

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

Transportation and Telecommunications Committee  
February 24, 2014

---

[LB925 LB954 CONFIRMATION]

The Committee on Transportation and Telecommunications met at 1:30 p.m. on Monday, February 24, 2014, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB925, LB954, and gubernatorial appointments. Senators present: Annette Dubas, Chairperson; Jim Smith, Vice Chairperson; Lydia Brasch; Beau McCoy; John Murante; and Dan Watermeier. Senators absent: Galen Hadley and Charlie Janssen.

SENATOR DUBAS: (Recorder malfunction) ...from Fullerton; I'm the Chair of the committee. I will begin by introducing committee members. To my far left we have Senator Lydia Brasch from Bancroft and Senator Beau McCoy from Omaha. Senator Galen Hadley, I believe, will be absent today, but he is from Kearney. To my immediate left is Anne Hajek; she's the committee clerk. To my right is Joselyn Luedtke, the committee counsel. Then we have Senator Jim Smith from Papillion; he is the Vice Chair of the committee. Senator John Murante from Gretna, Senator Dan Watermeier from Syracuse, and then at the end will be Senator Charlie Janssen from Fremont. The Legislature is fortunate to be served with a program of pages. They help us keep our committee hearings running smoothly, as well as when we're up on the floor, so we really appreciate their work. Our page for today is Jonathan Beck; he is originally from Centreville, Virginia, currently resides in Seward, Nebraska, and is a senior at UNL majoring in political science with a minor in communications. The agenda today, we have four confirmation hearings that we will take care of first followed by LB925 and then LB954. For the people that will be here to introduce themselves either as part of the confirmation process or the bill introducers, they will go first, followed by proponents, opponents, and then neutral. If you are here to testify today, when you come forward to the table, if you'll bring this green sheet with you...and there are green sheets back there on the table by the door, have that filled out and hand it to the page when you're ready to sit down and begin testifying and then ask that you state and then spell your name clearly for the record. We appreciate that. If you're here today, you aren't planning on coming forward to testify, but you do want to be on the record, again, on the table back by the door is this pink sheet where you can fill out your name and address and other pertinent information, and then that will go into the permanent record as well. If you have any handouts, we ask that you have at least a dozen handouts. If you don't, we can have extra copies made for you, and you'll hand those to the page; he'll make sure that we have enough copies. He will also make sure that they get distributed...that they're distributed to the committee. Ask at this time if you would silence any of your cell phones or any other electronic devices so that they don't interfere with the recording or interrupt the hearing. Likewise with any conversations, we ask that you take those out into the hallway, again not to disrupt the hearing. I know there's a lot of tendency to want to...when you get a microphone in front of you, maybe to adjust it. These microphones are very sensitive. They'll pick up pretty much any noise that's in its vicinity and that makes it a little bit more difficult for the transcribers. So try to resist any urge to

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

Transportation and Telecommunications Committee  
February 24, 2014

---

move the microphone around a lot to keep any excessive noises from being recorded. So I think that takes care of all of our housekeeping. Our first confirmation hearing will be with Ms. Barbara Keegan; she is on the telephone. Ms. Keegan, if you would again state and spell your name for the record and then just proceed to tell us a little bit about yourself. And you are up for the Board of Public Roads Classifications and Standards.

BARBARA KEEGAN: (Exhibit 1) Yes, ma'am. I am Barbara Keegan, B-a-r-b-a-r-a, spelling last, K-e-e-g-a-n. A little bit about me: I became a highway superintendent in about 1991. In 1994, I moved to Box Butte County, and I've been a highway superintendent since that time in Alliance. In 2005, I was appointed to the Board of Public Roads Classifications and Standards to replace...or to complete Alan Doll's term. And I have been on the board since that time. I guess just...I don't know what more you want about me. Just I have a family here in Hemingford: my husband, Jim; my daughter, Taylor. We grew up in an agricultural community. We moved here because of my job. We still have deep roots in the agricultural part of it. Volunteer where I can, especially one of my proudest moments are volunteering with the fire and rescue site here at Hemingford. I do reside in Hemingford. And that's, I guess, my story in a nutshell.  
[CONFIRMATIONS]

SENATOR DUBAS: Very good. We really appreciate your willingness to serve, as well as speak with us today for the hearing. Do we have any questions for Ms. Keegan? I would ask, maybe, if you would just go into a little bit more of an explanation. I know you have on your appointment sheet that you've been involved with this new functional classification, remote residential, dealing with the uniform 3R Standards. Could you give a little bit more information about that? [CONFIRMATIONS]

BARBARA KEEGAN: The new functional classification was...Senator Louden...for remote residential...for the more rural communities that could not, necessarily, meet the requirements; they had the asphalt roads, although they did not meet the minimum requirement; there was questions, you know, about how...if you could tear them up or if you could reduce the standard to maybe a 10-foot driving lane whereas they're not quite meeting what is prescribed by the Board of Public Roads Classifications and Standards that was developed back in 1969. Our needs have changed as far as the traveling public. Our equipment is getting bigger being farm equipment. Our trailers are getting heavier which impacts our bridges. Just a lot of things have changed since the implementation of the minimum design standard. I believe, you know, the newest functional classification went in with relative ease. But the big hurdle right now before the board...or the big project right now is the 3R Standard, the resurfacing, restoration, rehabilitation. And it's due to the changes in traffic, I feel, you know, to...there's basically nothing between a new designed and maintenance, but on some of these things, such as the bridge deck, you know, it's either heavy on maintenance, very heavy on maintenance, or else it's a new construction. The 3R Standard, in my opinion, will help the local entity, be it county or municipality, be within...help meet the requirements for

