...is that what it's called? (Inaudible). [LB404]

JEFF DAVIS: Close enough. I would say close enough. [LB404]

SENATOR HILGERS: Do you know what I'm talking about at least? [LB404]

JEFF DAVIS: Yes. [LB404]

SENATOR HILGERS: Is that...so I hear...if I hear you right, and just tell me if this is...if I have this right or I have this wrong, that that...the issue of two-man crew will not be in front of that Presidential review board? [LB404]

JEFF DAVIS: I can't say. I can't say that it won't be; all I can say is that we have not raised it. [LB404]

SENATOR HILGERS: Got it; okay. Fair enough. Thank you very much, Mr. Davis. [LB404]

SENATOR FRIESEN: Thank you, Senator Hilgers. Senator Smith. [LB404]

SENATOR SMITH: Thank you, Mr. Chair. Mr. Davis, so inside of Nebraska's borders, is BNSF running any two-man crews currently, inside or outside of the exemptions that are laid out in this bill? Are you guys running two-man...I mean... [LB404]

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JEFF DAVIS: Uh, yeah. I mean, when two-man...I mean... [LB404]

SENATOR SMITH: ...are you...less, less than two-man (inaudible)? [LB404]

JEFF DAVIS: ...it...all along our mainline tracks... [LB404]

SENATOR SMITH: I'm sorry. [LB404]

JEFF DAVIS: ...we're operating everywhere. [LB404]

SENATOR SMITH: Excuse me, less than two-man crews. Are you running less than two-man crews? [LB404]

JEFF DAVIS: Okay. Like I say, with regard to...and I'm going to, I'm going to have to reserve my right that I may want to provide you some follow-up information on this. But okay, with regard to hostling, with regard to the utility service employees that are...that are mentioned here, also there...I believe that there is at least one other exception where, you know, like say some of these real railroaders here may want to ...may want to correct me on this...I'm fine. But for instance, like when you're pulling a heavy, heavy load, I think you will see, you know, one engineer...you're in a locomotive that is...that is helping assist, I think. Those scenarios, to the best of my knowledge...there may be some other, some other movements that I'm not aware of, but that's all I know of. [LB404]

SENATOR SMITH: Okay, and there may be even one that's following you that would like to weigh in as whether any of this is taking place today or any imminent plans to...for any of this to take place. But going back to the FRA, I had asked Mr. Borgeson earlier about the ruling and it...I may have misunderstood that, but I don't think there has been a ruling, a final ruling, from the FRA on this issue. [LB404]

JEFF DAVIS: I would...I would agree with that; there has...there has not been a final statement made by the FRA. They have never said affirmatively we're going to delay this rule; they have never said affirmatively we're going to reject this rule; they have never said affirmatively we are going to, you know...here is the final rule. So, you know, I think once that is done, which I would think something has to be imminent, one way or the other, then you will have preemption... [LB404]

SENATOR SMITH: Yeah. [LB404]

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JEFF DAVIS: ...or even what's called negative preemption, where they have clearly studied the issue. They took more than 1,000 comments and had a public hearing on it. So they've clearly studied the issue and, if they choose not to act, then courts will interpret that in that they have made a decision to (inaudible). [LB404]

SENATOR SMITH: And that was my follow-up question, is that it would necessarily preempt anything we did in Nebraska (inaudible). [LB404]

JEFF DAVIS: Yes. And I provided...I provided some case law to Mr. Hybl on that point. [LB404]

SENATOR SMITH: Okay. And then any particular studies that you've seen on the role of safety or the issue of safety with this ruling or this potential ruling? [LB404]

JEFF DAVIS: Right. To my knowledge there are three studies out there. One of them would be...would be Metra (sic: Metro), which is the light rail system there in and around Los Angeles. And at one point they operated approximately 13 percent of their trains with two persons in the cab. They showed no, you know, negligible difference. The California Public Utilities Commission studied the issue, as well as the Federal Railroad Administration, and the same conclusion is that it was negligible and, in some cases, it was actually detrimental to safety because one person could distract the other person. [LB404]

SENATOR SMITH: And this was...and their...that study was based on negligible difference in size of...when there's different sizes of crews? [LB404]

JEFF DAVIS: Yes, yes. [LB404]

SENATOR SMITH: And did it include comparison of a single to a two or is it a three or whatever? [LB404]

JEFF DAVIS: Yes, yes. And I can...I can provide you links to...links to those studies. [LB404]

SENATOR SMITH: Okay. All right. Thank you, Mr. Davis. [LB404]

SENATOR FRIESEN: Thank you, Senator Smith. Any other questions from the committee? Senator Bostelman. [LB404]

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SENATOR BOSTELMAN: Thank you, Mr. Chairman. Question on your testimony here...it says that human error is the number one cause of all train accidents. Is that on the engineer/conductor side, or does that include someone moving onto the tracks and the train hits? I mean, what...who's the one that talks of the human error? [LB404]

JEFF DAVIS: You know, I would believe...I would certainly believe that, if you...I can provide you some follow-up information on that...but I would certainly believe if you included the number of people that actually like veer onto the tracks, that try to drive around the cross arms, et cetera, so. [LB404]

SENATOR BOSTELMAN: All right, okay. Thank you. [LB404]

SENATOR FRIESEN: Thank you, Senator Bostelman. Any other questions from the committee? Seeing none, thank you for your testimony. [LB404]

JEFF DAVIS: Thank you, Mr. Chairman. [LB404]

SENATOR FRIESEN: Welcome. [LB404]

ROCKY WEBER: (Exhibit 13) Thank you, Senator Friesen and members of the Transportation and Telecommunications Committee. My name is Rocky, R-o-c-k-y, Weber, W-e-b-e-r. I'm the president and general counsel for the Nebraska Cooperative Council. I'm not here today to get in the middle of a labor dispute or between the railroad workers or the railroads on this issue. However, we have concerns about the language used in LB404 and the exemptions, as framed in LB404, from the standpoint of many of our cooperative members operate shuttle train loading facilities in the state of Nebraska. Many of these facilities are three quarter- to a mile-long loop track facilities where, once the train, 110-car train, is off of the main line, a cooperative employee will run the engine, usually a single employee, while other employees load the grain cars and do the switching and those kinds of things. The other type of off main line track used for loading grain shuttle trains--it was called a ladder system, which is a series of parallel tracks along the main line--and again, the cooperative employees never going on the main line, but do...do the switching and one person in the engine and fills the cars and places those onto those ladder tracks so that they can be picked up, when full, by the main railroad. It takes approximately 12...11-12 hours to load a train; the railroads give us about 15 hours to do so. And typically we have no control over when the trains are going to arrive, and we are often operating in an overtime position, paying the crew of employees out loading these shuttle trains. And so we believe LB404, in its current form, without modification, does pose a risk of making us subject to the Public Service Commission fines if we do not have two people in the engine or on the train. Train is not defined in the bill. Light engine is not defined in the bill. Crew is not

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defined in the bill. I looked up hostler service; I understand that's probably a term of art in the railroad industry. However, it's not defined in LB404, and what I could find on hostler service is that it normally refers to the movement of engines in and around an engine house or area for service and maintenance, but does not involve the pulling of any freight or commodity. And so without clarification in LB404 as to these terms, I think it's entirely likely and plausible that a legal argument could be made that the cooperatives' activities while loading trains on their, either their rail loops or their ladder tracks, would be subject to this bill. And if we did not add a person to the engine, we would be subject to the penalty provided for in the bill. We have had some contact with Senator Groene's office; we did propose language that would add to the exemption. In the handout I have provided to you, that language would also exclude from the coverage of LB404: the movement of any train or light engine in use in the course of loading or unloading freight while such train or light engine is switched off of the main line. We believe that simple change would, in fact, protect our operations and not make us subject to these provisions. Without that change, however, we do stand in opposition to LB404 and ask that the committee not advance this measure to the floor. Thank you. [LB404]

