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MR. SCHENENDORF: Okay. Next we have

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Mr. Myles.

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MR. MYLES: Thank you.

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Mr. Chairman, I am going to time my remarks

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so I don't get the gavel.

16

In the interest of your time and the time of

17

everyone here, I am going to flip through a few

18

slides in my presentation. I just want to state some

19

remarks and just highlight some things that I think

20

are important for you to consider.

21

The Las Vegas Monorail Company was really

22

set up to do a number of things, primarily to help

23

with air quality here in the valley, improve some of

24

the congestion that we see in the resort corridor,

25

which Tina explained very effectively that there's

1 just not enough room.

2 One of the things that you have to consider
3 in Las Vegas is that most of the people who come into
4 our valley each day are tourists, obviously, are
5 coming by air and they are coming by road. Seventy
6 percent of those folks who come in by air are headed
7 to about a 5-mile stretch of Las Vegas Boulevard.
8 There are about four roads that serve that area, and
9 all of those roads are at or near capacity.

10 We have one famously named road, Frank
11 Sinatra Avenue, that opened up here in the last few
12 years. And that road today took me about 45 minutes
13 to get about a mile and a half. So the congestion in
14 the resort corridor is very real and is not something
15 that doesn't -- is going to help us improve, along
16 with the mobility in that corridor, but also sustain
17 our economic vitality.

18 I want to go through a couple of things and
19 give you a little bit of background about the
20 monorail. It's a private not-for-profit company. It
21 was first franchised in December of '98. Started
22 service in 2004. Had some problems in 2004.
23 Reopened in December of 2004 and has been operating
24 about 99 percent availability since then. So it's a
25 pretty effective system since its initial start-up.

1 It's fully financed by private dollars. The
2 state issued general activity bonds, \$650 million to
3 sell worth of those bonds. The first year was
4 451 million, which is insured by the AAA Insurance
5 Company.

6 The second and third tier are unrated. The
7 third tier -- the note on the third tier is that
8 30 million of that 48 million is actually held by the
9 hotels that are on the system. So we had buy-in from
10 the participants on the system.

11 The most important thing about the monorail,
12 I think for this community, is that it is that no tax
13 payers, no governmental agency, no governmental
14 entity of any kind is responsible for the system,
15 other than the people who lent the debt to the system
16 to build and operate itself.

17 Today we operate pretty effectively. We
18 cover all of our own costs. A pretty good portion of
19 that first \$450 million debt payment that you see in
20 the first year, we cover a pretty good portion of
21 that. The system has some ramp-ups still to go
22 through.

23 We today generate about \$41 million and it
24 costs about \$60 million to run the system. So we are
25 about \$19 million short today.

1 The system compares very favorably with
2 other transit systems that have started. Fundamental
3 transit systems in the world -- excuse me -- in the
4 country aren't doing nearly what we've done in two
5 years. And it's taken us slightly longer, but when
6 you compare some of the most successful systems out
7 there: The Denver RTD, Salt Lake City, Utah, which
8 is probably the most successful system to start in
9 the past decade, the New Jersey RiverLINE, you have
10 the Las Vegas Monorail at the bottom. We compare
11 pretty favorably for a 4-mile system that operates
12 about 20 hours a day.

13 So in terms of the success, if you measure
14 it against other public systems, it's a fairly
15 successful system. When you measure it against other
16 private businesses, it's not.

17 The corridor that this system operates in is
18 a unique corridor, as described by Tina. It has some
19 very real challenges. And with the state's economy
20 so heavily dependent upon mobility in that corridor,
21 it is getting the attention of nearly everyone in the
22 state, specifically those individuals who invested
23 significant amounts of dollars on that strip.

24 So it's important for us as the Monorail
25 Company, as well as it is for the RTC and members of

1 our community, to leverage as much as we can and find
2 a way to relieve that congestion. Because the
3 quality surpasses the ability individually -- of
4 individual localities to deal with what needs to be
5 dealt with to address that problem.