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

Transportation and Telecommunications Committee  
February 24, 2014

---

not as extensive work. It helps the budgets a lot. You will be able to replace maybe like a segment of it versus doing the whole project...the whole gamut of a new construction. [CONFIRMATIONS]

SENATOR SMITH: Okay. Ms. Keegan, this is State Senator Jim Smith. I'm the Vice Chair of the committee. Senator Dubas had to leave the committee for another hearing, and so I'm going to take over in her absence. [CONFIRMATIONS]

BARBARA KEEGAN: Okay, thank you, sir. [CONFIRMATIONS]

SENATOR SMITH: (Exhibit 2) And at this point, I think we will open up the hearing to proponents of the gubernatorial appointment of Ms. Keegan...proponents. I see no one here testifying as a proponent. I do have a letter supporting this appointment to read into the record. It's from the Nebraska Association of County Officials. And now we will go to opponents, opponents of the gubernatorial appointment of Ms. Keegan to the Board of Public Roads Classifications and Standards. Seeing none, is anyone here in the neutral capacity? Seeing none; all right, Ms. Keegan, could you entertain questions from anyone on the committee that may have a question for you? [CONFIRMATIONS]

BARBARA KEEGAN: Yes, sir. [CONFIRMATIONS]

SENATOR SMITH: I see no one here with questions, Ms. Keegan. Is there anything you would like to conclude with? [CONFIRMATIONS]

BARBARA KEEGAN: I just appreciate your concern and the invitation to speak with you. This board means a lot to me; it means a lot to the county, to how we carry our thoughts through and our efforts through. Thank you for your time. [CONFIRMATIONS]

SENATOR SMITH: Okay, Ms. Keegan, I thank you very much for your willingness to serve on this board and thank you for your service to Nebraska. [CONFIRMATIONS]

BARBARA KEEGAN: Thank you. [CONFIRMATIONS]

SENATOR SMITH: All right. And that concludes the confirmation hearing on Ms. Barbara Keegan to the Board of Public Roads Classifications and Standards. We will now move to confirmation hearing of Mr. James Litchfield to the same board. Mr. Litchfield, please come forward. And we welcome you to open on your appointment. If you could tell us a little about yourself, and if you could begin by saying your name and spelling it for us. [CONFIRMATIONS]

JAMES LITCHFIELD: (Exhibit 3) Correct, thank you, Senator. James Litchfield, J-a-m-e-s L-i-t-c-h-f-i-e-l-d. Currently, I'm a city administrator, public works director for the city of Wakefield, and this is my first term for the Board of Public Roads

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

Transportation and Telecommunications Committee  
February 24, 2014

---

Classifications and Standards. I've got 30 years of city government experience. I also have 35 years of military service, which I served in Iraq one tour and was working with a construction group in construction activities in Iraq as well. Became a licensed street superintendent in 1992 and currently function in that capacity. And again, my first term is on the board and for small cities. Any more? [CONFIRMATIONS]

SENATOR SMITH: Okay. Thank you, Mr. Litchfield. [CONFIRMATIONS]

JAMES LITCHFIELD: Thank you. [CONFIRMATIONS]

SENATOR SMITH: Do we have any questions for Mr. Litchfield from the committee? Senator Brasch. [CONFIRMATIONS]

SENATOR BRASCH: Thank you, Mr. Chairman. And thank you, Mr. Litchfield. This is a reappointment, is that correct? [CONFIRMATIONS]

JAMES LITCHFIELD: This is correct. [CONFIRMATIONS]

SENATOR BRASCH: Thank you for your willingness to serve again. Can you describe briefly your experience during your first term and what you would like to see moving forward? [CONFIRMATIONS]

JAMES LITCHFIELD: Well, the first term has been more of a benefit for me. The majority of the people who have been on this board for second, third terms, or, maybe, even longer...and it's really a growing experience where you can share ideas, and the concerns that the board brings to the table in a high level of professionalism is really a big plus, I think. I'm just happy to be part of that and lend to the experience and the needs and hopefully call upon the leadership of that board...as Ms. Keegan was talking about, to move forward on some of these developments, cleaning up some of the 3R activities and define some of that information. [CONFIRMATIONS]

SENATOR BRASCH: I want to thank you again for your willingness to serve and also for serving our country, sir. [CONFIRMATIONS]

JAMES LITCHFIELD: Thank you. [CONFIRMATIONS]

SENATOR BRASCH: Thank you. [CONFIRMATIONS]

SENATOR SMITH: All right. Are there other questions? Mr. Litchfield, can you go into your understanding, just a bit, of the responsibilities of this appointed position and how you feel like...how you feel your particular perspective will benefit the board and just at a high level for us? [CONFIRMATIONS]

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

Transportation and Telecommunications Committee  
February 24, 2014

---

JAMES LITCHFIELD: My perspective of the board is that it's an opportunity to, again...we have an opportunity to evaluate and review projects and needs as they come before us to make adjustments, and it's really a big challenge at times to interpret all the information in a short period of time and make sound judgments on what you're about to do. Some changes, if needed, always an opportunity there to have some input, but also receive some suggestions or ideas from other board members. And I think it's really significant that everybody works extremely well together. [CONFIRMATIONS]