SENATOR FRIESEN: Thank you, Mr. Weber. Are there any questions from the committee? Seeing none, thank you for your testimony. [LB404]

ROCKY WEBER: Thank you. [LB404]

SENATOR FRIESEN: Welcome. [LB404]

KELLI O'BRIEN: (Exhibit 14) Good afternoon. My name is Kelli O'Brien, K-e-l-l-i, O'Brien, O-'B-r-i-e-n. Thank you so much for having me here today, Mr. Chairman and members of the committee. I've told you my name, and I'm appearing on behalf of Union Pacific to testify in opposition of LB404, regarding train crew size. Union Pacific is committed to safety--the safety of our employees, neighbors, and communities. Safety is at the forefront of every decision Union Pacific makes. Union Pacific achieved its best annual employee safety rate in 2016, marking the safest year in its 154-year history. As a federally-regulated industry, Union Pacific is employing technology, operating practices, track and equipment improvements, plus the billions invested in technology, such as Positive Train Control, to improve safety. Union Pacific has improved the safety of our operations even with corresponding crew size reductions, since the 1980s, from five to two persons. The rail employee injury, train accident and grade crossing collision rates have all declined by 79 percent or more; hazardous material accidents rates are down 95 percent. According to the U.S. Bureau of Labor Statistics data, railroads have lower employee injury rates than all other modes of transportation such as trucks, barges, and airlines. Railroads are safer than most other major industry groups, even grocery and retail stores. Historically, crew size has always been addressed pursuant to the requirements of the federal Railway Labor Act, which

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governs employer and employee relations in the rail industry and the collective bargaining process. Current collective bargaining agreements provide for two-person crews in freight main line operations, and the issue is not--I repeat, not--the subject of current bargaining negotiations at the federal level, which has been discussed previously. If the regulation of crew size was to be determined beyond the historically and legally accepted practice of collective bargaining, it should be done only at the federal level and not a patchwork, state by state. The risk of frequent and serious interruptions...disruptions of the nation's rail operations and interstate commerce, would significantly increase if avenues to address crew size are subject to outside interference or extend beyond the Railway Labor Act. The crew size agreements have been, and will continue to be, negotiated by representatives of both rail management and labor, who know and understand the details of railroad operations, the various safety aspects, requirements, and ramifications. This issue has a proven track record of successful resolution through local collective bargaining agreements, which also address limitations on the amount and type of work performed, compensation, and work rules, ensuring a crew's safety. In addition, these agreements provide for some arrangements for additional operational support when additional work needs to be performed, i.e., a utility switchman or utility conductor, which adds a person to the crew. The FRA, or the Federal Railroad Administration, has proposed a rule--you heard about that from Jeff Davis--on minimum crew size and expected more than 1,000 comments and held a public hearing on the issue. A Nebraska state law mandating crew size will interfere with the ability of railroads and unions to fully bargain the best and safest crew size for each assignment. Moreover, a state crew size law would put Nebraska industry and shippers at a competitive disadvantage with respect to other states that do not have these unnecessary and artificial restrictions. Interstate commerce would be significantly affected, due to operational challenges associated with differing state crew size requirements, presenting a risk of business bypassing Nebraska altogether. In conclusion, the Federal Railroad Administration works with stakeholders to ensure the freight rail industry seek solutions to ensure its safe and efficient operations. U.S. freight railroads have and will continue to work collaboratively with its employees, unions, and relevant regulatory stakeholders. One thing of note: Union Pacific is not asking for one-person crews. I'll repeat that. We are not asking for one-person crews. But when and if technology does come, our negotiations should not be impeded by state government mandates regarding crew size as a federally regulated industry. The issue, again, is not at the table nationally, so we have two people on our trains over the road in Nebraska. That was a question that was asked. For all these reasons, Union Pacific urges you to vote against LB404. Thank you for the opportunity to testify, and I will entertain your questions at this time. [LB404]

SENATOR FRIESEN: Thank you, Ms. O'Brien. Any questions from the committee? [LB404]

KELLI O'BRIEN: Mr. Hilgers. [LB404]

SENATOR FRIESEN: Senator Smith. [LB404]

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SENATOR SMITH: Thank you, Mr. Chair. [LB404]

KELLI O'BRIEN: Oh, sorry. [LB404]

SENATOR SMITH: And, Ms. O'Brien, good to see you. So I think you were directly answering the question that I had for Mr. Davis earlier. [LB404]

KELLI O'BRIEN: Correct, sir. [LB404]

SENATOR SMITH: And that is to...for Union Pacific... [LB404]

KELLI O'BRIEN: Yep. [LB404]

SENATOR SMITH: ...trains inside of our borders. [LB404]

KELLI O'BRIEN: Yep. [LB404]

SENATOR SMITH: Outside the exemptions proposed and... [LB404]

KELLI O'BRIEN: That's correct. [LB404]

SENATOR SMITH: ...this legislation, are single-man trains used or single-man crews used? [LB404]

KELLI O'BRIEN: In the confines of a yard, which it's actually one of the exemptions... [LB404]

SENATOR SMITH: That's right. [LB404]

KELLI O'BRIEN: ...and remote operators. So... [LB404]

SENATOR SMITH: Okay. [LB404]

KELLI O'BRIEN: ...that I want to be clear about, because that is part of the exemption, the remote operators within a confine of a yard. [LB404]

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SENATOR SMITH: All right; thank you. [LB404]

KELLI O'BRIEN: You're welcome. [LB404]

SENATOR FRIESEN: Thank you, Senator Smith. Senator Hilgers. [LB404]

SENATOR HILGERS: Thank you, Mr. Chairman. Thank you, Ms. O'Brien. I think I saw an earlier testimony that maybe California has passed a law... [LB404]

KELLI O'BRIEN: Um-hum. [LB404]

SENATOR HILGERS: ...mandating two-man. Are there any...two questions: 1) Are there any other states that have passed a similar law? [LB404]

KELLI O'BRIEN: Not at this time. But there are...I think Mr. Borgeson mentioned some others that are examining this and, in the patchwork sense, that would create a lot of interruption. And so in the immediate area there aren't any that have been proposed. I believe Iowa may actually do something, but I haven't seen that bill; and I have Iowa as my state of responsibility. [LB404]

SENATOR HILGERS: My second question is...well, the California law is consistent with that as it's currently collectively bargained. So it doesn't create an exception to what has been the nationwide standard. Are you aware of any precedent by which a state has deviated from...in other words, has...is there a previous precedent for states having a patchwork, not of just having laws that are consistent with the current collective bargaining practices, but that exceed or otherwise modify or change those collective... [LB404]

KELLI O'BRIEN: No, sir. [LB404]

SENATOR HILGERS: Okay, thank you. [LB404]

SENATOR FRIESEN: Thank you, Senator Hilgers. Any other questions from the committee? Senator Bostelman. [LB404]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. A couple questions... [LB404]

KELLI O'BRIEN: Sure. [LB404]

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SENATOR BOSTELMAN: One with the public hearing--the 1,000 comments. [LB404]

KELLI O'BRIEN: Um-hum. [LB404]

SENATOR BOSTELMAN: Can you generalize what type of comments? I mean, how was it...how did that come out? [LB404]

KELLI O'BRIEN: I actually can't generalize because I don't have them at my disposal. But we could actually get you...we could get you a link to that... [LB404]

SENATOR BOSTELMAN: Okay. [LB404]

KELLI O'BRIEN: ...if you would...if you would like that. [LB404]

SENATOR BOSTELMAN: That would be good. All right. [LB404]

KELLI O'BRIEN: I could be happy to do that. [LB404]

SENATOR BOSTELMAN: Another question: When you go into collective bargaining... [LB404]

KELLI O'BRIEN: Yes, sir. [LB404]

SENATOR BOSTELMAN: Time frame. [LB404]

KELLI O'BRIEN: Yes. [LB404]

