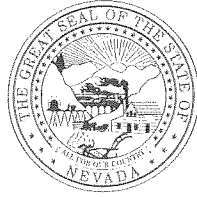


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Office of the Governor

June 8, 2017

The Honorable Barbara Cegavske
Nevada Secretary of State
101 North Carson Street
Carson City, NV 89701

RE: Senate Bill 427 of the 79th Legislative Session

Dear Secretary Cegavske:

I am herewith forwarding to you, for filing within the constitutional time limit and without my approval, Senate Bill 427 ("SB 427"), which is entitled:

AN ACT relating to railroads; requiring certain trains and locomotives which are transporting freight in this State to contain a crew of not less than two persons; providing civil penalties; and providing other matters properly relating thereto.

SB 427 sets a statutory floor on the size of the crew operating any Class I freight railroad, Class I railroad or Class II railroad transporting freight in Nevada. The intent behind the bill is laudable; ensuring the safety of rail traffic in Nevada is a goal worthy of support. However, SB 427 goes too far, and there is no evidence that the requirements proposed by the bill will actually result in increased safety for rail crews and the general public. On the contrary, by affixing rigid requirements in statute, SB 427 risks impeding technological advancements and full negotiations between labor and management, both of which have spurred significant advances in railroad safety. Therefore, I cannot support SB 427.

First, the purpose of SB 427 is questionable. Two-person crews on freight railroads are already the standard in Nevada due to collective bargaining agreements. Railroad management has testified that it has no intention of changing crew sizes in the near future, and that any such change would need to be negotiated during the collective bargaining process. Robust collaboration between management and labor during the collective bargaining process has been essential to improving railroad safety. Mandating crew sizes through state statute, though, would interfere with those negotiations. Such interference is unnecessary, and may be preempted by both the federal Rail Safety Act and the federal Railway Labor Act.

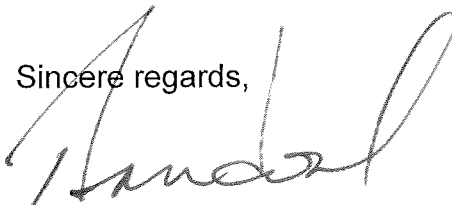
Second, SB 427 does not appear to be necessary. There was ample, undisputed testimony that railroad safety has steadily increased over decades even as crew sizes have decreased. Testimony attributed these safety increases, in part, to technological advancements such as Positive Train Control, which federal law mandates. It is impossible to predict what future technological achievements may advance railroad safety even further. As new technologies emerge (including possibly autonomous railroads), it would be unwise to put Nevada in a place where it could not employ beneficial new technology because of obsolete, statutory requirements.

Finally, SB 427, if passed, would make Nevada an outlier state on this issue. Only California and Wisconsin have similar two-person crew requirements in statute. Since railroad traffic is a topic of national concern, there should be national consensus on the rules and regulations governing railroad safety measures. Nevada would interrupt interstate commerce in the future if nearly all other states allowed for one crew member but Nevada did not. In that situation, Nevada would be a regulatory island, in which trains that had traveled throughout the country without incident with a single crew member had to add another person to the crew upon crossing the Nevada border.

Given the above concerns, representatives from both the Union Pacific Railroad and BNSF Railway opposed SB 427.

For these reasons I veto SB 427 and return it without my signature or approval.

Sincere regards,



BRIAN SANDOVAL
Governor

Enclosure

cc: *The Honorable Mark Hutchison, President of the Senate (without enclosure)*
The Honorable Jason Frierson, Speaker of the Nevada Assembly (without enclosure)
The Honorable Aaron Ford, Senate Majority Leader (without enclosure)
Claire J. Clift, Secretary of the Senate (without enclosure)
Susan Furlong, Chief Clerk of the Assembly (without enclosure)
Brenda Erdoes, Esq., Legislative Counsel (without enclosure)