SENATOR SMITH: All right, thank you very much. And I will echo what Senator Brasch has...her comments, thank you for your willingness to serve in this capacity and thank you for your service to our country, too, in military service. [CONFIRMATIONS]

JAMES LITCHFIELD: Thank you. [CONFIRMATIONS]

SENATOR SMITH: Thank you very much. And we will move to proponents of this appointment, this gubernatorial appointment of James Litchfield. Do we have anyone speaking in...as a proponent? Seeing none, we will move to opponents...opponents. Seeing none, anyone wishing to testify in the neutral capacity? All right, seeing none, and with that we will conclude the confirmation hearing of Mr. James Litchfield on the Board of Public Roads Classifications and Standards. We're going to move out of order just a bit, and we're going to move to the confirmation hearing of Mr. Edward Wootton. And Mr. Wootton, welcome. We welcome you to open on your appointment, and if you would begin by saying your name and spelling it for us. [CONFIRMATIONS]

EDWARD WOOTTON: (Exhibit 4) My name is Edward R. Wootton and it's E-d-w-a-r-d R. W-o-o-t-t-o-n, Sr. [CONFIRMATIONS]

SENATOR SMITH: Welcome. [CONFIRMATIONS]

EDWARD WOOTTON: Thank you. Now I'm a little bit hard of hearing so you may have to speak up. [CONFIRMATIONS]

SENATOR SMITH: Okay. [CONFIRMATIONS]

EDWARD WOOTTON: Thank you. [CONFIRMATIONS]

SENATOR SMITH: Could you tell us a bit about yourself and your background?  
[CONFIRMATIONS]

EDWARD WOOTTON: I started out in government when I first got out of high school; worked for the city of Bellevue as their street superintendent for quite some time. Then I went into construction on roads and what have you. For many years, I was a superintendent on a dirt moving crew. And then I went...worked for Sarpy County and

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

Transportation and Telecommunications Committee  
February 24, 2014

---

was their highway superintendent for many years and ended up as their fleet service administrator. And I served in the Bellevue Fire Department 61 years until they went paid. (Laugh) That was volunteer, but other than that, I guess that kind of covers it. I've been at governmental stuff all...a long, long time, and I've served on this Board of Public Roads Classifications and Standards since, I believe, about October of 2002, somewhere in there. [CONFIRMATIONS]

SENATOR SMITH: All right, thank you. Do we have questions from the committee for Mr. Wootton? Seeing none, Mr. Wootton, I see from your application, you've spent a number of years volunteering in other capacities in Sarpy County and in Bellevue and just wanted to say thank you for your service, too,... [CONFIRMATIONS]

EDWARD WOOTTON: Thank you. [CONFIRMATIONS]

SENATOR SMITH: ...to the state of Nebraska, to the County of Sarpy and to Bellevue. And it's good to see you here today. Can you tell me just a bit about your perspective and how your perspective will benefit this board. [CONFIRMATIONS]

EDWARD WOOTTON: This board has been a...what I feel, I've served on several boards, and this board is probably the most important board and the most professional board that I have served on. And they've all been very good people; they're diligent, they work hard, and we strive to make the state of Nebraska a better state with our services. That's about as good as I can wrap it up. I'll give it a hundred percent until I'm done, you know. And I'm sure all the rest of the board does the same. They're wonderful people to deal with, and we deal with wonderful people: the Department of Roads and what have you. [CONFIRMATIONS]

SENATOR SMITH: Very good. [CONFIRMATIONS]

EDWARD WOOTTON: Thank you. [CONFIRMATIONS]

SENATOR SMITH: Thank you. And...oh, Senator Brasch has a question for you. [CONFIRMATIONS]

EDWARD WOOTTON: Yes. [CONFIRMATIONS]

SENATOR BRASCH: Thank you, Mr. Chairman, and I did want to also thank you for your willingness to be reappointed. And as I'm looking at some of the notes you have here, it says that you also were an army engineer. [CONFIRMATIONS]

EDWARD WOOTTON: Yes. [CONFIRMATIONS]

SENATOR BRASCH: And that was serving in our military, correct? [CONFIRMATIONS]

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

Transportation and Telecommunications Committee  
February 24, 2014

---

EDWARD WOOTTON: Right. [CONFIRMATIONS]

SENATOR BRASCH: Well, I want to thank you for that service as well and coming forward today. [CONFIRMATIONS]

EDWARD WOOTTON: Thank you. Thank you. [CONFIRMATIONS]

SENATOR BRASCH: And I have no other questions. [CONFIRMATIONS]

EDWARD WOOTTON: Yes. Thank you very much. [CONFIRMATIONS]

SENATOR SMITH: Thank you, Senator Brasch. Mr. Wootton, again thank you for your willingness to serve on this appointment. And we're going to move and see if there is anyone as a proponent that would like to speak, so thank you very much. [CONFIRMATIONS]

EDWARD WOOTTON: Thank you. [CONFIRMATIONS]

SENATOR SMITH: We will now move to anyone wanting to speak as a proponent to this gubernatorial appointment. Seeing none, do we have anyone that wishes to speak as an opponent to this gubernatorial appointment? Seeing none, anyone in the neutral capacity? Seeing none, that concludes this hearing on this gubernatorial appointment of Mr. Edward Wootton. And again thank you, sir. [CONFIRMATIONS]

