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STATE OF NEVADA



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Chairman

GEORGE ASSAD
Commissioner

KEITH SAKELHIDE
Commissioner

DEPARTMENT OF BUSINESS AND INDUSTRY
NEVADA TRANSPORTATION AUTHORITY

MINUTES OF THE July 16, 2015 WORKSHOP

Grant Sawyer State Office Building, Room 4412
555 E. Washington Ave.
Las Vegas, Nevada 89101

By videoconference:
Legislative Building, Room 3137
401 S. Carson St.
Carson City, Nevada 89701

AGENDA

1. Call to Order

Chairman Andrew J. MacKay called the meeting to order at 9:00 a.m.

2. Roll Call

Present in Las Vegas: Chairman Andrew J. MacKay, Commissioner George Assad, Commissioner Keith A. Sakelhide, Administrative Attorney James Day, Applications Manager Liz Babcock, Chief of Enforcement Michael Bradford, Senior Deputy Attorney General David Newton.

3. Pledge of Allegiance

Administrative Attorney James Day led a recital of the Pledge.

4. Public Comment

Stanley Washington, World Ride Hailing Association (WRA), Aaron Leonard, Pure Hearts RVS and Brad Carson, Jobs Create Peace each made a brief statement. Steve Thompson, General Manager of Transportation, UBER and Timothy Burr, Government Relations Manager, Lyft each made a statement. Camina Stevenson, and Racquel Aniag, representatives of Lyft, made a statement in support of TNC's. Monica Lenoir, Network Nevada, Tony Clark, Nevada Bus and Limo Association (NBLA) made a statement. Carson City: Dave McCullough, Elite Taxi made a statement.

5. Approval of Agenda

Approved 3-0

DISCUSSION ITEM / RULEMAKING WORKSHOP

- 6.** The Nevada Transportation Authority is considering proposing the adoption of regulations to a new chapter of the Nevada Administrative Code for purposes of implementing Assembly Bill No. 175 and Assembly Bill No. 176 of the 78th (2015) Nevada Legislative Session. This discussion item is for purposes of conducting an information-gathering workshop. The purpose

of the workshop is to solicit comments from interested persons on the following general topics that may be addressed in the proposed regulations:

- 1) Adopting, amending and/or repealing regulations related to the implementation of Assembly Bill No. 175 and Assembly Bill No. 176 of the 78th (2015) Nevada Legislative Session, establishing new statutory authority for permitting and regulation of Transportation Network Companies and their drivers; and
- 2) Other appropriate matters related thereto.

The proposal has been designated as Docket 15-06024 by the Authority and as File No. R029-15 by the Nevada Legislative Counsel Bureau.

Commissioner Sakelhide asked Senior Deputy Attorney General Newton to detail the regulatory workshop process and timelines. Commissioner Sakelhide briefly summarized the instant matter and how the regulations would be discussed.

Sections 0-32 General provisions

James Kent, Esquire questioned the AB references. Matt Griffin, Esquire, representing Uber and Steve Siger, Esquire, in house counsel for Uber, expressed concern with certain items in Section 27 and 30. Michael Hillerby, and Kelly Kay, Chief Compliance Officer, Lyft detailed concerns. Tony Clark, 24/7 Limousines, offered a statement. Matt Griffin, Esquire, for Uber, questioned Section 30 detailing the documents that are confidential. Administrative Attorney Day gave an explanation.

Section 33 and 34 Applications Relating to Permits for Transportation Network Companies

Steve Thompson, Uber, questioned how the application fee was determined. Commissioner Sakelhide explained the fees would be used to capture funds to operate regulation and staff. Michael Hillerby and Kelly Kay, Lyft, questioned the application fee and expressed general concerns about public notices, legal publications and hearings. Tony Clark, NBLA, made a statement regarding the application fee, vehicle fee and 3% fees. Kimberly Maxson-Rushton, Esquire representing Livery Operators Association (LOA) suggested Section 34 specify type of service, require a local business license, include contract/privacy forms for the mobile application and adopt an intervenor process with respect to the applications. Commissioner Sakelhide stated the Authority is precluded from an intervenor process. Matt Griffin, Uber, Kimberly Maxson-Rushton, LOA and Commissioner Sakelhide had a brief discussion with regard to intervenors. Krishna Juvvadi Senior Counsel, Uber, stated the TNC applications would only be Uber.

Break at 10:40 a.m.