SENATOR BOSTELMAN: How does that...what's the time frame you looked at? How, if you can start...that...or is there schedules set? (Inaudible). [LB404]

KELLI O'BRIEN: Yeah. Actually there's a big...it's good you asked me that because I have on hand kind of the way that it goes and actually kind of a confined...I can provide this to the committee if it's helpful. [LB404]

SENATOR BOSTELMAN: Are we...six months? A year? [LB404]

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KELLI O'BRIEN: Well, we're in a two-year right now; we're up against...I believe two years. If I'm speaking incorrectly, someone in the audience, I'm sure, could correct me. But essentially, we've been at this a while and now are in mediation. And there are meetings tomorrow, as Jeff Davis, you know, indicated. The other thing I wanted to talk a little bit about, if this might be helpful, is the Presidential emergency board actually, in the federal Railway Labor Act, when we are unsuccessful at the bargaining table, essentially that falls to a mediation and creates a right to strike. Then the President can intervene and have a board that intervenes at that time, so.  
[LB404]

SENATOR BOSTELMAN: Okay, thank you. [LB404]

KELLI O'BRIEN: You're welcome. [LB404]

SENATOR FRIESEN: Thank you, Senator Bostelman. Any other questions from the committee? Senator Smith. [LB404]

SENATOR SMITH: Thank you, Mr. Chair. And, Ms. O'Brien, I guess, for a...this is targeted towards Union Pacific. I know Burlington Northern is represented here...and all these employees of the railroads that are represented here. I know you folks do a really hard, hard job in our nation, in our state, to move freight and to do it safely... [LB404]

KELLI O'BRIEN: Um-hum. [LB404]

SENATOR SMITH: ...and really appreciate all that you do, and for your investment in Nebraska. So thank you very much. [LB404]

KELLI O'BRIEN: Thank you, thank you. We have a common carrier responsibility as railways, federal railways, and we're happy to do what we do. So I really appreciate it. And Union Pacific is proud to call Nebraska home. Thank you. [LB404]

SENATOR FRIESEN: Thank you, Senator Smith. Senator Briese. [LB404]

SENATOR BRIESE: Thank you, Senator Friesen. Thank you for being here. [LB404]

KELLI O'BRIEN: Yes. [LB404]

SENATOR BRIESE: So with UP currently, two-man crews are the norm? [LB404]

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KELLI O'BRIEN: Yes, sir. [LB404]

SENATOR BRIESE: And do you foresee that changing in the future? [LB404]

KELLI O'BRIEN: No, sir. We're not asking for one-person crews, and right now, because it's collectively bargained, it holds us and we're not open...opening negotiations up at this time. What they're actually negotiating at the national level is...does not include this. So... [LB404]

SENATOR BRIESE: Okay, thank you. [LB404]

KELLI O'BRIEN: You're welcome. [LB404]

SENATOR FRIESEN: Thank you, Senator Briese. Any other questions from the committee? Seeing none, thank you for your testimony. [LB404]

KELLI O'BRIEN: Thank you very much. And it's my birthday. [LB404]

SENATOR FRIESEN: Are any others wishing to testify in opposition to LB404? Seeing none, any others wish to testify in a neutral capacity? Seeing none, Senator Groene...you wish to close. [LB404]

SENATOR GROENE: Thank you. I made sure I was here, Senator Friesen. I missed most of the testimony, but I know what you heard. These people, the railroaders, take pride in their work. It's a lifetime job; it's one of the few jobs that ends up being a lifetime job anymore. We got around 5,000 employees in North Platte. It's the heart and the soul of our community, along with ranching and farming. I think Nebraskans look at the UP as their railroad. It's been here since the...before the state, basically before the state was even declared. They don't look at it as a corporate railroad. It's been here; management comes and goes. Long lines of family lines in North Platte, of individuals: fathers, sons, grandfathers...it's been our livelihood. They care about the railroad. They care about their...that they do a good job. So when an engineer or a conductor tells me...by the way, have you ever been in an engine? It's not as wide as a car; it's as wide as this room nearly. One person on one side of that engine doesn't see the other side, that road, like you do in a car. Two sets of eyes to see left and right are very important; we need this. And I will say that UP is a great member of our community, and I believe it's a great member of Omaha, too. But this all came about--you can correct me--but because the BN did attempt to negotiate with the union to go to one individual in the cab. So that's where it came about, and it's not out of the clear, blue sky. There is a movement towards that, and it's the historic management against labor. And then the rest of us...we worry about our safety out there. And the safety is critical. My

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own family darn near died at a railroad crossing...came very close; it still haunts me at night. Thank God there was somebody in that engine that blew his whistle louder and harder as I was arguing with my wife, and I slammed on my brakes. So I do have a personal...this was 30 years ago, but it still haunts me. So thank you, and I understand this is more of a federal issue than a state issue. I understand that, but we could send a message that: we like railroad jobs; we like safety in Nebraska; and we're a good home for the UP. Thank you. [LB404]

SENATOR FRIESEN: Thank you, Senator Groene. Any questions? You know, I can only imagine you arguing with your wife while you're driving (laughter). We'll just use our imagination there, but... [LB404]

SENATOR GROENE: We were hugging soon after that (laughter), that experience. [LB404]

SENATOR FRIESEN: We're all concerned about, you know, keeping our railroads healthy and safe. We've watched the decline in freight and a loss of jobs; that's not how we want to grow Nebraska, so we appreciate everything they do and look forward to working (inaudible). [LB404]

SENATOR GROENE: And we can talk about coal another day. Thank you. [LB404]

SENATOR FRIESEN: Thank you, Senator Groene. With that, we'll close the hearing on LB404, and open the hearing on LB346. [LB404]

BREAK

SENATOR FRIESEN: Pull up a chair; we'll be ready to go. Okay, now we will open the hearing for LB346. [LB346]

SENATOR LOWE: Thank you, Chairman Friesen, and thank you to the Transportation Committee. My name is John Lowe, J-o-h-n L-o-w-e, and I am the senator from the 37th District. I'm here to introduce LB346 on behalf of the Governor. LB346 addresses an occupational license requirement to be a motor vehicle salesman in the state of Nebraska. Currently an individual who wants to be a salesman of motor vehicles, motorcycles, or trailers in the state of Nebraska must receive a permit from the Nebraska Motor Vehicle Industry Licensing Board and pay a \$20 fee. My opposition to this license is based on my own experience. One of my first jobs was to be a car salesman and I also had to go through the process of getting such a license, even though the car dealership already had a dealership license and they allowed me to work for them. At the end of the day, the licensees...the licenses are an extra barrier to getting a

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job, amounts to a tax on employment and takes hard-earned dollars out of the individual's pockets. I'm further opposed to these licenses because they limit the authority of a business owner to hire individuals they believe will represent their businesses well. This bill has no effect on the General Fund as these taxes on employment go to the cash fund. Thank you for your time, and I urge you to support LB346. I'm willing to take any questions at this time. [LB346]

SENATOR FRIESEN: Thank you, Senator Lowe. Are there any questions from the committee? Senator Hilgers. [LB346]

SENATOR HILGERS: How much was...do you remember, did you pay the fee when you were a salesman? Were you able to pass whatever test was required of you? [LB346]

SENATOR LOWE: I was at that time because I was young and I hadn't done anything stupid yet. And I believe it was \$20 back then. [LB346]

SENATOR HILGERS: Do you know if the...does the applicant typically pay for the fee or is it usually covered by the...? [LB346]

SENATOR LOWE: It can go either way. [LB346]

SENATOR HILGERS: Either way. [LB346]

SENATOR LOWE: Yeah. [LB346]

SENATOR FRIESEN: Thank you, Senator Hilgers. Any other questions? Senator Bostelman. [LB346]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. Senator Lowe, I had a constituent e-mail me or talk to me and his concern...and I'm just...see if you've got similar thoughts. His concern was...is that if you have a salesperson, car salesperson that's employed by this company and they get fired, if you will, and they're not a very honest person that they could now bounce between car lots and that could potentially be a problem to the public as far as having unscrupulous type of people without this licensing process. It may help to alleviate that. [LB346]