EDWARD WOOTTON: Thank you. [CONFIRMATIONS]

SENATOR SMITH: (Exhibit 5) And do we have Mick Syslo in the audience with us? He is not here. He is also coming before this committee in a confirmation hearing for the Board of Public Roads Classifications and Standards. I see he is not here today. Do we have anyone wishing to speak as a proponent to the appointment of Mr. Mick Syslo? Seeing none, do we have anyone wishing to speak as an opponent to that confirmation? Seeing none, anyone in the neutral capacity? Seeing none, we will conclude the confirmation hearing on Mr. Mick Syslo. And that concludes our confirmation hearings for today. We now will move to the introduction of bills in committee. And do we have Senator Coash with us? Senator Coash, you're welcome to open on LB925. [CONFIRMATIONS]

SENATOR COASH: Well, thank you, Senator Smith and members of the Transportation Committee. For the record, I'm Colby Coash, C-o-l-b-y C-o-a-s-h, I represent the 27th District right here in Lincoln, here to introduce LB925. Last year, this Legislature, through this committee, passed LB207. And that was a bill that moved all license plate renewal processes from the jurisdiction of individual county treasurers to the

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

Transportation and Telecommunications Committee  
February 24, 2014

---

Department of Motor Vehicles. Well, this change has benefitted several smaller counties. Some county treasurers have actually seen an increase in costs and resources, and Lancaster County is one of those. If enacted, what LB925 would do would be to allow individual county treasurers to opt out of the provisions to have the DMV to send out license plate renewal notifications. So, in essence what this does is it says, we had counties did it; we put it all at the state. This allows the counties on an individual basis to take that duty back. Before the change took effect last year, the license plate renewal letter from Lancaster County Treasurer's Office, for example, included information for the citizens that had locations, hours, phone numbers, Web sites, QR Codes, and other vital processing information that made this process more efficient. It also included a standardized return envelope for the convenience of the citizen. So obviously, there was a...the ability of counties to tailor their notices to meet the needs of their counties. When it went to the state, we lost all of that so we were unable to have that individualized county notice. In a smaller county, that really wouldn't matter because everybody knows where the courthouse is in the smaller counties. But in larger counties where you can go to a lot of different places to do different things that personalized note...seemed to have been effective. The renewal letter that is now sent out by the DMV is fairly simple; it's a one-page notification that's obviously uniform across all counties, and it doesn't have that pertinent information that can be tailored to each county treasurer. The notification also lacks a standard return envelope which means additional staff and resources are needed to sort open all the different types of envelopes that are used. So they are sent out by the state, but they have to be returned to the county. Here's the important part. For example, in Lancaster County we were able to contract the renewal process through a third-party at a rate that was much lower than what the state is currently charging. The state charges now 50 cents for approximately 230,000 mailings here in our county. Lancaster County can bid those mailings out for 38 cents per mailing which include postage and a return envelope. Additionally, there are labor charges such as employees needing to open the 15,000 envelopes each month with scissors. By contracting out, we were able to save \$50,000 to the taxpayers here in our county. Following me will be our county treasurer here from Lancaster County, Andy Stebbing, to explain the process in a little bit more detail on how this change can go back to a system which happened to save our county quite a bit of money up until we changed the law. And, you know, shame on me for not realizing this when we pushed LB207 through last year, but we thought it would work out okay. And what the Lancaster County delegation would like to do is...and there are other counties that might want to do this, is to say, look, we at the county level found a way to do this that's a lot cheaper than it was just having...being billed by the state, and we would like that option back. And in the interest of saving my county taxpayers money and providing good service to our citizens, I wanted to bring this bill on behalf of them and other counties who may find this to be of use. We did...I wanted to make sure this wasn't a Lancaster County thing and so we reached out to counties across the state and said, look, if you had the option, would you take this back? And while the smaller counties said...and they're strapped as it is, they said, you know what, we're good with the state doing this; this

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

Transportation and Telecommunications Committee  
February 24, 2014

---

was an extra burden that we had to put on the same person in our courthouse that's doing the clerk duties and the assessor duties and things like that. But we did find many counties who said, you know what, we really...we would like the option to take advantage of this, the option of taking advantage of sending out our own notices, and we sure would like to see that ability there, even if they don't take advantage of it right away. So my intent is not to turn LB207 on its head, that was the bill we did last year and passed out of this committee...unanimously passed through the Legislature with no problems. I'm just asking to take a small step back and say maybe there's an option here to return some of these duties to the counties if they want them. And that's what LB925 does, and I'll try and answer any questions. [LB925]

SENATOR SMITH: Thank you, Senator Coash. Do we have questions for Senator Coash on LB925? Senator Murante. [LB925]

SENATOR MURANTE: I'm curious, Senator Coash, in your conversations with other counties, did you communicate with Sarpy County and... [LB925]

SENATOR COASH: We did. [LB925]

SENATOR MURANTE: Okay, what did they have to say? [LB925]

SENATOR COASH: Well, I don't want to speak for them. [LB925]

SENATOR MURANTE: Okay. [LB925]