6 Just an example of that problem, by 2020,
7 775 miles of roadway in our valley will be at service
8 Level F. Three hundred miles of those will be in the
9 resort corridor. And the resort corridor is really
10 bound by about two roads, about two miles or so, or a
11 mile and a half or so, on either side of the strip,
12 and about 7 to 8 miles in length north and south.
13 Three hundred miles of the 775 miles is in that
14 little narrowly defined area, so it's a significant
15 problem.

16 The resort corridor development is something
17 that is surprising a lot of people, especially people
18 back in New York who look at what's going on on the
19 Las Vegas strip. They come to figure out that there
20 are a lot of things happening in Las Vegas that you
21 don't see anywhere else in the United States.

22 Just to give you an example, we have 134,000
23 hotel rooms in Las Vegas today. By 2009 and 2010,
24 let me tell you, we are going to add another 40,000
25 rooms. When we add 40,000 rooms, we'll exceed

1 170,000 hotel rooms. That puts more hotel rooms in
2 Las Vegas for conventions and leisure operations than
3 you see in five of the Top Ten big cities of the
4 United States on the strip. That presents a
5 significant problem.

6 Those projects up there, the first one, the
7 Project at City Center, is representative of the kind
8 of investment that people are making in Las Vegas and
9 expect to get a return on it, obviously. This is a
10 problem for our city in terms of the investments that
11 are being made and the expectation of that mobility
12 that's required to go along with that investment.

13 Project City Center, for example, represents
14 about a \$7 billion investment on about 66 acres. So
15 there is a lot of investment going on in our city,
16 specifically in Las Vegas -- or excuse me --
17 specifically in resort corridor, and it's adding to
18 an already existing congestion problem.

19 I believe transportation solutions are
20 critical to any economy, especially Las Vegas, when
21 the average person who comes to our town, who visits
22 our town, moves around to at least four places on
23 every visit. That means that mobility is going to be
24 critical to those hotels and those developments
25 receiving the kind of return on that investment

1 that's necessary to continue to invest in our city
2 and keep our economy strong.

3 Airport connections will occur. When
4 looking at airport connections in other cities, you
5 look at Chicago, Boston, the airport seems to cap at
6 17 to 22 percent of the total trips that are made
7 between the airport and the business district. In
8 Las Vegas, we have an opportunity to do something
9 much bigger.

10 There was a study performed by the RTC back
11 in 2003 that looked at those cities and looked at
12 what a connection of monorail or some other guided
13 rail system can do if it was connected to our airport
14 and concluded that we could get as much as 70 percent
15 of those trips that are taken between the airport and
16 the resort corridor. So that's a significant
17 improvement in congestion.

18 Now, we in transportation, as you know and
19 you've probably heard, certainly everyone here on
20 this panel knows, that you don't really solve
21 congestion. You slow down the rate of deterioration.
22 Okay? And to the extent that you can slow it down to
23 a level that is palpable for your community, you've
24 been successful. And so any connection that we can
25 make, whether it be a fixed guideway system or an

1 elevated system like the monorail, is an improvement
2 upon what we are going to be able to achieve
3 otherwise. To the extent that you can do that with
4 private dollars, it's important for us to try to do
5 that.

6 Let me show you what our extension looks
7 like very briefly. It's about a 4-mile system. Here
8 we go. It's about a 4-mile system that extends from
9 MGM Grand, travels along Koval, which is just to the
10 west of the MGM/Mirage, up to Harmon, and connects to
11 one proposed hotel -- it's about a 3,000, 4,000 room
12 hotel -- which is the one of the hotels that you just
13 saw on that list.

14 This is a picture of the system connecting
15 to the northbound lane of McCarran. Now, that's a
16 little different than how we are actually going to
17 integrate the facility, but you'll get an idea of the
18 proximity of the station to the back of that
19 building.

20 You'll see, coming up here very shortly,
21 you'll see the picture of the train. That train is
22 slightly different than the vehicle we have on our
23 system today. The train we have on our system today
24 is the Bombardier train.

25 This is a picture looking back west toward

1 the mountains, toward the strip, as it crosses
2 Tropicana heading into the resort -- excuse me --
3 into the strip area. We added those cars on
4 Tropicana for effect.