SENATOR LOWE: Well, and the salesman would probably work for a dealership and it would be under the dealership's license and they would probably, because it's a business and they would not want that salesman working for them if they're unscrupulous because it brings a bad name

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against the dealership. They may make one bad deal, but it would probably be limited to one bad deal. [LB346]

SENATOR BOSTELMAN: Thank you. [LB346]

SENATOR FRIESEN: Thank you, Senator Bostelman. Senator Briese. [LB346]

SENATOR BRIESE: Thank you, Senator, and thank you for being here, Senator. What does it take to get a license besides the fee? I'm just not familiar with the process. [LB346]

SENATOR LOWE: You know, it's been a long time ago. I think I was...never mind...and much younger. [LB346]

SENATOR BRIESE: Sure. [LB346]

SENATOR LOWE: But I think it was just some paperwork that we sent off at that time to the state. [LB346]

SENATOR BRIESE: Okay. Any amount of training or...? [LB346]

SENATOR LOWE: Not that I can recall. [LB346]

SENATOR BRIESE: Okay. Thank you. [LB346]

SENATOR FRIESEN: Thank you, Senator Briese. Any other questions from the committee? Seeing none, thank you. [LB346]

SENATOR LOWE: Thank you. [LB346]

SENATOR FRIESEN: We will open it up to proponents of LB346. Welcome. [LB346]

NICOLE FOX: (Exhibits 1 and 2) Good afternoon, Chairman Friesen and members of the Transportation and Telecommunications Committee. My name is Nicole Fox, N-i-c-o-l-e F-o-x, and I am the Director of Government Relations for the Platte Institute for Economic Research. Thank you, Senator Lowe, for introducing LB346. I'm here to testify today in support of this bill. In Nebraska, the Motor Vehicle Industry Licensing Board is responsible for licensing and

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regulating businesses involved in the buying and selling of motor vehicles. Before an individual opens a business to buy and sell motor vehicles, they must obtain a dealer's license. Currently, Nebraska requires all motor vehicle salespersons to apply to the Motor Vehicle Licensing Board and pay \$20 to be licensed. These salespeople are employed by dealerships. In Nebraska, having both dealerships and salespeople obtain licenses to sell motor vehicles is unnecessarily duplicative. Nebraska faces a work force shortage, and occupational licensing creates a significant labor force issue. Nearly 200 different occupations in Nebraska require a government license, affecting nearly one in four workers. This is negatively impacting businesses trying to hire employees, potential entrepreneurs wanting to start a business, and individuals seeking a means to earn an honest living. Reform of occupational licensing laws to lessen burdensome regulation is an economic issue that needs to be addressed. Occupational licensing laws were initially created as a means of protecting the public from negligent and unqualified workers. But more and more, instead of protecting the public from harm, we now understand that occupational licensing is making it difficult for new workers to enter the work force and for employers to hire workers. Of the six states that border Nebraska, only Kansas and Colorado require licenses for motor vehicle salespeople. In total, 28 states do not require motor vehicle salesperson licensing. This requirement does not make Nebraska competitive with many of our economic rivals. Licensing also poses a financial barrier to small businesses, and often the cost is passed on to consumers by raising the price of goods and services. A study by the Heritage Foundation showed that occupational licensing reform could save Nebraska households over \$900 annually. On January 10, the Platte Institute for Economic Research held a joint press conference with the Governor's office to highlight the 2017 occupational licensing reform efforts. One of the guests at that press conference was a car dealership owner who commented, "The fee for licensing a salesperson, at this point, has become really just a tax for employing a salesperson, and more importantly it doesn't provide any protection for the people of the state of Nebraska." LB346 will repeal the requirement that all motor vehicle salespersons become licensed. The Platte Institute for Economic Research strongly supports occupational licensing reform as a means of lessening burdens to both those trying to enter the state's work force and those attempting to hire workers and grow their business. I ask that you advance LB346 out of committee. Thank you for the opportunity to testify, and I'm happy to take any questions from committee members. [LB346]

SENATOR FRIESEN: Thank you, Ms. Fox. Any questions from the committee? Senator Hilgers. [LB346]

SENATOR HILGERS: Thank you, Mr. Chairman. Thank you, Ms. Fox. Wholeheartedly in support of what you're...you and the Platte Institute are doing on these occupational licenses. I'm just curious, so the \$20 right now goes to the Motor Vehicle Industry Licensing Board currently? That's where the...is that where the \$20 currently goes to? [LB346]

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NICOLE FOX: They...well, I mean they pay for it but it goes...in the end, it goes to a cash fund. [LB346]

SENATOR HILGERS: Do you know how those funds are currently spent? [LB346]

NICOLE FOX: Nope. I don't. [LB346]

SENATOR HILGERS: Thank you. [LB346]

SENATOR FRIESEN: Thank you, Senator Hilgers. Any other questions? Just one I guess, how long does a license last typically? Is it a five-year license when you apply for that? [LB346]

NICOLE FOX: That I do not know. [LB346]

SENATOR FRIESEN: Okay. Do you know if anyone has ever been rejected when they've asked for a license? [LB346]

NICOLE FOX: That I do not know. [LB346]

SENATOR FRIESEN: Okay. All right. I think that's all the questions. Thank you for your testimony. [LB346]

NICOLE FOX: Thank you. [LB346]

SENATOR FRIESEN: Welcome, Director. [LB346]

RHONDA LAHM: (Exhibit 3) Thank you. Good afternoon, Chairman Friesen and members of the Transportation and Telecommunications Committee. I am Rhonda Lahm, R-h-o-n-d-a L-a-h-m, Director of the Department of Motor Vehicles. And as such, I'm statutorily designated as chairperson of the Motor Vehicle Industry Licensing Board. I'm appearing before you today to offer testimony in support of LB346. This legislative bill is one of eight bills introduced to reduce regulatory burdens on over 20 licensed occupations. According to a 2015 study released by the White House, nearly 25 percent of Nebraska's work force holds an occupational license. These burdensome regulations disproportionately affect lower income professions and serve as a barrier to employment for many seeking a career change or upward mobility. The occupational licensing reform proposals focus on areas where Nebraska's requirements are not aligned with other states. The purpose of LB346 is to eliminate the provisions in the Motor Vehicle Industry

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Licensing Act requiring motor vehicle, motorcycle, or trailer salespersons to be licensed. The act provides for the licensing of nearly all aspects of the motor vehicle industry--dealers, manufacturers, factory representatives, distributors, auction dealers, and others. All of those are licenses imposed on a business rather than an individual employee. In the four years I have served as chairperson of the Board, the violations of the Motor Vehicle Industry Licensing Act which have been addressed by the board, related to violations by the dealers, rather than the individual salespersons. Ultimately, the dealers are responsible for the persons they employ and the actions of the business. The primary goal of the act is the protection of the consumers, which I believe can be accomplished by the board absent the requirement of a salesperson's license. Senator Friesen, thank you for your time today, and I'd be happy to answer any questions you may have. [LB346]

SENATOR FRIESEN: Thank you, Director Lahm. Are there any questions from the committee? Senator Hilgers. [LB346]

SENATOR HILGERS: Thank you, Mr. Chairman. Director Lahm, the question I posed to Ms. Fox, what does the board spend the money on currently? [LB346]

RHONDA LAHM: The \$20 fee does go to the cash fund that funds all the activities of the Motor Vehicle Industry Licensing Board--so, salaries for employees, operations, expenses within the office. [LB346]

SENATOR HILGERS: Thank you. [LB346]

SENATOR FRIESEN: Thank you, Senator Hilgers. Senator Bostelman. [LB346]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. Director Lahm, a question back to the license, what was the purpose for that individual license for that person? I mean why do we even...? [LB346]