SENATOR COASH: And we also...obviously, if you take Sarpy, Douglas and Lancaster County, you put them together, that's a...that's over...way over half of the notices that the state is sending out. Some of the larger counties had found ways to save money. And what they did is they decided to say, was it cheaper for us or is 50 cents, just passing it through to the state the cheaper option? And at least in Lancaster County we found it was cheaper to go back to the old way. A couple of the other counties are looking at it, but their response was, you know, if we find it to be cheaper, we sure would like the option of doing it ourselves. And so I don't want to speak for...I have a representative here, obviously, from Lancaster County. But I know that Douglas County was looking at this very carefully and as was Sarpy. [LB925]

SENATOR MURANTE: Thank you. [LB925]

SENATOR SMITH: Are there additional questions? Seeing none, thank you, Senator Coash. [LB925]

SENATOR COASH: Thank you. [LB925]

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

Transportation and Telecommunications Committee  
February 24, 2014

---

SENATOR SMITH: And we will now open the hearing for proponents of LB925. Proponents. Welcome. And as he distributes that, if could you could please begin by saying and spelling your name for us. [LB925]

ANDY STEBBING: (Exhibit 6) Good afternoon, committee members, regarding LB925, my name is Andy Stebbing, S-t-e-b-b-i-n-g. I am the Lancaster County Treasurer here in Lincoln, and I'd like to thank you for this opportunity to testify before you today in favor of LB925 to allow county treasurers the option of handling the motor vehicle registration renewals for their own county. When I was sworn into office in January of 2011, I immediately began a process of changing the old license plate renewal program. We changed from the old postcard, which would be in your packet, to a new letter. This new letter which had much more information answering all questions which we received on a daily basis from the citizens that called our office. We included our Web site address, QR Code for smartphones. We included in our new letter the old postcard specific instructions on how to renew in person, on-line, by mail. We added our physical addresses for all three DMVs. We added phone numbers and hours because the hours are different for each DMV. We included a bar code system. We included required banking language which needs to be on there for if you change checks over and take the money out immediately from the account. We included payment options and associated fees for each of the credit cards. We included a return envelop addressed to us. All in our new letter. We had and have plans to add a drop-off location...drop off your information and pick it up on the way home. A phone-in renewal option. Adding a south location somewhere around 27th and Pine Lake or wherever we can find an inexpensive building. Contacting farmers to let them know we have a streamlined process for them. And increased hours of operations, opening earlier and closing later. We need this avenue to communicate to all of our enhancements and efficiencies to the citizens of Lancaster County with our renewal letter. When LB207 was introduced, we were told that the new state letter was being formatted using ours as a template and would essentially look identical to ours. We anticipated a significant...with this in mind, we also anticipated a significant financial impact, and thus we submitted a year ago a cautionary fiscal note, worried that it could cost us money. We have lost the ability to communicate current and new efficiencies with our citizens. Our phone lines were ringing much, much less when we could communicate directly with our letters. An envelope opening machine was purchased as all of the mail returned to our office was in a standard envelope and hundreds of renewals would take only minutes to process. With the state letter-run program, we are back to opening the envelopes with letter openers as the citizen finds their own envelope in their house and mails it in. And the phone calls have increased significantly. Financially, our printing company was...in a recent phone call with our printing company, they said they could do it all again for 45 cents per mailing, includes everything that we would want. We would prep 20,000 on the list each month, and we would give it to the printing company, and they would take it from there. This being said, the state charges us 50 cents per envelope with none of our information nor a return envelope. So financially, costs to our office...and this is just

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

Transportation and Telecommunications Committee  
February 24, 2014

---

fresh today, it's costing me \$27 per hour for two hours per day to have someone open these envelopes that come into the DMV at 46th and R with a letter opener, and that costs us \$14,000 or north of that amount annually. At 270,000 total registration annually, we have 230,000 by mail. We're charged 50 cents per envelope by the state. Our printing company will do it today for 45 cents per envelope, a difference of \$11,500. Forty thousand registrations come into the three DMVs, and we call them "over-the-counter." That's if you buy your car locally and have nothing to do with a renewal, just come in and pay for everything and walk out with your plates and your title. We're being charged 50 cents by the state for those, and they're not even involved, and that's \$20,000 cost to my office...or to the taxpayers. Total savings if you would be so kind enough to get this to the floor and it would pass, to opt out of the state renewal program if this would be approved, would save me and the taxpayers of Lincoln/Lancaster County \$45,650. I understand that some counties are in favor of the existing statute. I see where it would be good for some counties. However, it has been financially burdensome for my office and the taxpayers in this county and has been detrimental to our customer service. Please help me take another huge step forward in making my office more efficient by allowing county treasure's offices to opt out if they see so fit and regaining local control with their own notices to their constituents. A simple modification to the statute is all we're respectfully requesting. Thank you so much. I'd be happy to answer questions. [LB925]

SENATOR SMITH: Thank you, Mr. Stebbing, for your testimony. Do we have any questions from the committee? I see none. Thank you very much. We now will open the hearing to proponents of LB925, proponents, continuing on proponents. I see none. We will now move to opponents of LB925. Opponents. Welcome. Welcome. [LB925]

