

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Transportation and Telecommunications Committee  
May 07, 2013

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[CONFIRMATION]

The Committee on Transportation and Telecommunications met at 1:00 p.m. on Tuesday, May 7, 2013, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on gubernatorial appointments. Senators present: Annette Dubas, Chairperson; Jim Smith, Vice Chairperson; Lydia Brasch; Galen Hadley; Scott Price; and Dan Watermeier. Senators absent: Charlie Janssen and Beau McCoy.

SENATOR DUBAS: Good afternoon. Welcome to the Transportation and Telecommunications Committee confirmation hearing. Out of respect for everybody's time, we'll go ahead and get started. I'll begin with introductions. We'll see if I remember my script; it's been awhile; I have to be retrained here. First of all, my name is Senator Annette Dubas, and I am the Chairperson of the Transportation and Telecommunications Committee. I'll begin to my very far right. Senator Janssen may or may not be joining us yet this afternoon; I haven't heard anything from him. We have Senator Dan Watermeier from Syracuse. We have Senator Scott Price from Bellevue. Senator Jim Smith is the Vice Chair of the Transportation and Telecommunications Committee. We have Joselyn Luedtke who is the legal counsel for the committee. To my immediate left is Anne Hajek; she is the committee clerk. She is the one that keeps all of the detailed notes and transcription of what transpires at the hearing. So the green sheet that we've asked you to fill out will be for Anne's benefit as she works on the record. And we have Senator Galen Hadley from Kearney. We did receive notice Senator Beau McCoy would not be joining us today. And then, finally, we have Senator Lydia Brasch. So we again welcome you to the committee. Since there's not a lot of people here, we won't have to go through a lot of the formalities, but I do ask if you have a cell phone or any other communications device that you either silence it or shut it off because that does interfere with our transcription recordings, etcetera. I don't think I have to go through a lot of the housekeeping details since we don't have a lot of people here. But we'll just begin by having...we'll have Mr. Dillon, if you'll come forward please. Oh, I didn't introduce our two pages. We have...they're last names just escaped me...Kaitlyn...

KAITLYN EVANKO-DOUGLAS: Evanko-Douglas.

SENATOR DUBAS: Evanko-Douglas, sorry. See, you have to retrain me.

BLAKE DILLON: Do you want me here?

SENATOR DUBAS: Yes, have a seat right there. And we have David Postier. We are served by pages at our hearings; they're very helpful to us, collect papers. If you need anything throughout the hearing, they'll be able to assist you. So we have Mr. Blake Dillon. We really appreciate you taking the time to come and visit with us today. My

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understanding is you are a reappointment to the Motor Vehicle Industry Licensing Board. So I guess what I would have you do is just tell us a little bit about yourself, your experience on the board, other related experiences, and then there will be an opportunity for the committee to ask you questions. [CONFIRMATION]

BLAKE DILLON: Okay. My name is Blake Dillon, B-l-a-k-e D-i-l-l-o-n. I live in Fremont and have worked in Blair, Nebraska, at the Chevrolet dealership for the last 22 years. And my father has been in the car business my entire life. So I feel like I've been around it, or at least at the dinner table learning a lot, my entire life. The last 12 years that we've been in the motorcycle business; when I say "we" it's been my brother and I, and that's the role I play on this board. I represent the motorcycle industry on the dealer licensing board. I have enjoyed the last three years, learned a lot not only about parliamentary procedures, but Bill Jackson does a great job as leading that board and representing the state to the dealers of Nebraska. Does a great job in the way he handles things and educating. He's direct, but does it in a way that everybody knows where he's coming from and communicates well. I have a family of four children and a wife, Tanya. And we, like I said before, we live in Fremont and have thoroughly enjoyed being in this business and look forward to another three years on the licensing board. If you have any questions of me? [CONFIRMATION]

SENATOR DUBAS: Good. Are there questions for Mr. Dillon? Senator Hadley.  
[CONFIRMATION]