RHONDA LAHM: When it was created? [LB346]

SENATOR BOSTELMAN: Why was it created? Yeah. [LB346]

RHONDA LAHM: I have to defer that because I don't know the history of that. It's been in place for a long time. [LB346]

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SENATOR BOSTELMAN: Just going back to that question that I had received because it was a person that a used car business I believe and they said the problem they saw with it was now there's no way to track, perhaps, a salespersons that go from dealership or business to business. And I didn't know if that license allowed you to track an individual if they had an issue at one place with a customer that they had a violation of some type. Do you know? [LB346]

RHONDA LAHM: I don't know exactly, but I'll get information back to you. I know they apply for their license annually and they fill out an application. There's a background check done. And then if there's certain convictions on their background check, the executive director does a personal interview with them before the license is issued. But I'll find out if it tracks from dealer to dealer and get back to you. [LB346]

SENATOR BOSTELMAN: Okay. Thank you. [LB346]

SENATOR FRIESEN: Thank you, Senator Bostelman. Any other questions from the committee? Just one question I guess is, how many people that apply for a license get rejected? [LB346]

RHONDA LAHM: I can't give you an exact number--there's probably somebody here that can--but not very many. Generally, the philosophy of the board has been that unless the violation is egregious or something that would directly put the public at risk if they were selling cars, then we usually try to give people a chance to have a job and make a living. [LB346]

SENATOR FRIESEN: What kind of...what kind of violations would exclude you from being a salesman? [LB346]

RHONDA LAHM: Those are vetted through the executive director, so I don't want to give you an example. I could check with him and get back to you to see on the ones if you want me to. [LB346]

SENATOR FRIESEN: Okay. That's fine. All right. Thank you very much. Seeing no other questions, thank you for your testimony, Director Lahm. [LB346]

RHONDA LAHM: Thank you. [LB346]

SENATOR FRIESEN: (Exhibits 6-8) Any other proponents wish to testify in favor of LB346? Seeing none, there are some letters that I will read into the record: We have one from Americans for Prosperity-Nebraska; Mickey Anderson, Baxter Auto Group; ACLU of Nebraska. Are there any opponents who wish to testify? Welcome. [LB346]

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STEPHEN MASON: (Exhibit 4) Thank you. Good afternoon, Chairman, members of the Transportation, Telecommunications--I'll spit it out here--Committee. My name is Stephen Alan Mason; that's S-t-e-p-h-e-n A-l-a-n M-a-s-o-n. I'm employed by the Forsyth Insurance Agency here in Lincoln. I've been in the insurance industry since 1971 and I've been a licensed agent, broker, and consultant in Nebraska since 1976. Yeah, I'm old as dirt. I provide various insurance products for well over 50 new and used car dealers across our state. And I'm one of Senator Geist's newest constituents. I'm here to testify against LB346. And by the way, I heard about the LB, I read the LB, I didn't like it, so that's why I'm testifying. We're well aware of the current financial issues facing the state and the ever-growing size of government agencies, but I fail to see how LB346 is going to do anything to relieve that burden. It would benefit the larger franchise dealerships. It definitely would do that. But it may cause more harm to smaller dealerships in our industry...in that industry, rather, in the process. Dealership and salesperson licensing is controlled by the Nebraska Motor Vehicle Industry Licensing Board, which would be the dealer board. And this is a small state agency with approximately nine total staff including the executive director. This is a totally self-funded board by statute and they're restricted to the amount they can charge for the various licenses or fees. In 2016 the dealer board issued approximately 1,600 dealership licenses at an average cost of \$225 a piece and that's a \$360,000 portion of their budget. During the same period, they issued about 8,000 salesperson licenses at \$20 each and that generated another \$160,000. The dealer board has other income streams, but they're not as significantly affected by the loss of the salesperson's license revenue. And as I mentioned before, their funding is capped by statute as to what they can do. 60-1411.01(1) states that the dealer's license fee may not exceed \$400 and (2) indicates that the fees collected shall not exceed the amount necessary to maintain the dealer board. So if a salesman's license is eliminated, the dealer board could easily maintain their statutorily required income by just increasing the cost of the license for each dealership by \$100 on the average. The larger the franchised dealership though, this would generate a very significant savings. The smaller dealerships, it becomes another forced increased expense. And it may be seen by some dealers as just another government-generated cost similar to another tax. Currently both the dealership and the salesperson are involved in completing the license application. A salesperson can only be affiliated with one dealership at a time. The dealer board has a responsibility to be certain that that restriction is upheld, plus they have the opportunity to vet the prospective salesperson and they could deny or revoke a license for a variety of reasons. And one of the more significant reasons to deny a license is the existence of being found guilty of a felony which has not been pardoned. The initial policing of the salespersons and the subsequent follow up when the dealer board has been alerted to a potential improper issue is just one of the benefits of the licensing procedure and it justifies the minimal cost of the license itself. This may come as a surprise to you, but car dealers do not have the best reputation for honesty in their profession. And the 2012 Gallop poll, they rated car dealers as the least trusted profession, below even members of Congress. A 2013 opinion poll by [The Atlantic](#) placed them dead last as well. And in 2015, the car dealers had made a significant improvement according to the Gallop Honesty and Ethical

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Standards in Professions report and now they are just above the members of Congress, who now have a firm grip on last place. I feel that allowing the salespersons, who may not have the highest moral compass, to work potentially with multiple dealerships at the same time might put the general public as well as the integrity of the dealership itself at great risk. The \$50,000 bond the dealership is required to post with the dealer board may see increased activity resulting in increased expense. And without the restrictions or controls, you can expect to see a significant rise in problems resulting from open titles, jumping titles, odometer fraud, false statements, and curbstoning. A salesman who has no accountability would have a significantly reduced loyalty to the dealership he worked for, could easily purchase or sell vehicles off of a competitors lot. He could work for several lots at the same time, probably without the knowledge of the dealer who owns the lots, and it would make it much easier for a questionable salesperson to disappear with money in his pocket leaving behind him a web of half-truths, broken promises, paperwork nightmares for the dealership to try to unravel. And I'm out of time, so I'm going to quit right there. You can read the rest. [LB346]

SENATOR FRIESEN: Thank you for your testimony, Mr. Mason. Any questions from the committee? Seeing none... [LB346]

STEPHEN MASON: Thank you very much. [LB346]

SENATOR FRIESEN: ...thank you for your testimony. Any other opponents to LB346? Seeing none, are there any that wish to testify in a neutral capacity on LB346? Welcome. [LB346]

LOY TODD: (Exhibit 5) Senator Friesen, members of the committee, my name is Loy Todd, L-o-y T-o-d-d. I'm the president of the Nebraska New Car and Truck Association testifying in a neutral capacity on this legislation. We were...how you decide to testify is dictated in a great way with my association checking with our members. And this is one of those where I have a pretty significant split in the membership and for that reason, I'm just going to come and give you the information that we think is relevant and helpful to the committee. One thing I do want to stress though is the significance of the Motor Vehicle Industry Licensing Board to our industry. We are somewhat unique and this board is very unique in its task because the primary function as far as we're concerned of the Licensing Board is to be involved in the relationship between dealers and manufacturers in the state. Every state has franchise laws. Every state has licensing laws. And unfortunately in our industry, the manufacturers have such an extreme amount of power and the franchise agreements are so one-sided that we need some other kind of method of dealing with each other. And because of antitrust laws, my dealers cannot collectively bargain, cannot get together and conspire in any way, or organize in any way to negotiate or work. And so the way we have to regulate our entire industry is by coming to the Legislature, and when we have disagreements and disputes, we pass laws that regulate that relationship. A simple example

