

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

Transportation and Telecommunications Committee
May 17, 2017

[CONFIRMATION]

The Committee on Transportation and Telecommunications met at 1:00 p.m. on Wednesday, May 17, 2017, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on two gubernatorial appointments. Senators present: Curt Friesen, Chairperson; Bruce Bostelman; Tom Briese; Suzanne Geist; Mike Hilgers; and Dan Hughes. Senators absent: Jim Smith, Vice Chairperson; and John Murante.

SENATOR FRIESEN: Okay. I think we have a quorum, and so I will call the confirmation hearing to order. I typically go through a lot of things here, and we're going to shorten this up. But welcome this afternoon to Transportation and Telecommunications. And basically, I'll introduce the senators. We have Senator Tom Briese clear over to my right. Next to him is Senator Bostelman. Mike Hybl will be the committee counsel; Elice Hubbert, committee clerk; Dan Hughes from Venango; and Suzanne Geist from the Lincoln area. We'll just dispense with all the other typical stuff that I have to say. So today we have gubernatorial appointments. And the first one up would be Tom Dinsdale. So when you begin your testimony, we ask that you spell your first and last name very clearly, and then you can do your testimony.

[CONFIRMATION]

TOM DINSDALE: My name is Tom Dinsdale. You said you want...you do want me to spell it?
[CONFIRMATION]

SENATOR FRIESEN: Spell it, spell it. [CONFIRMATION]

TOM DINSDALE: T-o-m D-i-n-s-d-a-l-e. [CONFIRMATION]

SENATOR FRIESEN: Okay, thank you. And then if you just want to tell us a little bit about yourself and your background and why you may want this position and... [CONFIRMATION]

TOM DINSDALE: (Exhibit 1) I am a native of Nebraska. I grew up in Palmer, about 25 miles north of Grand Island. I've been a Chevy-Cadillac-GMC dealer since 2003. And about a year...a little over a year ago we acquired the Chrysler-Dodge-Jeep store in Hastings, Nebraska.
[CONFIRMATION]

SENATOR FRIESEN: Okay. Any questions from the committee? Surely we've got to ask something. I mean is this your...is this a new appointment? [CONFIRMATION]

TOM DINSDALE: I am sorry. [CONFIRMATION]

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SENATOR FRIESEN: Is this a new appointment? You've not served on this board before?
[CONFIRMATION]

TOM DINSDALE: No, I have not. [CONFIRMATION]

SENATOR FRIESEN: So have you been to any of the meetings? [CONFIRMATION]

TOM DINSDALE: No. [CONFIRMATION]

SENATOR FRIESEN: Okay. So you are... [CONFIRMATION]

TOM DINSDALE I am brand new. [CONFIRMATION]

SENATOR FRIESEN: All right. So do you...do you see any issues that the board is handling that have problems? Or are you... [CONFIRMATION]

TOM DINSDALE: I am really pretty ignorant toward that. I am sorry for that. Hopefully at a year I won't be able to say that. [CONFIRMATION]

SENATOR FRIESEN: They'll teach you quickly (laughter). [CONFIRMATION]

SENATOR FRIESEN: Okay, I see not other questions from the committee. So thank you, and we'll...if there's any testimony in favor or other, so you can get up. [CONFIRMATION]

TOM DINSDALE: Thank you. [CONFIRMATION]

SENATOR FRIESEN: Any...we'll do...we'll do both confirmations and then we'll take pro and con testimony. So the next one would be Steve Hinchcliff. [CONFIRMATION]

STEVE HINCHCLIFF: Correct. [CONFIRMATION]

SENATOR FRIESEN: Come forward. [CONFIRMATION]

STEVE HINCHCLIFF: (Exhibit 2) Good morning...afternoon, I guess. Steve Hinchcliff, S-t-e-v-e, Hinchcliff is H-i-n-c-h-l-i-f-f. So I just...a couple quick remarks. Chairman Friesen and members of the committee, as you know, I am Steve Hinchcliff. I'll just take a few minutes to

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introduce myself, knowing that you all want to get to the 1:30 session. I am from Omaha. I have over 40 years of industry experience, all in retail and nearly all in Omaha. My company is H&H Automotive. We are eight brands for metro rooftops and, most importantly, employ over 400 team members who I really respect and enjoy. I am the president and CEO. My only partner is my 31-year-old son. Our family business started in the middle of the depression in 1930. I started in 1969, picking up cigarette butts and cutting the yard. I feel I bring the following as my perspective on the auto business: 1) Focus first on people. There's a concept that says profits usually follow if we do our job right. So I prefer to focus on people. Those are customers and associates equally. I know that's a different perspective than many, if not most, of my peers in the industry, but it has served me well and kind of makes us stand apart. 2) Technology. That...that has really changed our industry and many of our industry members have been slow to adopt the changes. We're very technology oriented, and our team fares really well because of that, we feel. A particular area that I have a concern over is the technology advancements in autonomous cars and the phone app ride sharing that goes along with that. That's coming on very, very fast. I read that could be...it's going on this minute in both coasts. It'll be on the interstate highways in Nebraska probably within the next 12 months and actually will start in the trucking industry, that will have autonomous vehicles crossing our highways. So I think we need to be ready. And I bring that, in both knowledge and attention. And finally, 4) I really...watching the airline industries, the healthcare arena, and even political institutions, and I think we have to really be careful of looking to what expectations customers have today. I see that ramping up right now. We've all really seen a lot on television, especially with the airline industry in the last 60 days. So I think we all need to be listening greater to expectations of our customers. And that's my slant, and I think I can lend that to the licensing board. So that's just a brief on me, and I welcome any questions. [CONFIRMATION]