SENATOR HADLEY: Thank you, Chairman. Mr. Dillon, what are...kind of the important duties that you see on the board now that you've been there for three years? What are the two or three things that you really think are...that we need this board to do?  
[CONFIRMATION]

BLAKE DILLON: The biggest impact this board has, from what I see, is in the advertising and keeping advertising aboveboard, legitimate, and making sure that we aren't...making sure the dealers aren't advertising like a typical...or a stereotypical car dealer would advertise. Bill does a good job of enforcing that. In fact, they're going around the state in June, together with Loy, I believe, educating everyone about the criteria for aboveboard advertising and being, basically, being very clear and direct with what we say in ads and making sure everybody complies with that. The hardest part of that is we have dealers from out of state. Because we're on the border with Iowa, I think we run into a little bit of issue with enforcing that on an Iowa dealer. There are ways that Bill has figured out how to enforce it, and it seems to be working. But that's, I think, the biggest issue we run into. I know it's the biggest issue we run into--enforcement. We have some ethical issues with some certain dealers that we talk about, but that's a "onezy", "twozy", kind of thing. But the advertising violations are the largest.  
[CONFIRMATION]

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SENATOR HADLEY: Good. Thank you. [CONFIRMATION]

SENATOR DUBAS: Other questions? Senator Price. [CONFIRMATION]

SENATOR PRICE: Thank you, Chairman Dubas. Thank you, sir. My question is, are there any things that if you had the opportunity with a blank sheet of paper to ask government to do or not to do, you would ask while you're here? I mean we're the Transportation Committee. Is there something that we're doing that makes it difficult for you to do your job? [CONFIRMATION]

BLAKE DILLON: You know, I don't...you can lower taxes. (Laughter) [CONFIRMATION]

SENATOR PRICE: (Inaudible). [CONFIRMATION]

BLAKE DILLON: I don't think that's anything at the state level we can accomplish, but I...you know, it's been a great state to do business in. And Bill and I were just talking, you know, the cooperation we get from the Legislature seems to be great, great transparency. It's easy to get a hold of people. I've met Senator Brasch many times, and you've been in office a short time. So that part we really appreciate, being able to talk or communicate with you anytime. [CONFIRMATION]

SENATOR PRICE: What about the forms and the requirements? I'm thinking of when buying cars in years past, rolling the sales tax into the loan, versus not being able to, just some of the ways that we dictate how you do things. Are there any things that we're lagging on the industry or leading or other things we could champion, leading in the industry in those policy directions? [CONFIRMATION]

BLAKE DILLON: The sales tax, you can argue that both sides. And I guess I tend to just go with what's happening. But it seems to be okay the way it's set up. Iowa, as you know, is set up differently than Nebraska. That makes it a little complicated. I'm at a Chevy dealer in Blair quite a bit, and we're right across the border. So that does complicate things a little bit. But we're not required to do it like Iowa is. So I think we're ahead of Iowa in that regard or a little simpler than Iowa. Forms and registrations and things are pretty easy. Bill does a great job of making things happen from a dealer registering side of things. Car registration, you always hear complaints about that from consumers. You know, going to the DMV is not one of the most pleasant experiences. But I think that's a county-by-county or maybe even an office-by-office basis, depending on how busy that office is. There is an electronic titling that is in the works right now, and I think that's a step forward. We're in the past with that. So I can't...not one thing stands out... [CONFIRMATION]

SENATOR PRICE: Well, that's good. All right, thank you. [CONFIRMATION]

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BLAKE DILLON: ...to repair. [CONFIRMATION]

SENATOR DUBAS: Senator Brasch. [CONFIRMATION]

SENATOR BRASCH: Thank you, Madam Chairman. And thank you, Mr. Dillon, for your willingness to serve and continue your service. That's greatly appreciated. And I do know that your family businesses have been good community, corporate neighbors, and assist in other ways beyond a good business practice. [CONFIRMATION]

BLAKE DILLON: Thank you. [CONFIRMATION]