5 This is a picture of the inside of the
6 vehicle itself. In Las Vegas, it's important for us
7 to have individuals that come to our town start to
8 experience Las Vegas as soon as they arrive. So at
9 the airport, as well as the RTC, certainly the
10 monorail and the strip, all are advantaged by the
11 experience being a positive experience from the time
12 they arrive.

13 That's the end of that video.

14 Let me get to a couple of other final
15 points. How best to leverage private dollars for a
16 system like the monorail, create effective
17 integration with elevated monorail systems in the
18 resort corridor and at-grade transit systems, which
19 is what we're trying to do with the RTC.

20 Establish regional fare policies to the
21 extent that this commission can create some sort of
22 standards in that regard to certain entities; for
23 example, the monorail, when trying to integrate with
24 the local public.

25 Also, leverage private dollars to provide

1 critical and growing public mobility. There was a
2 discussion held here earlier this week that --
3 Commissioner Skancke was part of that discussion and
4 discussing how those things can provide public
5 infrastructure.

6 There are various ways to do it. Obviously,
7 they are somewhat integrated and we should be very
8 careful about how we look at actually funding these
9 infrastructures, but it is an effective way to
10 leverage public dollars to get improvements.

11 Thank you.

12 MR. SCHENENDORF: Well, thank you all.

13 And I'd like to start in reverse order so
14 everybody gets a fair share of questioning here.

15 And we'll start with Commissioner McArdle.

16 MR. MCARDLE: Yeah, I have just one
17 observation directed towards the fixed guideway that
18 you're contemplating.

19 MS. QUIGLEY: Okay.

20 MR. MCARDLE: You present a very interesting
21 proposal in terms of trying to go after employees.
22 You may, in fact, find the experience on the Airtrain
23 at JFK useful to you as you go forward.

24 They originally intended the system to
25 service employees. What they have found is employees

1 have not, on mass, chosen to use the system, largely
2 because existing employees have already established
3 patterns of usage. They know where they live. They
4 know how to drive and what have you.

5 So what they are planning to do is target
6 new-hires with a combination of both carrot and
7 stick, the carrot being free passes, reduced cost to
8 use that system. The stick, the higher charge for
9 parking for a new employee. For them, it's never a
10 change against what they have had, but you educate
11 them early.

12 MS. QUIGLEY: Through incentives.

13 MR. MCARDLE: And so they make choices about
14 where they live and how they work based on what they
15 can get at the job. When you do that, they feel they
16 can really change the whole pattern of usage and
17 ridership. It might be something you'd want to
18 consider in that department.

19 Thank you.

20 MS. QUIGLEY: I want to do an introduction
21 as well. This is Dr. Fred Ohene who is our Director
22 of our Metropolitan Planning Organization. He's been
23 with the Regional Transportation Commission almost
24 since it's inception and has experience with this
25 project.

1 MR. SCHENENDORF: Okay.

2 Commissioner Skancke.

3 MR. SKANCKE: I actually don't have a
4 question because I live here. But I just want to
5 thank you all for being here today. And I know that
6 you all work very well, particularly here in Southern
7 and Northern Nevada and the spirit of cooperation in
8 trying to move people throughout the valley. And I
9 would like to reserve the questions for my colleagues
10 because I happen to live here and am very familiar
11 with that.

12 So thank you all for being here.

13 MR. SCHENENDORF: Commissioner Heminger,
14 we'll let you start first.

15 MR. HEMINGER: Good deal. You know, I'm
16 afraid I don't have a question either, although maybe
17 I can say something that will provoke a response.
18 Because I think there has been a fairly consistent
19 theme this panel, the last one, the few panels we had
20 in Los Angeles.

21 And, you know, we all enjoy sort of belly
22 aching about the program and rules and regulations,
23 but I think that we forget that that rule was created
24 to build the interstate system. And to some extent,
25 therein lies the problem. It was created for a

1 system that is built, and a lot of the things we are
2 doing now, especially on the transit side, are
3 different animals entirely.

4 But we need to remember that it was created
5 to build that system and that system was financed by
6 the federal government. And I might add, as a
7 Californian, the system in states like Nevada was
8 financed by Californians as well. And we have a lot
9 to be grateful for in terms of the interstate system
10 that we have today. And I think it would be worth
11 bearing that in mind while we all enjoy sort of
12 piling on Uncle Sam and that the rule book's not
13 quite working well.