RHONDA LAHM: (Exhibit 7) Thank you. Good afternoon, Senator Smith 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. I'm appearing before you today to offer testimony in opposition to LB925. As the committee is aware, during the 2013 Legislative Session, Senator McCoy introduced LB207 which centralized the issuance of the annual vehicle registration renewal notices. There was no testimony in opposition at the hearing, and the bill was advanced out of committee with a unanimous vote. It proceeded through the General File, Select File without objections and was passed by the Legislature on March 1, 2013, with no dissenting votes. LB207 was enacted to put in place a process for vehicle renewal notices that would be more efficient, eliminate the use of obsolete and outdated printer technology, protect personal information of vehicle owners, and decrease the overall cost of the renewal notice program. LB925, as introduced, proposes provisions which would take a step backward in relation to the intent and outcome of LB207. As introduced, LB925 allows counties to opt out from having their renewal notices as part of the centralized process. The green copy lacks language which will allow a county to opt back in without additional legislative action if at some point in the future there's a different decision maker or

circumstances change. The language beginning on page 4, line 24 of the bill describes the notice required for opting out. For example, it would allow a county to give the Department of Motor Vehicles notice on June 30, and for the change to be effective the first day of the next quarter, in other words, July 1, a one-day notice. The inability of the Department of Motor Vehicles to predict which counties may opt out and when makes it nearly impossible to prepare a biennial budget and plan for project costs. The provisions of the bill on page 5, lines 6 through 8, requires the Department of Motor Vehicles to provide to the county treasurer the most recent addresses for the county according to any information received by the department. We understand this to refer to the information in the National Change of Address database. In the current process, this address update information is added to the mailing by the vendor that provides presort services for the state of Nebraska, after the notices have been prepared and left the state print shop. Neither the Department of Motor Vehicles nor the state print shop have access to the updated address information to provide to a county. During the development of the current renewal notice process, many thoughts, ideas, and suggestions were solicited from the county treasurers. A majority of those changes have been incorporated into the notice currently utilized. Since the initial mailing, a revision to the form based on comments and suggestions received from the county treasurers has occurred. Additional suggestions have since been received and will be reviewed at the time of the next revision. In conjunction with the centralized process some additional programming changes were made to save the county staff time. One of those is the automation of the "delete" process. This was a time consuming, manual process which required staff of county treasurer's offices to remove inactive records from the database one at a time. The Department of Motor Vehicles also incorporated mailing of renewal notices for motorboat registration when it centralized the vehicle renewal process pursuant to LB207. Although not required by LB207, the task processes were so similar it made sense to keep the process whole and not leave the motorboat renewals dangling for the county treasurers to sort out. The centralized process has now been in place four months. The following improvements to the process have been realized: protection of the privacy of vehicle owners in all counties by eliminating postcards; consolidation of individual county work effort allowing for full automation of the process; incorporation of multiple vehicles into one notice, up to 28 vehicles can be mailed in one envelope; incorporation of the National Change of Address database reducing the number of notices returned to county treasurers; inclusion of barcodes which enable county treasurer staff to retrieve records with fewer keystrokes and errors; use of a QR Code for easy access to on-line renewal services; and allowing for the future enhancement of electronic notification to vehicle owners. In regard to cost-saving efficiencies, the combining of multiple notices in one envelope resulted in cost savings of 22.25 percent over the first three months of issuance. This equates to a savings of \$54,079.94. This savings will allow the Department of Motor Vehicles to absorb the recent 3 cent increase in first class postage rates. In addition, there's been a significant increase in on-line renewals between November 2013 and January 2014, compared to the same time period for the previous year; for November--61.7 percent,

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

Transportation and Telecommunications Committee  
February 24, 2014

---

December--42.2 percent and January--79.4 percent. These increases saved processing time for the county treasure's staff. Utilization of electronic government services is the future, and enacting LB925 would not be a move in that direction. Senator Smith and committee members, thank you for your time today, and I'm happy to answer any questions you may have. [LB925]

SENATOR SMITH: Thank you, Director Lahm, for your testimony. Do we have questions from the committee? Senator Murante. [LB925]

SENATOR MURANTE: Thanks for coming down and testifying. So, the way I read your testimony...about the first half of it dealt with your opposition to the bill based on what I would characterize as technical problems with the bill. [LB925]

RHONDA LAHM: Right. [LB925]

SENATOR MURANTE: And the second half more to deal with the good work you've been doing with LB207 and how the process is working. So my question to you is, it seems like the technical stuff could be remedied pretty quickly. I mean...with an amendment it wouldn't take much with the problems that you outlined to fix them. If an amendment were offered and those technical challenges were remedied, would you still be in opposition to the bill? [LB925]

RHONDA LAHM: I think you could address the technical difficulties as far as time frames. I think unless you required opting in or out, whichever, by a biennial process, I think it would be pretty difficult for us to budget. [LB925]

SENATOR MURANTE: Okay. [LB925]

RHONDA LAHM: Because we, as you know, prepare a budget for a two-year time frame which in the middle makes it difficult to change. So, I mean, that's where...I mean, that's where implementation on our part becomes a real challenge. As far as the second part of your question, I think what it does is it really puts at a disadvantage our other projects moving forward. We've started the project for electronic notification so a county that chooses to opt out, then they would not be involved in that process. And as we try to move forward with technology because that's always been a practice of ours, then a county, if there's provisions for them to be able to opt back in, when they opt back in to rewrite the programming at that time is a lot more difficult than doing it when it is initially set up. So we're looking at modernization of our vehicle title registration system. And included in that would be electronic notification. So it's those kinds of enhancements that cause a lot of difficulty down the road. [LB925]

SENATOR MURANTE: Okay. Thank you. [LB925]