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would be had we not had franchise laws in Nebraska, when I started with this industry almost 30 years ago, the manufacturer could just summarily get rid of a dealer. My dealers pay for their property. They build the buildings. They buy the cars. They educate their people. They do everything on their own. It's an independent business. But the franchisor had the ability to just simply say you're done. We changed that in Nebraska and in virtually every other state, that can't happen. This board is the hearing officer. This board is the decision maker for that. And for that reason, we really want to make sure that while we do corrective actions and while we do improvements or respond to changes, that we not get to the point where we don't have funding because this is a cash agency and it's funded through the fees and licenses and those kinds of things. This one in particular...the agency has about a \$750,000 budget. This is going to take about \$166,000 out of that. Now as far as the merits of licensing salespeople, there are some historically...that question came up. You know, it was a good clearinghouse and a good place to check for felonies, to check for background information. It's a single clearinghouse so there was information that came across that would identify repeat offenders. And so it served a purpose. This day and age, there's other ways to do that. My dealers that are supportive of this indicate they do background checks on their new hires. Some are better at it than others. Some are more careful than others. But as these things evolve, the Licensing Board will change. The surrounding states get along just fine. When we get the new computer system that we're all hoping for in a couple of years, we can be like Iowa or other states where the dealerships simply submit a list of their employees electronically. It can be looked at that way. There may be some things that we have to change later. So we're not opposed to progress. We're not opposed to improving things and we certainly understand that as all these boards are being looked at and there's efficiencies to come across. I would point out to the committee that as long as you're doing this, we looked through the law and there's a couple other licenses you might consider: the manufacturer's representative license and the distributor's representative license are so rarely used and almost meaningless in law. So among the things that you're looking at, if you decide you want to make this change, you might look at that. But this board, they're investigators. They find a lot of stuff. There's...we have a situation going on in Nebraska right now where a dealership was basically out of trust. They're chasing after a hundred vehicle titles for consumers to restore them to the ownership that they've contracted for. This board protects the consumer and it serves a very vital function. And so if we do get to the point where there has to be another funding source or other ideas, we'll be working with them to pursue that. So with that, I would answer any questions you might have. [LB346]

SENATOR FRIESEN: Thank you, Mr. Todd. Any questions from the committee? Senator Hilgers. [LB346]

SENATOR HILGERS: Thank you, Mr. Chairman. Thank you, Mr. Todd. I heard you say that some of your members were for it and some were against. And the subset that were against it, I

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heard you also say that they were against it because of the impact it could...the derivative impact it might have on the Licensing Board and the role that it plays. [LB346]

LOY TODD: The two comments that I got primarily, one was that they didn't want to do the background checks themselves and the research that way. They were concerned about...because one of the things that the board does is on the applications they check for felonies. And while a felony is not a disqualifier, there are certain types of felonies that would become so: a forgery, dealing in stolen vehicles, someone who has committed consumer fraud, those kinds of issues. And you watch out for repeat offenders or someone who has done that kind of thing and whether or not you can catch all of them or not. But that's been the function. And the other is simply can it operate because the most...the biggest supporters of this bill would sit here and tell you absolutely we need a Licensing Board. It has to function. It is...we cannot survive against the manufacturers and work without it. And so from that standpoint, those are the kind of...and it wasn't big. I didn't get a great amount of feedback. [LB346]

SENATOR HILGERS: All right. I guess that was my...other than impact on the board and this notion that it makes it easier to check for felonies, were there any other comments from your members against the bill? [LB346]

LOY TODD: No. And as I indicated, I didn't get a huge amount of feedback either way. [LB346]

SENATOR FRIESEN: Thank you, Senator Hilgers. Senator Smith. [LB346]

SENATOR SMITH: Yes, Mr. Todd, so kind of following up on what the other senator asked you, so of your members that are opposed to this bill it would be based on funding. But those that would be supportive of this bill, what was their reasoning for being supportive of it? [LB346]

LOY TODD: The main thing is simply that it is a big nuisance, I mean especially if you're larger. You're chasing after an annual license for a significant number of people. And I don't know what percentages might be there, but most of your people are just your solid, everyday employee who is doing their job. And so their concern about it was the money, in part, and also just the busywork of renewing all of these licenses every year, which I'm sure that the agency also has some challenge with because they all come due at the same time. So they're doing thousands of licenses which takes a lot of time out of these nine employees. [LB346]

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SENATOR SMITH: So recognizing that the fiscal note of this, it would cut into the budget of the agency and that agency has about \$750,000 budget right now, what do you...what would you venture to guess would be the impact on the agency if they had to cut back on this? [LB346]

LOY TODD: They're going to lose about \$166,000. [LB346]

SENATOR SMITH: But in terms of what service or what we would see as a result? [LB346]

LOY TODD: Well, the simple one will be that they're not renewing licenses. I mean...and I hate to be...but that's it. I mean, so they won't have to handle 6,000 or 5,000 licenses which would be...let them do other things. I don't know if there are going to be staff reductions as basis...a reason for this. I don't know how profitable the agency is. I know there have been years where they didn't meet budget and they've had to go into reserves. So it's not going to simply be surplus lost. There are going to have to be some changes made, I'm sure of that. [LB346]

SENATOR SMITH: Okay. Thank you, Mr. Todd. [LB346]

LOY TODD: Thank you, Senator Smith. Senator Geist. [LB346]

SENATOR GEIST: Actually, Senator Smith asked my question. So I can withdraw. [LB346]

SENATOR FRIESEN: All right. Thank you, Senator Geist. Seeing no other questions from the committee, thank you for your testimony. [LB346]

LOY TODD: Thank you. [LB346]

SENATOR FRIESEN: Any others wish to testify in a neutral capacity? Seeing none, want to close LB346. [LB346]

SENATOR LOWE: Thank you, Senators. As you can tell, LB346 is a bill with simple purpose: removing a tax on employment. If LB346 receives your support, we will be one step closer to doing away with a burdensome regulation that serves little purpose. It is unfair to require licenses to be a salesperson for vehicles while not requiring similar licenses for hundreds of other sales positions. And since no one here today is really likely to support creating new barriers for employment, does it really make sense to keep this old barrier? I for one do not think so. It is important to note that repeal of these licenses will not lead to a brave new world of completely unregulated car sales. This bill only removes the salesperson's license. Dealerships, salvage lots,

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and other such entities would still have to be licensed with the state. LB346 simply allows these private companies the ability to hire whomever the company deems appropriate. Thank you for your time. Are there any other further questions? [LB346]

SENATOR FRIESEN: Thank you, Senator Lowe. Any questions from the committee? Seeing none, we'll let you off the hook. We'll close the hearing for LB346. Okay, now we will...we'll open the hearing on LB347...Senator Geist. Welcome, Senator. [LB347]

SENATOR GEIST: (Exhibit 1) Whew. Thank you, Chairman Friesen, and good afternoon, fellow members of the Transportation and Telecommunications Committee. I am Suzanne Geist; for the record, that is S-u-z-a-n-n-e G-e-i-s-t. And I represent the 25th District, Legislative District, here in Lincoln. I am here to introduce LB347, which is part of the Governor's occupational licensing reform package. LB347 eliminates the requirement for the issuance of school bus permits. Section 1 of the bill eliminates the fees for school bus permits, fees for replacement school bus permits, and fees to change or remove a class endorsement or restriction on a school bus permit. Section 2 of the bill eliminates the examination by a Department of Motor Vehicles examiner for a school bus permit, eliminates the applicant from providing a physician examination report to the Department of Motor Vehicles and the requirement for the director of the Department of Motor Vehicles to issue school bus permits. It is important to note, nothing in LB347 eliminates the authority of the Department of Education to continue to regulate requirements for school bus drivers, some of which include: criminal background checks, drug and alcohol testing, behind-the-wheel training, annual physical exams, and the required license, including a commercial driver's license for transporting 16 or more passengers. The DMV did identify additional language in Section 2, page 7, lines 16-20, which refers to the school bus permit that should have been deleted. You should have received AM16 to LB347, which shows the additional language stricken. Director Rhonda Lahm of the Department of Motor Vehicles will follow me and will be happy to go into more detail. Thank you for your time, and I'd be happy to answer any questions. [LB347]