14 I think a large part of our charge as a
15 commission is to discern whether a mission similar to
16 the interstate exists for the federal program any
17 more. And I think one that has become clear to me,
18 Commissioner McArdle mentioned earlier, is this
19 question of freight.

20 And having just been in Los Angeles and
21 seeing what reports of L.A. to Long Beach, they are
22 being hammered by goods entering this country as a
23 result of national trade policies that are eventually
24 making their way, not just to the citizens of L.A.,
25 but the majority of it is going outside of California

1 to other states. In fact, all the way to New York,
2 we found, in our hearing in New York.

3 And that is something that strikes me, we
4 are going to have a very difficult time dealing with
5 as individual states or individual metropolitan
6 areas. And that is an area, it seems to me, where
7 currently we have a small number of states bearing a
8 disproportionate burden on behalf of the consumers of
9 all of the states and where I think some kind of
10 conservative federal action is going to be required.

11 So the case that some make that maybe it's
12 time just to wrap up the federal program and send the
13 money back to the states, I don't buy. And I think,
14 first of all, we need to remember what got us here,
15 which was a conservative federal program that really
16 helped build the country.

17 And as our chairman mentioned just now, it
18 didn't begin with the interstates. It began with the
19 inland waterway system. It continued with the
20 transcontinental railroad system. And I think too
21 often we forget those notions. And maybe we've just
22 sort of forgotten as a nation too often these days
23 with red states and blue states and all that stuff.

24 So I did want to make that comment for the
25 record, because I think we need to keep both sides of

1 the picture in mind. We do have a rule book that
2 needs fixing, but the rule book was created for a
3 reason and that reason is a great blessing to the
4 country.

5 And I think there are still jobs left for
6 the federal program to do. And maybe spending a
7 little bit more time on those and a little less time
8 on the rule book might be good for all of us.

9 MS. QUIGLEY: We probably all agree.

10 MR. KRAUSE: And I think if I prompted that
11 commentary, Commissioner, I --

12 MR. HEMINGER: No, you were just the straw
13 on the camel's back.

14 MR. KRAUSE: The other things that I had
15 mentioned, the legitimate federal interest has to be
16 identified and recognized and dealt with an issue.
17 So yes, it's probably most appropriate to say, okay,
18 50 years ago, there was a need. That's, to a certain
19 extent, been egressed, although not that there are
20 ever problems. And I think that California, then,
21 ultimately coming into Nevada, we see that. But I
22 think that would be a very fruitful discussion.

23 In the Interstate-80 corridor, which comes
24 from the Bay Area through Nevada, we have a rail
25 line, we have an interstate. And even with both

1 those facilities, I don't think we have a good
2 understanding of the best investments both for goods
3 and passenger movement.

4 And it's similar because, you know, Southern
5 Nevada is going to be more powerful and leads more
6 easily into their community for recreation. We want
7 to do the same thing, but I wonder if the freight
8 movement isn't an even bigger issue. But I very much
9 agree with your concern and your observation.

10 MR. HEMINGER: Thank you.

11 MR. SCHENENDORF: Commissioner Busalacchi.

12 MR. BUSALACCHI: All right. I've got a
13 couple of questions, Jack.

14 Tina, you talked about this connector in --

15 MS. QUIGLEY: The transit in the downtown --

16 MR. BUSALACCHI: Yeah. The first
17 presentation --

18 MR. SCHENENDORF: Could you move your
19 microphone a little bit closer?

20 MS. QUIGLEY: Transit project.

21 MR. BUSALACCHI: What is the cost of that
22 project?

23 MS. QUIGLEY: Nineteen million.

24 MR. BUSALACCHI: Per mile?

25 MS. QUIGLEY: Uh-huh.

1 MR. BUSALACCHI: Okay. And that, for
2 instance, if you wanted to --

3 MS. QUIGLEY: The light rail came in at --

4 DR. OHENE: The light rail came at almost 19
5 million a mile.

6 MR. BUSALACCHI: Okay. That's what I wanted
7 to know. Was there -- is there any thought to making
8 this a New Starts project?