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

Transportation and Telecommunications Committee  
February 24, 2014

---

SENATOR SMITH: Director Lahm, whenever you talk about your budget and the uncertainty in budgeting, what are some of those line items that are inside that budget that would be affected by this opt in and opt out uncertainty? [LB925]

RHONDA LAHM: Well, when we...in our budget where we have an amount of authorized spending for the vehicle renewal notices, that authorized spending is projected based on all of the renewal notices in the state being involved in this process, and then also the revenue projected to come in as a result of that are all part of that process. So that would be one compliment that would be affected. The part that isn't as defined is the programming piece, because some of that is done inhouse. We do as much as we can inhouse, but some parts we can't do inhouse. And then it's done by the Office of the CIO, and then we have to pay an hourly rate for any programming that we have to rely on them to do. So that could be a little bit unpredictable depending on what it is. Does that answer your question? [LB925]

SENATOR SMITH: Yes. Thank you, appreciate it. Additional questions? Seeing none, thank you again for your testimony. [LB925]

RHONDA LAHM: Thank you. [LB925]

SENATOR SMITH: We continue with opponents of LB925; opponents. Seeing none, anyone wishing to testify in the neutral capacity on LB925? Seeing none, Senator Coash for closing. [LB925]

SENATOR COASH: Thank you, Senator Smith, members of the committee. And thank you for the questions. I got...I learned quite a bit from the opposition testimony. And I do agree, I think we can take care of those technical changes. I also am sensitive to the fact that we've asked this state department to do something, and we've got to allow them to budget and know what it is that they are getting into. And I think those are fair considerations for the committee, and I would like to work with the committee on that. I voted for LB207; I still think it's appropriate to continue this. But what I came to believe, in working with Mr. Stebbing in our county, was I think in some instances counties can provide better, closer to the population, local customer service than the state can. And I think this is one of those instances where we maybe can be of better service to our citizens by giving them the option of putting it closer. With that, thank you for your consideration. [LB925]

SENATOR SMITH: Thank you, Senator Coash. Questions? Thank you. That concludes our hearing on LB925. We now continue with hearing on LB954. Welcome. [LB925]

JOSELYN LUEDTKE: Hello members of the Transportation and Telecommunications Committee. My name is Joselyn Luedtke, J-o-s-e-l-y-n L-u-e-d-t-k-e; I'm the legal counsel for this committee, and I'm introducing LB954 on behalf of Senator Annette

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

Transportation and Telecommunications Committee  
February 24, 2014

---

Dubas, District 34. LB954 amends the Rules of the Road regarding the use of blue and amber lights. Currently, only snow removal vehicles are allowed to use a combination of blue and amber lights. This bill allows vehicles operated by a public utility for construction, maintenance, and repair of utility infrastructure to use blue lights as well. Currently, utilities are allowed to use amber flashing lights under (Section) 60-6,232. The bill was brought to our office by the Rural Electric Association due to new vehicles being marketed to their members, member utilities that have blue lights in the flashing. Their concern is for the drivers who regularly stop on the side of a highway and open themselves up to risks of traffic accidents. The bill addresses that problem by allowing them to use blue and amber flashing lights to draw attention to themselves. And I'd be happy to answer any questions you may have. [LB954]

SENATOR SMITH: Thank you, Ms. Luedtke. Do we have questions? So, I do have a question. So, basically, this just simply allows the option of choosing between blue and amber for these vehicles? [LB954]

JOSELYN LUEDTKE: Currently they're allowed to use amber, and this would add blue. [LB954]

SENATOR SMITH: All right. All right, thank you. [LB954]

JOSELYN LUEDTKE: Thank you. [LB954]

SENATOR SMITH: I see no questions. We now open the hearing to proponents, proponents of LB954. Welcome. [LB954]

KRISTEN GOTTSCHALK: (Exhibit 8) Thank you. Senator Smith and members of the Transportation and Telecommunications Committee, my name is Kristen Gottschalk, K-r-i-s-t-e-n G-o-t-t-s-c-h-a-l-k. I am the government relations director and registered lobbyist for the Nebraska Rural Electric Association. Today I'm here representing the Nebraska Rural Electric Association and their 34 members which are rural electric providers across rural Nebraska, as well as the Nebraska Power Association representing all of the electric utilities, including rural power suppliers, rural electric cooperatives, public power districts, public power and irrigation districts, and municipal systems. And we're here to support LB954. And I do want to thank Senator Dubas; we worked with her staff on the final draft that we have in front of you. Obviously, flashing lights has not been an easy topic this year, so it's kind of an unfortunate timing, but this bill has a very specific focus on safety and visibility, as well as the protection of utility workers. Along with a number of other vehicles, as you heard before, electric utilities are allowed to have amber flashing or rotating lights. Now research has shown that motorists associate less hazard or danger with amber flashing lights than they do with other colors or color combinations. There appears to be less of a need to slow down with amber lights alone than when approaching a vehicle using amber lights compared