Josh Griffin, Griffin Company, Uber offered a statement. Bill Schranko, COO, Yellow Checker Star, voiced concerns with texting/driving and enforcement of same. Stanley Washington, WRA, made a statement. James Rickett, City of Las Vegas, Business Licensing, stated he did not think local licensing needed to be part of the application package. Eyv Childress questioned provisions for special needs passengers. Kellie McKinley, Platinum LV Transportation asked if each Uber driver needed a business license. She also stated the public is currently trying to buy "black car" type vehicles, voiced concerns with arrangements with certain properties, enforcement of illegal actions and contract language. Chairman MacKay and Commissioner Sakelhide explained the vehicle type. Steve Thompson, Uber, and Krishna Juvvadi Senior Counsel for Uber, stated currently, they do not intend to initiate UberBlack or UberLux. Kelly Kay, Lyft, stated they do not intend to contract with hotels for staging. Matt Griffin, Uber, indicated boilerplate language in the driver/passenger

contract. James Kent, Esquire questioned the contract language between the TNC and the driver, the location of records, fictitious firm names, operation areas or maps and economic viability for insurance. Chairman MacKay stated nothing in regulation requires the Authority to determine economic viability. A.R. Fairman in Reno questioned if companies like RideGenie will have to apply for a TNC permit. Commissioner Sakelhide stated the RideGenie application currently operates as a ride hailing application for certificated carriers, if they intend to operate as a TNC, they will need to apply. Dennis Whitehead, Whittlesea driver, suggested possibly posting a public agreement between passenger and TNC driver.

Sec 35 – 37 Permits for Transportation Network Companies

Chris Hayashi, retired resident of Clark County, mentioned the issues California currently faces with Uber and the possible suspension of permits, and suggested the Authority utilize an API to feed data to the Authority in real time. Example: Hours of service, number of vehicles, insurance coverage, etc. D.A. Ballinger, Los Angeles Lyft driver, offered a statement in support of TNC's.

Sec 38 Registry for Drivers of Transportation Network Companies

Michael Hillerby, and Kelly Kay, Lyft, indicated in other jurisdictions driver names and contact information is provided to the authority that requires it. Commissioner Sakelhide stated the Authority must have the driver list prior to putting drivers on the road, the list must be maintained and the background investigations must be complete. Kelly Kay, Lyft, questioned the proposed \$50.00 fee per driver. Michael Hillerby, Lyft requested insight into the budget to better understand the fee requirements of the Authority. Stanley Washington, WRA, offered the suggestion that the background check, drug testing and licensing could possibly be taken care of through the WRA. Kellie McKinley, Platinum LV questioned the differences between the current carrier driver background checks and the Uber background check. Commissioner Sakelhide stated the Authority is required to do a study 6 months after the TNC's go operational as to the differences and the results of the study. Monica Lenoir, Network Nevada, suggested a driver registration system. Kimberly Maxson-Rushton, Esquire made a statement regarding the study, a nominal driver fee and a requirement the driver sign a release or indemnification Form 17. James Kent, Esquire, questioned the livery limousine/ traditional limousine verbiage. Dennis Whitehead, Whittlesea, feels TNC drivers should comply with the FBI driver background check.

Break at 12:20 p.m. to 1:30 p.m.

Section 38.5 Regulatory Assessment

Josh Griffin questioned if the 1% was a "not to exceed" number. Commissioner Sakelhide stated it was a starting point to generate the revenue for the operating budget and would need to be evaluated and requested suggestions. Chairman MacKay stated it was intended to be revenue neutral.

Section 39 – 51 Regulation of Transportation Network Companies Generally

Tony Clark, 24/7, in Section 43 questioned whether both permit numbers would be displayed if working for two different TNC's and would there be a designated area for display. He expressed concerns with Section 44 regarding insurance coverage and Section 49 solicitation of passengers and staging areas with a possible 50 foot ruling. Commissioner Sakelhide, Administrative Attorney Day and Chairman MacKay stated the Authority cannot interfere with business arrangements or add additional regulations. Steve Thompson, Uber stated in other jurisdictions, the identification of vehicles was a type of removable i.d. Commissioner Sakelhide pointed out a removable type of i.d. could be utilized on an uninspected vehicle. Josh Griffin, Uber questioned the immediate inspection referenced in Section 46. Commissioner Sakelhide stated enforcement staff must be able to verify