9 DR. OHENE: Well, it is a New Starts
10 project; however, we had to overmatch it to keep it
11 under the exempt status.

12 MS. QUIGLEY: We had more than 50 percent
13 local money into the project.

14 MR. BUSALACCHI: And, you know, I am trying
15 to get at -- and what I am trying to do here, I am
16 not trying to trap anybody.

17 MS. QUIGLEY: Sure.

18 MR. BUSALACCHI: But I want to get into the
19 process and, you know, the red tape of the process.

20 MS. QUIGLEY: Okay.

21 MR. BUSALACCHI: To get to the finish line.

22 DR. OHENE: I think it was a deliberate
23 attempt on our side to streamline the process. When
24 we started thinking about this project, the mayor
25 came to our agency and said, I want to have this

1 project done within two years. It may be a cost to
2 you, but I'll listen.

3 Now, we promised him we were going to
4 deliver this project around two years. So the way we
5 streamline the process, we have FTA New Starts fund.
6 You don't have to streamline the process.

7 We decide to overmatch more than 50 percent
8 with our funds, which means that the project will now
9 begin the New Starts process, but in an exempt
10 status, which doesn't require a lot of the red tape
11 that goes with the full blown New Starts, the project
12 management funds, the full funding grant agreements,
13 all that come up.

14 In addition, wasn't this something that I
15 believe Commissioner McArdle mentioned, to take
16 risks. We decided to take a lot more risks, that is
17 doing a lot more design during the environmental
18 process.

19 We talked to the FTA and said, Who is
20 willing to do this operation? They said, Fine, But
21 there is no guarantee until you guys get federal
22 funds. If something goes wrong, it's on your head.
23 And we said fine. We talked about the issue of
24 granting us a letter of no prejudice. They were not
25 willing to do that because they said we were in the

1 environmental phase of the project.

2 And so we said, We will take our chances and
3 we will take our risks with you guys. We think we
4 can develop this project much faster, and that's what
5 we did. We keep -- just another, we received a
6 Finding of No Significant Impact from the FTA last
7 December, our designs are done.

8 In fact, we accelerated the project. We
9 decided to do this in two parts, the early part can
10 be let out beginning this April. And the second
11 part, we complete the project in the fall. The two
12 projects overlap, but at the end of 2008, we'll be
13 done with the project.

14 The small project on Boulder Highway, which
15 is also a bus rapid transit project, 17 miles, the
16 project cost about a \$100 million. We went to the
17 FTA, they said, You guys have some New Starts funds
18 here, about 12 million or so. You have to go through
19 this full blown process. We talked about going
20 through a full blown EIS, which was going to take us
21 five years to develop the project.

22 Now, if you live in this city, I believe one
23 of -- Susan mentioned this, she is our very own, the
24 kinds of projects being built here. If you look at
25 the projects that are being built here, in two years,

1 there is no patience or appetite for this community
2 to wait for government to develop this project in
3 five or seven years. They want it now.

4 And so what we did is, what if we split this
5 project and contribute a little bit more on the
6 highway roadway side and use the other New Starts
7 funding for the stations. The corridor is already
8 developed. We brought them down here to do a field
9 visit. In fact, there was no need for right-of-way
10 acquisition on this project. And we said, instead of
11 going for a full blown EIS, can you guys grant us a
12 CE, the Categorical Exclusion.

13 So they came down, they saw the corridor,
14 they saw the kinds of people along the corridor, they
15 decided to give us a CE. That project is well
16 advanced now. The 17-mile corridor project was going
17 to take us five, six years to deliver. It's right
18 now 90 percent designed and getting ready to bid this
19 August. We'll have this project online by spring of
20 2009.

21 And so our issue here right now is if the
22 feds would allow the local governments a little bit
23 of flexibility and work with us to streamline the
24 process, we believe, in this community, that we can
25 deliver this project much, much faster.

1 MR. BUSALACCHI: Okay. Curtis, the
2 monorail. I think -- I don't want to say it's
3 similar, but, you know, obviously it's moving people
4 around the metropolitan area. You're thinking in
5 terms of extending out to the airport.