SENATOR FRIESEN: Thank you, Senator Geist. Are there any questions from the committee? Seeing none, thank you. [LB347]

SENATOR GEIST: Thank you. [LB347]

SENATOR FRIESEN: Those wishing...proponents wishing to testify on LB347? Welcome, Director Lahm. [LB347]

RHONDA LAHM: (Exhibit 2) Thank you. Good afternoon, Chairman Friesen and members of the Transportation and Telecommunications Committee. I am Rhonda Lahm, R-h-o-n-d-a L-a-h-

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m, director of the Department of Motor Vehicles. I am appearing before you today to offer testimony in support of LB347. I would like to thank Senator Geist for introducing LB347 on behalf of the department. This legislative bill is one of eight bills introduced to reduce regulatory burdens on over 20 licensed occupations. According to a 2015 study released by the White House, nearly 25 percent of Nebraska's workforce holds an occupational license. These burdensome regulations disproportionately affect lower-income professions and serve as a barrier to employment for many seeking a career change or upward mobility. The occupational licensing reform proposals focus on areas where Nebraska's requirements are not in line with other states. And in the case of the school bus permit, we're the only state with one of those. The purpose of LB347 is to simplify the licensing requirements for school bus drivers by eliminating the Nebraska school bus permit issued to school bus drivers each year. The school bus permit in Nebraska is an historical document. It originated in Nebraska, and we're the only state which issues such a document. It dates back to before the federal government enacted mandatory commercial driver's license and commercial motor vehicle standards in the 1980s. The uniform standards which have been adopted have rendered the school bus permit obsolete. To begin, let me explain what LB347 does. It is very straightforward. It eliminates the requirement for school bus drivers to get a school bus permit each year. Under current law, school bus drivers are required to make an annual trek to the DMV licensing office and present a completed medical certificate and apply for a school permit...or I'm sorry, a school bus permit. On the years between the renewal of their commercial driver's license or Class O operator's license, the examiner checks the medical certificate, administers an eye test, which has already been done as a part of the medical certification, and gives him an issuance certificate, which is then provided to the county treasurer along with a \$7.50 fee; and they are issued a permit. Rules and regulations promulgated by the Nebraska Department of Education require all school bus drivers to provide a medical certificate to the school, which makes the requirements of the school bus permit a duplicate of effort and an unnecessary cost to the drivers. On the year their CDL or Class O license has to be renewed, they're currently required to take the written test for the S endorsement, and also a drive test. The federal law requires all states to comply with the federal commercial motor vehicle and commercial driver's license standards in order to remain eligible for federal highway funding and MCSAP funding. Nebraska has adopted the federal CDL licensing standards for school bus drivers in order to comply with the Federal Motor Carrier Safety Improvement Act of 1999. Equally important as explaining what LB347 will do is explaining what LB347 will not do. The Department of Education will continue to have authority to regulate school buses and school bus drivers under its statutes for all things except issuance of the federally required CDL and endorsements, which will be issued by the DMV as part of the overall CDL program in Nebraska. LB347 will not: eliminate the requirement for Level I training; eliminate the requirement for Level II training; eliminate the requirement for schools to annually check driving records of drivers; eliminate the criminal history record checks; eliminate the requirement for annual medical examination; eliminate the requirement for behind-the-wheel training and reservice evaluation; eliminate the requirements for pretrip

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inspection by drivers; eliminate the requirement for mechanical inspections of buses; and many other safety requirements prescribed by Nebraska Administrative Code, Title 92, Chapter 91. These current provisions in law which allow for a school representative or others to request...there are current provisions in law which allow for a school representative or others to request the DMV have a driver retested if they believe they cannot safely operate a vehicle; and those requirements are still available and would apply. After the green copy was printed, we noticed that we neglected to delete some language in the law that referenced the school bus permits. To that end, the AM16 was prepared to eliminate the references to school bus permits that appear on page 7, lines 16-20, of the green copy. The current process using school bus permits is a duplicate process that puts extra burdens on Nebraska school bus drivers and the DMV. By repealing the permit, the bill will relieve school bus drivers from the annual trek to the DMV license station to get the permit and the paying of the \$7.50 fee. The Department of Motor Vehicles and the Department of Education have been working together for over 18 months to develop this bill. I urge you to support LB347 and send it to General File with AM16. Thank you for your time today. At this time, Chairman Friesen, I'm happy to answer any questions the committee may have. [LB347]

SENATOR FRIESEN: Thank you, Director Lahm. Are there any questions from the committee? Seeing none, thank you for your testimony. [LB347]

RHONDA LAHM: Thank you. [LB347]

SENATOR FRIESEN: Any other proponents of this bill? Welcome. [LB347]

NICOLE FOX: (Exhibit 3) I'm back. Good afternoon again, Chairman Friesen and members of the Transportation and Telecommunications Committee. My name is Nicole Fox, N-i-c-o-l-e F-o-x, and I am director of the government relations for the Platte Institute. And thank you, Senator Geist, for introducing LB347. I'm here today to testify in support of this bill. Once again, Nebraska faces a work shortage, and occupational licensing creates a significant labor force issue. Nearly 200 different occupations in Nebraska require a government license, affecting nearly one in four workers. This is negatively affecting businesses trying to hire employees and individuals seeking a means to earn an honest living, as my testimony will attempt to illustrate today. Reform of occupational licensing laws to lessen burdensome regulation is an economic issue that needs to be addressed. These occupational licensing laws were initially created as a means of protecting the public from negligent and unqualified workers but, more and more, instead of protecting the public from harm, we now understand that occupational licensing is making it difficult for new workers to enter the workforce. Requirements for school bus drivers are unjustifiably more onerous in Nebraska than in other states. Currently Nebraska law requires persons seeking...desiring to seek work as a school bus driver to obtain a commercial driver's

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license, which is the same for every state in the nation. Where Nebraska is more onerous is that they must also obtain a school bus driver permit. The necessary steps one must take in order to obtain these items require individuals go through two agencies, the Department of Motor Vehicles and the Department of Education. The Motor Carrier Safety Improvement Act of 1999 was enacted by Congress to ensure the safety of school bus drivers. Nebraska adopted the MCSIA requirements, and these went into effect in 2005. These requirements cover the...all vehicles over 26,000 pounds or which carry 16 or more passengers, including the driver. The S, or school bus, endorsement was created for operators of school buses, where the operator is required to hold a CDL. Under federal law, a CDL must have an S and P, for passenger, endorsement to drive a school bus in all 50 states. Many states, including Nebraska, had school bus permits prior to the creation of this federal legislation for CDLs. Almost all states have had this permit eliminated...have eliminated this provision due to redundancy; the only states that require a school bus driver permit are Illinois and Nebraska. For some individuals and families, the fees associated with occupational licensing create significant financial barriers. Needing to obtain both a school bus permit and a CDL license obviously imposes an added financial burden to work. Before concluding my testimony, I'd like to read comments sent to me by Nebraska resident Luke French, who has reached out to the Platte Institute regarding occupational licensing concerns. Luke could not be here today to testify, as currently there is a shortage of bus drivers in his district and he was not able to find someone to substitute for his 3:30 route. Quote: I'd like to address the issue of requiring a license for bus driving only. Some of the laws we have to go through now are ridiculous, such as knowing how to fix your brakes and checking the depth of your tires. The tests bus drivers are required to take are the same ones that over-the-road truckers are required to have. I think it's ironic that you don't have to have a special license to drive a large motor home, while towing a boat, and have no experience driving something that large, but you have to have one for driving a bus. You are required to get a CDL license and a special bus license to drive a school bus. Appointments have to be made to take these driving tests. Health physicals must be taken. Drug tests aren't part of the physical, but we're checked for a hernia. This makes no sense to me. Now there is talk of having bus drivers take sleep apnea tests. How many school systems can afford all of this? End quote. As I think about these comments, I think about differences in the urban versus rural areas of our state. Not only are multiple appointments needed for these licenses but, in very rural parts of the state such as Cherry County, a drive to the DMV is no short trip. This illustrates another added burden some people in our state are facing when trying to earn an honest living. LB347 will change the duplicative requirement of obtaining both a school bus permit and a CDL. It repeals the duplicative requirement of two separate state agencies issuing the permit, removing the Department of Motor vehicles from the process, and allowing the Nebraska Department of Education to regulate school bus drivers and authorize them. The Department of Education is supportive of eliminating this permit. This will make Nebraska's licensing requirements more consistent and more competitive with our neighboring states. It'll lessen the financial burdens to work, streamline the required testing to meet licensing requirements, and, hopefully, alleviate the