SENATOR BRASCH: On your board, I know as a legislature sometimes we, because of time, we have business that we have not finished. Is there something that this board or their goals or anything that you hope in the future can be addressed or...other than taxes lowered and in the motorcycle area perhaps. I see your area in there,... [CONFIRMATION]

BLAKE DILLON: Right. [CONFIRMATION]

SENATOR BRASCH: ...is there a wish list, not legislatively, but just giving... [CONFIRMATION]

BLAKE DILLON: No, no, there...we...this board doesn't meet...we're scheduled to meet every month; we really don't have to meet every month. [CONFIRMATION]

SENATOR BRASCH: Okay. [CONFIRMATION]

BLAKE DILLON: In fact, we'll meet about two to three times a year depending on activity...or maybe three or four times a year depending on activity. But the way the sales tax systems work is about as fair as it could get. The titling and registration is, you know, always more than people want it to be. But that's the way it is. And as far as unaddressed business, I can't really think of anything we don't get to that we want to get to or that anybody brings up that we should get to. [CONFIRMATION]

SENATOR BRASCH: That is good news. And again, thank you for your willingness to serve, much appreciate it. [CONFIRMATION]

BLAKE DILLON: Well, thank all of you for doing what you do. [CONFIRMATION]

SENATOR DUBAS: Other questions? I would just follow up with again thanking you for your willingness to serve. As far as, you're the representative from the motorcycle... [CONFIRMATION]

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BLAKE DILLON: Correct. [CONFIRMATION]

SENATOR DUBAS: ...sales. Are there things unique to the sales of motorcycles that aren't with like cars and pickups and trucks? Are there different issues that you deal with as a salesperson of motorcycles? [CONFIRMATION]

BLAKE DILLON: Really, you know, it's pretty much a car transaction or automotive transaction. The one issue that...you know, there's...you've got the helmet law issue which everybody is aware of that. And you have the...the one issue that is unique to the motorcycle industry is the license, getting your motorcycle permit...endorsement, your motorcycle endorsement, sorry. It's a little bit of a Catch-22. You have to...the customer feels in an awkward spot when they buy a motorcycle. Do you get your motorcycle endorsement ahead of time or do you get the bike? And if you get the bike, how do you get the bike home and then get to the courthouse to take the test? We at our store actually have classes that we run two times a week that teach people how to ride motorcycles on our motorcycles on a closed course that we have. And that's been a great program. The state has a program as well. But that's really the only unique thing that I see in the motorcycle industry that makes it a little awkward, but there are steps you can do to get through that. [CONFIRMATION]

SENATOR DUBAS: Very good. As I heard you answer some of the other questions, and you're feeling very comfortable with what this licensing board does, you kind of...you're the...you police yourself, basically, on how you want to see your industry ran. Do you feel that most of the industry in the state are comfortable with the way this board operates in the fact that you understand the issues because you come from the industry, and so you can be a little more hands on responsive to their concerns? [CONFIRMATION]

BLAKE DILLON: Right. Yeah, there's a...it's like I mentioned before, this advertising situation right now. It was...Nebraska probably started enforcing this strictly...or addressing this, not when I was there, so it was probably five to eight years ago, and everyone was really educated well at that point. And since that time, we've kind of slid down, and we're back in this re-education situation right now. But that's really the only issue I've seen as far as...it slid off the radar a little bit and has not been, maybe, stressed as much. But like I just mentioned, they're going to...I think they're going to five or six locations starting in western Nebraska and working their way through Norfolk, Lincoln, Omaha, in June to educate and inviting every dealer out there with a license to come and educate themselves. And if they don't show up to that, they're not paying attention. [CONFIRMATION]

SENATOR DUBAS: Very good. Any other questions? Well, seeing none, again, Mr. Dillon, we really do thank you for your service and your willingness to come forward today, and we'll go from there then. Thank you so much. [CONFIRMATION]

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BLAKE DILLON: Thank all of you. [CONFIRMATION]

SENATOR DUBAS: I will just go through the motion here. Are there any people that would like to come and testify in support of the confirmation? Anyone in opposition? Anyone in neutral? That will close the hearing for Mr. Dillon, and we will open the hearing for Mr. William Reeg. Come forward, please, sir. If you have your green sheet, one of the pages will take that for you. [CONFIRMATION]