6 MR. MYLES: Correct.

7 MR. BUSALACCHI: We talked a little bit
8 about that last night.

9 MR. MYLES: Correct.

10 MR. BUSALACCHI: Substantial cost, but are
11 you -- I mean, isn't the thinking the same as what
12 they're talking about here with the connector that
13 private dollars versus going to New Starts or
14 something like that because of the ability to get it
15 up and running faster?

16 MR. MYLES: Yeah, it's similar. Not exactly
17 the same.

18 MR. BUSALACCHI: No, I understand.

19 MR. MYLES: It's similar in that the -- our
20 constituency is different than the RTC's, obviously.
21 I mean, our constituency -- 96 percent of the people
22 who ride our system are tourists, 4 percent are
23 locals. And so we don't carry a lot of work trips.
24 We carry a lot of leisure trips. And we are
25 connected to the 85,000-or-so rooms that are on the

1 strip, and there are 25,000 of them, eight resort
2 hotels.

3 And so when Dr. Ohene says there is a demand
4 in this town, when there is a demand for projects and
5 that demand is immediate, it's even more so with
6 those private companies that are operating as
7 facilities on the strip. And so when we talk
8 about -- when I came to this company a year and a
9 half ago, one of the discussions I had with one of
10 the hotel CEO's was, you know, Are you going to
11 extend this system to the airport. And we said,
12 well, yeah, with your help, we will.

13 This is a private system. It's operating on
14 private dollars. It pays for it's own capital. It
15 can't extend itself to the airport without continuing
16 to be able to do so, without a lot of support from
17 those facilities. We don't -- absolutely have to go
18 through the process that the RTC has to go through to
19 get access to federal dollars. We don't even have to
20 go through a similar process that they have to go
21 through to get access to local dollars.

22 But when you are dealing with private
23 companies, the bottom line, the rate of return of the
24 investments, they have stock values that have a
25 handsome return. Sometimes there are -- sometimes

1 they are more keen to look at the process than you
2 might find in the government. They still have the
3 same level of demand in terms of urgency and bring
4 the project on, but they are looking at things in a
5 lot more detail than you might think.

6 So it's not necessarily an advantage so much
7 to not be going through the federal or local process
8 to get things done. But you do have actually things
9 that will allow you to bring the process on a lot
10 faster. So we hopefully will be able to take
11 advantage of those.

12 MR. BUSALACCHI: So great.

13 MR. MYLES: Yes.

14 MR. BUSALACCHI: Let's talk about passenger
15 rail for a second and how you think passenger rail
16 would fit into the -- into your -- into your vision
17 of what needs to happen here. And keeping in mind
18 that, you know, this commission is looking out 50
19 years.

20 MR. KRAUSE: Sure.

21 MR. BUSALACCHI: And we see the growth
22 that's going on in this state. And how do you
23 envision passenger rail connecting your community
24 with this community with Southern California, which I
25 think is critical?

1 The mayor talked about it a little bit
2 earlier, and how does the federal government help
3 with all this? I mean, do you need a federal partner
4 to do this? Do you think the state can do everything
5 on it's own?

6 MR. KRAUSE: I don't think so, no. It's
7 going to be a great challenge, actually. We look at
8 the Interstate-80 corridor and there is interest in
9 increasing inner-city passenger rail. But the
10 freight operator says, We don't have capacity to give
11 up. We have our own capacity issues. So I think
12 it's going to be extremely difficult.

13 And I think that rail investments, just like
14 street investments, have to be looked at, not only in
15 the long term, but in the context of a land-use plan.
16 And what we're seeing, to be honest, is strategic
17 development at variable densities. And I think rail
18 is not in, within our region, going to be a solution
19 that's going to be cost effective in a number of
20 corridors where we are presently forced to rely upon
21 either more flexible and lower cost fixed route
22 service or even demand responsive service in the
23 street and highway system.

24 Within the corridors, as I mentioned, we
25 have a, what we consider, a great starter corridor in

1 our existing developed area. Ultimately, that might
2 become a good investment for rail, and I think it
3 should start bus rapid transit as Tina and Fred
4 talked about. It has huge advantages with all the
5 same operating characteristics.