SENATOR FRIESEN: Thank you, Mr. Hinchcliff. Any questions from the committee? Seeing none...oh, Senator Hughes. [CONFIRMATION]

SENATOR HUGHES: Thank you, Mr. Hinchcliff, for coming. [CONFIRMATION]

STEVE HINCHCLIFF: Sure. [CONFIRMATION]

SENATOR HUGHES: I guess when you mention the autonomous vehicles and you're watching that very closely, what...what are some of the unique challenges that we, as laypeople, may not see, other than, you know, not running into somebody. Is there something other...some other challenges that you're seeing from inside the industry that we may not be aware of yet?
[CONFIRMATION]

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STEVE HINCHCLIFF: Well, there's a tremendous amount of not knowns, so that that's a...it's a...the perfect question is: what do we see? I don't have any answers; I just see a lot. What I see is there's...there's the obvious safety issues, the obvious consumer driving issues. What we're going to also see, almost immediately, is that folks will no longer...there will be a lot of sharing of cars. [CONFIRMATION]

SENATOR HUGHES: Um-hum. [CONFIRMATION]

STEVE HINCHCLIFF: And so that's...so I see the taxing issues, I see parking issues. I think, with respect to our manufacturers, each manufacturer is putting a stake in the ground. They're going to be bumping the dealers extensively, if not completely. General Motors owns one of the major ride sharing companies. So if...I think what we will start to see is, I'll use the word "ownership," and leasing will change to subscription. So that environment causes everything we know today to change, with respect to automobiles. And it's coming. If you watch the latest Tesla information, their semi is going to be on the road within the 12 months, and their auto-drive function, you know, we've already seen how it...it has already caused a couple accidents, but hasn't caused a lot either. I think the tipping point, to answer your question, once statistics prove that autonomous driving is safer--I can hear it already--than people driving... [CONFIRMATION]

SENATOR HUGHES: Sure. [CONFIRMATION]

STEVE HINCHCLIFF: ...the pressure to change will be dramatic. And it's coming way, way sooner than people realize. So I gave you five fronts, six fronts maybe, but it'll be really interesting to see. But we, you know, we don't want to be in a place where we're responding, in my opinion, to react; we want to be in front of it to be proactive. I think our interstate is probably going to see...maybe a little bit downtown Omaha, but I think the interstate is going to be the place we're going to see it first in Nebraska. We need to be paying attention to that. There would be three semis together, a driver in the first one, nobody in the next two. [CONFIRMATION]

SENATOR HUGHES: Wow, interesting. Thank you. Thank you for your willingness to serve. [CONFIRMATION]

STEVE HINCHCLIFF: Thank you. [CONFIRMATION]

SENATOR HUGHES: Thank you, Mr. Chairman. [CONFIRMATION]

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SENATOR FRIESEN: Thank you, Senator Hughes. Any other questions from the committee? Thank you, Mr. Hinchcliff, for... [CONFIRMATION]

STEVE HINCHCLIFF: Thank you. [CONFIRMATION]

SENATOR FRIESEN: ...being willing to serve. [CONFIRMATION]

STEVE HINCHCLIFF: Thank you. [CONFIRMATION]

SENATOR FRIESEN: Any proponents who wish to testify? Welcome, Mr. Todd. [CONFIRMATION]

LOY TODD: Thank you. Senator Friesen, members of the committee, my name is Loy Todd, L-o-y T-o-d-d. I am the president and legal counsel for the Nebraska New Car and Truck Dealers Association, testifying in favor of both of these gentlemen. I can tell you that it...it's a great pleasure to have these men who are not just outstanding dealers, but leaders in their community, willing to come and serve on these kinds of boards. It was created...the board was created for, basically, for consumer protection and also charged with regulation of the relationship between dealers and manufacturers. As far as the consumers are concerned, this board is very important in that regard because it gives the consumer a place, for free, to go and get their issues solved and have an audience of experts listen to their cases. And the board is made up of a cross section: new car dealers, used car dealers, citizens at large, manufacturers' representatives. And therefore, they get a...they get a honest and fair hearing that they don't have to pay for. It keeps people out of courts, and the board has the authority to order a dealer to undo a transaction, to fine them, to do various things and enforce the advertising laws. As far the relationship between dealers and manufacturers, because of antitrust laws, my dealers cannot collectively bargain. They can't...they can't negotiate and do things collectively with the manufacturers. And so the Legislature sits as the arbiter of those relationships and levels the playing field, because the manufacturers are so powerful that no dealer is important enough or significant enough to ever...to buck the factory. And so what we have is a situation where the Legislature passes laws to level the playing field, to make sure that dealers are there and that there's repair and service facilities for the consumer. And then the licensing board is charged with enforcement of that and, again, the hearing tribunal for those kinds of complaints and disposition of those kinds of issues. And what I've found, historically, is that...that the great thing about it is that it avoids litigation. It avoids the...the huge confrontation, not just because they do decide things from time to time, but because they are there to decide things. And so the manufacturer knows they're going to be confronted with a hearing that's...that's...and decisions made by that cross section. And it really works well. And so that board is so important to us in our industry and to the state of Nebraska,

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that having people like this, willing to serve, is critical. So I have been going on long enough, but I strongly urge the committee to advance these names. [CONFIRMATION]

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

LOY TODD: Thank you. [CONFIRMATION]

SENATOR FRIESEN: Seeing no one else in the room, I'll ask if anybody wants to testify in opposition (laughter). Seeing none, I will ask if anybody wants to testify in a neutral capacity. Seeing none, we will close the hearing for today. Thank you very much. [CONFIRMATION]