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shortage of bus drivers faced by school districts. The Platte Institute strongly supports occupational licensing reform as a means of lessening burdens to those trying to enter the state's workforce. I ask that you advance LB347 out of committee. And with that, I'll entertain any questions. [LB347]

SENATOR FRIESEN: Thank you, Ms. Fox. Any questions from the committee? Seeing none, thank you for your testimony. [LB347]

NICOLE FOX: All right. Thank you. [LB347]

SENATOR FRIESEN: (Exhibit 4) We do have one letter to read into the record on LB347: Americans for Prosperity-Nebraska. Any other proponents wish to testify? Welcome. [LB347]

KEN OSTRONIC: Welcome...or thank you. Thanks, Mr. Chairman, committee members. My name is Ken Ostronic; that's K-e-n O-s-t-r-o-n-i-c. I'm the business representative for the General Drivers and Helpers Local Union 554 in Omaha, Nebraska, affiliated with the International Brotherhood of Teamsters, business representative for First Student and Student Transportation of America bus drivers in the Omaha Metropolitan area, here in support...asking you for your support of LB347, asking that you advance that out of committee for all the reasons that my predecessors before me said, as well. Very simply, this does...doesn't eliminate any of the prerequisites that a school bus driver already has to follow through to...in order to drive a bus. And it doesn't take away the things that they have to do anyway: CDLs, physical exams, drug and alcohol screens and random testing and things of those nature, criminal background checks and things like that. They still have to do all that; it doesn't eliminate any of that. What it does do is, again, to reiterate some other things...seems redundant, seems a little bit unnecessary, too, as well, almost like tipping. So I will ask for your support again to advance this out of committee, and certainly answer any questions. [LB347]

SENATOR FRIESEN: Thank you, Mr. Ostronic. Any questions from the committee? Seeing none, thank you for your testimony. [LB347]

KEN OSTRONIC: Thanks for your time. [LB347]

SENATOR FRIESEN: Any other proponents who wish to testify? Seeing none, are there any opponents to LB347 that would wish to testify? Seeing none, are there any who wish to testify in a neutral capacity? Seeing none, Senator Geist, would you like to close? Senator Geist waives closing, and we'll close the hearing on LB347. Okay, we'll open the hearing on LB418. Welcome, Senator Briese. [LB418]

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SENATOR BRIESE: Thank you, Senator Friesen, and good afternoon, Senator and members of the Transportation Committee. My name is Tom Briese, T-o-m B-r-i-e-s-e, and I represent the 41st District in the Nebraska Legislature. LB418 is a bill which was brought to me by the Nebraska State Patrol. This bill is an annual compliance bill which keeps Nebraska in compliance with federal highway regulations, and it is one which we have passed every year since the early 1980s. I will be followed by Captain Krolikowski of the Nebraska State Patrol who I have been told is a subject matter expert in this area (laughter). While I am happy to answer any questions you may have about this bill this afternoon, I would refer you to Captain Krolikowski for any technical questions which he would be better equipped to answer than I am. Thank you. [LB418]

SENATOR FRIESEN: Thank you, Senator Briese. Any questions for Senator Briese? Seeing none, any proponents wish to come testify in favor of LB418? Welcome. [LB418]

GERALD KROLIKOWSKI: (Exhibits 1 and 2) Thank you. Everybody wants to mess up the expert so I have waived that title if I can, please (laughter). Chairperson Friesen and members of the Transportation and Telecommunications Committee, my name is Gerald, G-e-r-a-l-d, Krolikowski, K-r-o-l-i-k-o-w-s-k-i. As commander of the Carrier Enforcement Division, I am here today on behalf of the Nebraska State Patrol to testify in support of the motor carrier safety provisions of LB418. When the United States Congress passed the Motor Carrier Safety Act, emphasis was placed on the states adopting uniform safety measures with the ultimate goal of a reduction in the number of commercial motor vehicle accidents. In order for the state of Nebraska to remain consistent and compliant with these federal requirements, it is necessary to update our commercial vehicle safety regulations annually. This legislation will enable the Nebraska State Patrol to continue enforcing updated Federal Motor Carrier Safety Regulations and the federal hazardous materials regulations. Every day our troopers strive to make our highways safe. In FY 2016, the Nebraska State Patrol conducted 25,235 roadside inspections; 7.5 percent of those drivers inspected were placed out of service. Of the 8,334 vehicles inspected, an average of 2.90 violations per vehicle were discovered with 32.5 percent of the vehicles being placed out of service. The roadside inspection program has enabled the state to establish clear guidelines for commercial vehicle operators while ensuring a Nebraska State Patrol presence to assist in correction of operators who have vehicle or driver defects. These guidelines create a significant deterrent effect. Along with our enforcement efforts, public education is a valuable tool used by the agency to improve highway safety. In FY 2016, the Carrier Enforcement Division of the Nebraska State Patrol conducted 87 public education seminars across the state directed at commercial motor vehicle owners and operators. In addition, the Nebraska State Patrol Web site provides a passenger-carrier Webinar and other vital videos for commercial motor vehicle owners, operators, and the public. Along with copies of my testimony, I have also provided informational handouts that I hope you find helpful. The handout

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summarizes the latest Federal Motor Carrier Safety Regulations final rules that would be adopted through this update. I will be happy to answer any questions you may have. [LB418]

SENATOR FRIESEN: Thank you, Commander Krolikowski. Are there any questions from the committee? Senator Bostelman. [LB418]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. On page 15 on fines on this, it seems to me a lot of them are doubling. Is there a reason other than it's just been some time since we've had any increase on them? [LB418]

GERALD KROLIKOWSKI: Yes, sir. The first one that changes from \$500 to \$800 would be...I think that's actually maybe on page 14, sir, but that's for intrastate operations, intrastate carriers. And last time we updated that would have been in '94 I want to say. And we followed suit with the inflation adjustments that the feds made. We decided to put it in at that time since they're doing the same thing on the federal side. So all these on page 15 are through the--it's in your handouts--the 2015 rule that the FMCSA was required to make inflation adjustments. [LB418]

SENATOR BOSTELMAN: Thank you. [LB418]

SENATOR FRIESEN: Thank you, Senator Bostelman. Any other questions from the committee? Having driven truck in my spare time, I've met a few of your officers (laughter). I wish to say that they did operate very professionally and I do appreciate that they were real easy to work with. [LB418]

GERALD KROLIKOWSKI: Thank you, Senator. Thank you very much. Happy to hear that. [LB418]

SENATOR FRIESEN: Thank you for your testimony. [LB418]

GERALD KROLIKOWSKI: Thank you. [LB418]

SENATOR FRIESEN: (Exhibit 3) Any other proponents wish to testify? Seeing none, is there any opponents wish to testify? We do have one letter to read in for the proponents from the Department of Motor Vehicles. Any opponents wish to testify? Seeing none, are there any who wish to testify in a neutral capacity on LB418? Seeing none, Senator Briese, would you like to close? Senator Briese waives closing. We will close the hearing on LB418 and hearings are done for today. [LB418]