WILLIAM REEG: I do have. [CONFIRMATION]

SENATOR DUBAS: And if you will state and spell your name for the record and just, again, give us a little bit of background on... [CONFIRMATION]

WILLIAM REEG: My name is Bill Reeg. I'm a Ford dealer from Wayne. Madam Chairman, would you permit me to give the senators a handout? [CONFIRMATION]

SENATOR DUBAS: Absolutely, yes. [CONFIRMATION]

WILLIAM REEG: Just a informational sheet here. [CONFIRMATION]

SENATOR DUBAS: The page will hand it out for you. [CONFIRMATION]

WILLIAM REEG: Okay. I think there's adequate numbers. [CONFIRMATION]

SENATOR DUBAS: If there's not enough, we'll make sure that there are enough copies to hand out. Thank you. [CONFIRMATION]

WILLIAM REEG: Okay. [CONFIRMATION]

SENATOR DUBAS: So again, if I could have you state and spell your name for the record. [CONFIRMATION]

WILLIAM REEG: Sure, my name is William D. Reeg, R-e-e-g. [CONFIRMATION]

SENATOR DUBAS: Thank you. Just go ahead and maybe tell us what you're handing out here and a little bit more about your background. [CONFIRMATION]

WILLIAM REEG: (Exhibit 1) What I'm handing out here is just a...kind of a reaffirmation of the impact that the new car industry has on the state of Nebraska. You can see there that...you can see there...I think there's a couple of lines that are...that are most telling and the one would be the total sales of \$5 billion last year. And you...from that, of course, you get your sales tax revenue, your corporate tax revenue, your payroll tax

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revenue, which are hundreds and hundreds of millions of dollars. So we actually...one out of every seven dollars of tax dollars is created by the new car industry in the state. And I just thought you might be interested in that. So I thought it appropriate to mention it to you. I'm from Wayne, Nebraska. I was born and raised there. My wife, Betty, and I have raised our three children there. I've been a Ford dealer for 35 years. I've lived in Wayne all but a couple of years when I went into the Marine Corps, and then I came back and graduated from Wayne State College. I'm a very proud graduate of Wayne State College. And we just love living in Wayne; it's just a terrific community, and it's been a wonderful place to raise our kids. So... [CONFIRMATION]

SENATOR DUBAS: Good. Do we have questions for Mr. Reeg? Senator Brasch. [CONFIRMATION]

SENATOR BRASCH: Thank you, Madam Chairman. And I also wanted to thank you for your willingness to serve on this committee and to continue a reappointment and for serving our country as well. [CONFIRMATION]

WILLIAM REEG: Thank you. Thank you, Senator. Thank you to you also though. [CONFIRMATION]

SENATOR BRASCH: Thank you. And your business also, I'm familiar with Wayne. [CONFIRMATION]

WILLIAM REEG: You sure are. You've...we've had the pleasure of having you in Wayne a number of times. [CONFIRMATION]

SENATOR BRASCH: Thank you. And the community has been very...its entrepreneurial businesses and Heritage Homes and many other...and the university there, as far as your, I guess, your perspective, not just on the community, but do the two complement each other, your car business, is there something that you would like to see in the future to help rural car dealerships like yours? Is there...are you at any kind of a disadvantage because of location? [CONFIRMATION]

WILLIAM REEG: Yeah, the biggest...actually Blake and I were talking about this awhile ago. The biggest disadvantage we have is finding...is the employment issue in a small community. I mean it's a real...it's a difficult one for us...us or Heritage or Great Dane, or not necessarily Great Dane, but some of the other businesses. So...But we enjoy a wonderful relationship with Wayne State College. They embrace us; we embrace them. We have an interesting thing going on in Wayne right now, maybe not necessarily pertinent to this, but I'll mention it very briefly. We have almost kind of a renaissance going on with the young people coming back to our community. Gosh, in the last, probably, three years we've had 12 to 15, I call them kids, but young people, say 35 and under, that probably...in almost every case lived in Wayne before. They've moved back;