with blue. This may be because of the visibility factor. It also might be because of the pervasive use of amber lights on vehicles in the state of Nebraska. And one of the things that I did provide to you was a handout on some research that the Texas Department of Transportation did regarding the use of lights, and it goes beyond just colored lights, but also looks at the flashing intensity of those lights, but color was one of the things that came out as a way to differentiate vehicles. Since utility vehicles are frequently out in inclement weather driving slowly while serving lines for damage or stopped along the roads for doing repairs. You got to remember, some of those repairs are done with a bucket truck with a utility lineman in the truck. Increase in the visibility of those vehicles in some manner will also encourage motorists to slow down as they approach. And this really is critical when we look at increasing the safety of utility workers that are already doing dangerous work along side the road. We did work with Andy Cunningham, Department of Roads; Captain Sean Caradori, liaison with the Nebraska State Patrol, to ensure that we drafted the language appropriately. The language specifically allows vehicles operated by any public utility for the construction, maintenance, and repair of utility infrastructure on or near any highway. That means they couldn't use them in the regular course of business, only when they are actually doing work along side the roads. Use of amber lights alone by utility vehicles would continue to be authorized. So this wouldn't mandate that they made a switch from one to the other. With that we feel very strongly about increasing safety for our utility workers and feel that this bill does that. I would be happy to answer any questions that you may have. [LB954]

SENATOR SMITH: Thank you, Are there questions? Ms. Gottschalk, can you tell me...do you think that the language is sufficient to exclude the use of the blue light option by contractors of utilities? [LB954]

KRISTEN GOTTSCHALK: Do... [LB954]

SENATOR SMITH: Let's say someone that is contracted by a utility as a contractor line crew, or contractor underground crew, or maintenance crew of some sort, would they be permitted under this law as well from having blue lights on their vehicles? [LB954]

KRISTEN GOTTSCHALK: Well, the way that the language reads, it does read specifically that they would be operated by a public utility. So for those that are here in the process under contract, it's not clear to me that they would be covered. [LB954]

SENATOR SMITH: Do you think that...you know, is not the intent to include them in this coverage, right...contractors? [LB954]

KRISTEN GOTTSCHALK: It was not the intent to include them when we drafted the bill originally. [LB954]

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

Transportation and Telecommunications Committee  
February 24, 2014

---

SENATOR SMITH: Okay. Thank you. [LB954]

KRISTEN GOTTSCHALK: Um-hum. [LB954]

SENATOR SMITH: Additional questions? Seeing none, thank you. [LB954]

KRISTEN GOTTSCHALK: Thank you. [LB954]

SENATOR SMITH: Thank you for your testimony. We continue with proponents of LB954. Proponents. Welcome. [LB954]

BRUCE VITOSH: (Exhibit 9) Good afternoon, Senator Smith and members of the Transportation and Telecommunications Committee. My name is Bruce Vitosh, B-r-u-c-e V-i-t-o-s-h. I am the general manager and CEO of Norris Public Power District. I am here today to testify in support of LB954 on behalf of Norris Public Power District, the Nebraska Rural Electric Association and the Nebraska Power Association. I want to thank Senator Dubas for introducing LB954 to increase the safety of electric utility workers. It is my understanding that the Nebraska Department of Roads and the Nebraska State Patrol have approved the wording changes as outlined in this bill. Norris Public Power District is a rural distributor of electric power. We provide electric service to 18,500 customers located in five counties in southeastern Nebraska. Within those five counties, we provide electric service to 43 cities, villages and towns. The district maintains over 5,000 miles of subtransmission and distribution lines, and we do employ 75 employees. The district follows a set of key objectives that have been developed together with the district's board of directors and management team. These key objectives enable the district to move forward in a positive direction and in a unified manner. The top key objective for the district is safety. Safety will never be compromised for our customers, our employees, or the general public. Fifty of Norris Public Power District employees drive vehicles on a daily basis that would be impacted by LB954. Safety encompasses many things, including the safe operation of district vehicles on or near public roads. Currently, electric utilities are authorized by statute to use amber lights on vehicles to enable oncoming traffic to better see these vehicles. These lights have worked well and do warn oncoming traffic. However, on a bright sunny day or during inclement weather, research has shown that blue and amber lights are more distinct for oncoming traffic to see versus amber lights. Within current law, snow removal vehicles are allowed to use blue and amber lights. Both snow removal vehicles and electric utility vehicles travel public roads during inclement weather. Norris Public Power District utilities hazard lights during slow movement along public roads while performing maintenance on district facilities. Hazard lights are also used while vehicles are stopped at a work site. The district does not use hazard lights to and from a work site and will not change this practice with the passage of LB954. In conclusion, Norris Public Power District, the Nebraska Rural Electric Association, and the Nebraska Power Association support LB954 because we strongly believe that the change

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

Transportation and Telecommunications Committee  
February 24, 2014

---

provided in LB954 enhances safety for both utility employees and the general public. At Norris Public Power District, we continually seek ways to improve safety so that our employees go home injury free every day and night. We believe that LB954 increases that opportunity for that goal to be reached. If one vehicle accident is avoided as a result of LB954, the passage of this bill will have been worth the effort. Thank you for allowing me to speak today, and I will entertain any questions at this time. [LB954]

SENATOR SMITH: Thank you, Mr. Vitosh. Do we have questions from the committee? Seeing none, thank you very much, appreciate it. [LB954]

BRUCE VITOSH: Thank you. [LB954]

SENATOR SMITH: We continue with proponents...proponents of LB954. Seeing none, we now move to opponents of LB954, opponents. Seeing none, anyone wishing to testify in the neutral capacity? Seeing none, Ms. Luedtke will waive closing. And with that we conclude our hearing on LB954 and our hearings for the day. Thank you. [LB954]