documents, driver and vehicle are one and the same. Matt Griffin, Uber requested clarification of language on Section 46. Charlie Myers, Frias questioned inspections for illegal activity or firearms. Josh Griffin, Uber questioned Section 48. Commissioner Sakelhide explained the requirement of notification of the Authority in the event of a sale/transfer/change of corporate interest. Timothy Burr, Lyft, addressed vehicle identification concerns. Commissioner Sakelhide requested suggestions from TNC's to accommodate identification. Kelly Kay, Lyft recommended training for enforcement on how to open the application to identify the driver and vehicle. She questioned the 30 day provision and Administrative Attorney Day stated the permit was for immediate use to prevent warehousing. Additionally, she questioned Section 48 to possibly apply for approval of a sale and/or transfer within 30 days. Commissioner Sakelhide stated Authority may not approve a sale and/or transfer after the fact. Michael Hillerby, Lyft questioned Section 42, the noticing for fictitious firm name submission. Kellie McKinley, Platinum LV, per Section 46, where the records would be kept. She suggested a repository at a physical address for the Authority to inspect. Commissioner Sakelhide requested the TNC's help with the determination where records will be kept. Kimberly Maxson-Rushton, Esquire, LOA, suggested an amendment to Section 47 that the records be maintained in Nevada and if maintained out of state, post a bond to enable inspection, and that Section 49 Sub 2 & 3 be revised to add a designated vehicle loading area. Steve Siger, internal counsel for Uber, stated the records are stored electronically and therefore can be accessed anywhere. James Kent, Esquire made a statement with regard to insurance coverage, and in Section 45 suggested a change in insurance should have to notify the Authority immediately and in Section 49, insert language in the permit stating no staging or kellying.

Sec. 52 Adoption and enforcement of federal regulations for transportation network company safety.

Matt Griffin, Esquire, Josh Griffin, Uber, addressed drug testing, pre-employment or otherwise, should not be required as legislature did not require it. Krishna Juvvadi, Esquire stated Uber would be investigating state to state transportation. A.R. Fairman in Carson City stated if transportation occurred for compensation an MC number is required. Commissioner Sakelhide asked for discussions about Uber/Lyft trust and safety requirements. Timothy Burr, Lyft, stated AB176.39 did not find issue with the TNC drug testing or fingerprinting policies. Stanley Washington, WRA, agreed with drug testing requirements and offered the association's assistance. Tony Clark, NBLA, stated the zero tolerance policy applies to all carriers, however, random testing protects the public. Kellie McKinley, Platinum LV, stated zero tolerance is reactive, where pre-employment and random testing is pro-active and preventative. Bill Schranko, COO, Yellow Checker Star stated his agreement. A.R. Fairman, Carson City suggested the Authority adjust language for vehicle weight limitations.

Sec. 53-55 Adoption of and compliance with federal regulations

Michael Hillerby, Lyft, made a statement with regard to persons with disabilities and stated they prefer not to include placard in vehicle required in Section 55. Commissioner Sakelhide suggested the TNC provide an alternative to make the rider aware of the Authority.

Sec 56 – 61 Rates and Services

Kelly Kay, Lyft, offered to submit proposed language to enable refunds, credits, dynamic pricing etc. Michael Hillerby, Lyft, questioned the language to identify emergency rate structure and stated gratuity language is a company policy issue. Arthur McClennan, former driver, made a statement in support of gratuities. Bill Schranko, COO, Yellow Checker Star suggested driver education. Tony Clark, NBLA suggested the removal of the 10% referral fee in Section 57.2. Kellie McKinley, Platinum LV suggested free transportation or no rate change during an emergency and indicated concern with uniform rates and surge pricing. Kimberly Maxson-Rushton, Esquire, LOA, suggested a

cap be placed on basic rates and surge pricing. Commissioner Sakelhide stated the Authority does not place a cap on current carriers.

Sec 62 – 66 Drivers

Josh Griffin, Lyft, stated they will submit concerns and suggestions in writing. Tony Clark, NBLA, suggested the application be configured to stay off 8 hours after being utilized for 16, and expressed concerns about kellying and insurance coverage. John Marushok, General Manager for Frias expressed concern with hours of service for drivers that may work part-time for TNC's and full time for carriers. Commissioner Sakelhide suggested working with TNC representatives to coordinate information. Stephanie Edleman, United Steelworkers and driver for Frias, requested the Authority spell out seatbelt requirements for each passenger and limit the number of passengers. Kimberly Maxson-Rushton, Esquire, LOA suggested the Authority delineate number of passengers equal the number of seatbelts.

7. Public Comment

Kellie McKinley, Platinum LV made a statement suggesting medical card requirements and driver permitting requirements be the same across the board. Kimberly Maxson-Rushton, Esquire, LOA, made several recommendations and indicated she would also submit such in writing.

8. Adjournment

Meeting adjourned at 4:25 p.m.

To access a complete video of the proceedings, please go to:

LCB Publishing Point for 7-16-15 Workshop

http://nvleg.granicus.com/MediaPlayer.php?publish_id=aca30723-2c15-11e5-b65c-f04da2064c47