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they're opening businesses; they're farming; they're doing other things. So, we're...and we've got a lot of activity now on main street, so we have quite a lot going on. So, it's fun to be...be a businessperson in Wayne. [CONFIRMATION]

SENATOR BRASCH: Thank you. And I appreciate your testimony and your business contribution to continued growth on the economy and with the college as well. Thank you. [CONFIRMATION]

WILLIAM REEG: Thank you. [CONFIRMATION]

SENATOR BRASCH: I have no other questions. [CONFIRMATION]

SENATOR DUBAS: Other questions? These are some really impressive numbers. I appreciate you giving this information to us as far as the impact of car dealerships, especially new car dealerships. How is the industry rebounding after the downturn in the economy? I know, I think it's car...car businesses tend to take a hit first and hardest. Are we...are you climbing back out of that hole? [CONFIRMATION]

WILLIAM REEG: Everybody is doing pretty good right now, yeah. I wanted to just maybe reiterate a couple of comments Blake made and one regarding Bill, Bill Jackson. You should be so proud of him. He is a great steward of your tax dollars. I mean, we don't have meetings just to have meetings. We have meetings when we need to have meetings. And the other thing I like about being a part of that group is it's not a vindictive group for somebody that kind of breaks the rules. We bring them in; we teach them how to...we don't try to put anybody out of business. We try to help them and make it a positive experience for them. I think it's...I look at it as an effort to just kind of be a watchdog for my profession. You know. I do want to relate one experience to you that I had about six months ago. A young woman walked into my dealership in tears. She was a Wayne State student. She had bought a car in Omaha at one of these buy-here/pay-here places. And they had told her that she could replace her car...if she wrecked her car, they would replace her car. Well, in the fine print of her contract it said, well, for \$595 you can replace your car. Granted, she did not probably read the contract as carefully as she should have, but...and the other thing that was on this contract that she wasn't aware of was an extended service contract for \$595 that she paid for. So there's \$1,200 that she paid and, basically, you know, didn't know about. So I took this to the board, and we fixed this in short order. And these are the kind of people that we, you know, we...they're a cancer to our profession. And so that's probably the closet I've been to, you know, a really close personal experience because Bill and his guys usually do that stuff. But it was really fun to help her. I mean, she is a starving student, you know, one of these college kids that did not know...I've never seen a college student yet that had any money. And she certainly didn't. But we were able to put her in a car, and she's still driving it very happy, returning to Wayne State again next year. But we were able to "fix this guy." And he was just a vulture. So they're out there, and that's one of



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the things we do. [CONFIRMATION]

SENATOR DUBAS: I appreciate hearing those kinds of stories, because I know people get kind of frustrated with government and, you know, our tendency to overregulate and maybe stick our nose in where it doesn't belong. But to see, you know, how you believe in what your board does and what you're able to do for all of our constituents is very important. So I appreciate that. [CONFIRMATION]

WILLIAM REEG: Well, thank you. I'm extremely proud to be a part of this board. They're just an exceptional bunch of people, and Bill is an exceptional leader.  
[CONFIRMATION]

SENATOR DUBAS: How long have you been a member of the board?  
[CONFIRMATION]

WILLIAM REEG: This will be my...three years. [CONFIRMATION]

SENATOR DUBAS: Second. [CONFIRMATION]

WILLIAM REEG: Yeah. [CONFIRMATION]

SENATOR DUBAS: Very good. Any other questions? Well, again we thank you for your willingness to serve and taking time out of your day to come and meet with us and...  
[CONFIRMATION]

WILLIAM REEG: I thank you all very, very much for your service. [CONFIRMATION]

SENATOR DUBAS: Thank you. Is there anyone who would like to testify in support? Anyone in opposition? Anyone in the neutral? With that, that closes our confirmation hearing for Mr. Reeg, and it closes our confirmation hearings for today. So thank you all for coming. [CONFIRMATION]