6 In terms of inner-city, I don't know the
7 answer to your question about how effectively that's
8 going to work. Because I think the first priority,
9 in my mind, is to make sure we address the goods
10 movement. And one of the things we think is very
11 important is to look multi-modally and multi-purpose
12 freight and passenger in that Interstate-80 corridor,
13 to look at what more should perhaps the rails be
14 carrying?

15 Can we get some of the trucks off of the
16 highways to allow for more passenger capacity on the
17 existing highway system, is kind of intuitive and
18 certainly different to the East Coast solution,
19 perhaps, but that may be more effective.

20 In fact, we're one of the corridors of the
21 future. We've at least made it to the first round of
22 proposals. And I think there is some interest in
23 looking at getting the trucks off onto the highway,
24 onto the rail, is really a more cost effective
25 solution. And given, as has been pointed out, an

1 incredible investment industry, the state highway
2 system, and especially the interstate, over the last
3 50 years.

4 MR. BUSALACCHI: Thank you. That's all I've
5 got.

6 MR. SCHENENDORF: Thank you.
7 Madame Secretary.

8 MS. CINO: You know, just with regards to
9 the monorail. I've got one question and just one
10 comment.

11 With the increase in hotel rooms to nearing
12 200,000 and with regards to obviously getting great
13 anticipation in putting this together, the monorail,
14 in connectivity to all hotels, is there a plan, or
15 what is the plan that I would assume there would be a
16 break-even point with the significant increase in
17 tourism and in hotel rooms?

18 MR. MYLES: Well, yeah, there is. And keep
19 in mind that the hotels that are developed on the
20 strip today are developed to receive their -- to
21 receive their customers, their customers some three,
22 four, 500 feet off of the strip. I had some picture
23 in my video, but I kind of clipped through them in
24 the interest of time.

25 But if you go out to the strip today and you

1 go to the Bellagio, there is a big lake with dancing
2 fountains in front of the hotel. If you go in front
3 of the Mirage, there is a big volcano. If you go in
4 front of the Treasure Island, there is a big Sirens
5 show. And in front of Caesar's, there is some
6 fountains. And if you look at the \$7 billion
7 development that City Center represents, that -- that
8 hotel, the first building, has it's porte-cochere
9 some nearly 500 feet off of Las Vegas Boulevard.

10 So it's in the interest of the hotels to
11 have those folks, when you connect to McCarran, be
12 delivered to a place where those facilities are
13 designed to accept them. Otherwise, they are
14 spending additional cash.

15 So when the monorail was contemplated on the
16 extension to the airport, we also talked to them
17 about the extension to the west side of the strip and
18 what it means to actually have a system like this pay
19 for itself. What is the hotel's involvement?

20 And we -- we -- in those discussions, we've
21 talked about what the ridership needs to be and what
22 the support needs to be, and what the advertising and
23 marketing and all those things need to be. Breaking
24 it down for this four-mile system is about 32, 33,000
25 riders a day at our current fare structure.

1 But you extend it to McCarran and to the
2 west side of the strip, until we determine the final
3 cost of the system, it's hard to say. But we've kind
4 of ball-parked some numbers. If you look at the west
5 side of the strip and, you know, what another 60,
6 70,000 hotel rooms that are on the west side of the
7 strip, you know. And just to back up what we need on
8 this side versus the rooms that we have, it's about
9 two to three times what we currently see today in our
10 ridership.

11 MS. CINO: Do you have capacity to be able
12 to carry all the additional -- all those additional
13 folks?

14 MR. MYLES: Well, with the extension to the
15 airport, obviously, you are going to need more
16 vehicles, more trains. To the west side, it's about
17 8 miles or so. So obviously, you are going to need
18 more vehicles there. And we've looked at as many as
19 45 total trains that will be needed to accommodate
20 the east/west side of the airport extension.

21 MS. CINO: And I guess as a person who has
22 sat at a light for 15 minutes just to go one block,
23 and my total trip was about an hour to get from one
24 hotel to another, I endorse the monorail.

25 I guess it's just a matter of time before

1 people realize that this is the preferred -- the only
2 route. As you said, you've gotten to capacity with
3 the cars to travel on the strip.

4 MR. MYLES: Yeah.

5 MS. CINO: I guess my only comment is with
6 regards to, I think all of us understanding, perhaps
7 me less, but now over the last couple of days, but
8 certainly the last couple of hours here,
9 understanding the significant increases in
10 population, and the significant needs.

11 And I guess the only comment that I would
12 make is, I mean, we talked about fuel tax. We talked
13 about sales tax. We talked about something that I'd
14 love to see how you get that done, \$10,000 fee per
15 dwelling unit.

16 MR. KRAUSE: They're charging 25 in
17 California, so we think that we have a chance.

18 MS. CINO: Whereas Virginia, you'd have a
19 buck.

20 MR. HEMINGER: That's why all the
21 Californians are moving to Nevada.

22 MS. CINO: Exactly. But I would
23 encourage -- you've come up with some good
24 suggestions, Mr. Krause, certainly, yourself. But I
25 would encourage you all, given the 80 percent

1 increased population in the south and the west, I
2 think we need to be bolder than we presently are.

3 And yes, even if you did increase the gas
4 tax, there would not be enough money. And I think we
5 have to be more creative. We're looking to you.
6 We're looking to you to be bolder because there won't
7 be enough money, even with what you're putting on the
8 table today, given the growth that we'll be seeing in
9 this part of the country.

10 And I thank you very much for your comments
11 and for coming here today.

12 MR. SCHENENDORF: Thank you.

13 I, again, don't have a question, but I do
14 just want to associate myself with the remarks of
15 Commissioner Heminger. I think we often lose site of
16 the benefits of the national system and what the
17 interstate system has meant to our economy and our
18 way of life, our national rail system. Without
19 those, we would not be the preeminent economic power
20 that we are, in my judgment.

21 And I think as we look forward, we see an
22 enormous transportation need every place we go,
23 whether it's the growing areas like Las Vegas or
24 New York City with the aging infrastructure that
25 needs to be upgraded. There are just huge, huge

1 costs involved. And we will certainly be looking at
2 the evolution as one solution.

3 In fact, you know, in some ways, it's the
4 easiest thing just to say, let's get out of this
5 business. You know, let's just turn this over to the
6 state and local governments.

7 But when you look at the enormous increase
8 in the investment that we have today, the deputy
9 secretary just referred to, the idea of saying, Well,
10 it's not really the state and local governments in
11 the private sector to come up with all of this
12 increase. And not only the increase that's needed,
13 but the federal government is going to get out of
14 business and you are going to have replace what the
15 government is currently doing, much less what it
16 could do in the future.

17 I have trouble seeing how that results in a
18 national system 50 years from now that's going to
19 meet the economic needs and the mobility needs. I
20 look at just two projects in the Washington, D.C.
21 area. The Woodrow Wilson bridge cost \$14 million to
22 build. It cost \$2.4 billion to replace.

23 And that's a key link on the I-95 corridor,
24 as is the mixing bowl is Northern Virginia. Again,
25 that project cost a little under 10 million and it

1 cost almost a billion dollars for the mixing bowl
2 improvements.

3 I can say categorically, those projects
4 would not have been done if it was just left up to
5 the state and local governments. They were not up to
6 the task. Those roads are important national links,
7 and they are important locally, but they are not so
8 important locally that kind of investment would have
9 been made. And everybody that's up and down the East
10 Coast benefits from those two improvements.

11 So I come down in the same place that
12 Commissioner Heminger does, that we can't lose site
13 of the role that the federal government has played in
14 the past and may need to play in the future to make
15 sure that these national objectives are met.

16 And the idea of turning everything back to
17 the state and local governments and letting them do
18 it, I think, is an option that we will be looking at.
19 But I would ask the proponents of that to come
20 forward and say at the end of the day, 50 years from
21 now, is this going to produce a national integrated
22 system that's going to be able to move our freight
23 and people and interstate commerce and get the job
24 done the way that the interstate system has done and
25 the way that our national rail system has done? So

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that point and comment and that question can obviously be dealt with as we go forward.

But I want to thank the panel very, very much. Believe it or not, we are only five minutes behind schedule. And so instead of taking a 15-minute break, I'd like to take a 10-minute break, and then we'll come back and hear from our last panel.

Thank you.

(Ten-minute break held.)

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