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Governor



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
TAXICAB AUTHORITY

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DENNIS NOLAN
DEAN COLLINS

**BEFORE THE STATE OF NEVADA TAXICAB AUTHORITY
BOARD MEETING AND PUBLIC HEARING MINUTES**

May 8, 2013

The Board Meeting and Public Hearing of the State of Nevada Taxicab Authority was held on Wednesday, May 8th, 2013. The meeting was held at the Taxicab Authority at 1785 E. Sahara Avenue, Suite 200, Las Vegas, Nevada 89104. The meeting began at 9:00 A.M.

Present were: Chairman Ileana Drobkin, Member Josh Miller, Member Joseph Hardy and Member Dean Collins. Others present: Charles D. Harvey, Administrator, David Miller (via phone) Enterprise IT Planner, Enterprise IT Services, Department of Administration; Legal Counsel, Ryan Sunga, Deputy Attorney General; Ruben Aquino, Chief Investigator; and Recording Secretary, Barbara A. Webb. Absent: Member Dennis Nolan.

1. Call to Order.

Meeting was called to order at 9:10 A.M. Chair Ileana Drobkin welcomed everyone to the meeting.

2. Pledge of Allegiance to the Flag.

Pledge of Allegiance to the Flag was led by Member Josh Miller.

3. Compliance with Open Meeting Law.

Administrator Charles Harvey stated that they were in compliance with the Open Meeting Law.

4. Public Comment.

Jay Nady, A Cab – Shared his thoughts and approach to life's challenging issues in the form of poetic prose which he thought might offer some insight to his colleagues.

Sam Moffitt, TA Permit # 19565, Yellow Cab – Stated on behalf of the other drivers of YCS (Yellow, Checker, Star) that they were glad the strike had ended. He referred to the issue of a flat rate for all taxi rides from the airport and noted that the issue had been in the news. He said that a group of drivers had gone to Carson City to obtain political support for a fair contract and to show their support of a bill which would make all rides from the airport a flat rate. He noted that the bill had died in committee without a vote. He stated that the group was able to make contact with others who had interest in the very issue. He suggested there were several solutions, a flat rate or fines for the company and driver was another option and both were acceptable. He suggested that the TA (Taxicab Authority) could take the initiative here rather than waiting on a law to be passed and that this course of action would reduce much of the negative feeling directed toward the industry.

Public Comment was closed.

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5. Approval of the February 26, 2013 Board Meeting Minutes.

Motion: Approve the February 26th, 2013 Board Meeting Minutes
By: Chair Drobkin
Seconded: Member - Unidentified
Vote: Passed unanimously

6. Discussion with Maria Soto, Traffic Manager for LVCVA regarding recent taxicab service.

Not Present

7. Discussion with Chris Anderson, Transportation Manager, McCarran International Airport.

Not Present

8. Discussion with Jeff Zamaria, Director of Events, Sands Expo, regarding recent taxicab service.

Not Present

9. Discussion and Presentation regarding the Electric Daisy Carnival scheduled for June at the Las Vegas Motor Speedway with Simon Lamb, COO of Insomniac Inc., and Rick Nogues, EDC Lead Representative from Las Vegas Metropolitan Police Department (LVMPD).

Simon Lamb, COO of Insomniac Inc. was not present. In his place, Mike Bates, President of Mobility Group, stated that the Electric Daisy Carnival is an annual music festival held at the Las Vegas Motor Speedway and noted that for 2013 it would be on Friday, June 21st, Saturday, June 22nd and Sunday, June 23rd. He stated that they were anticipating 115,000 people on each of those days. He said the festival would run from 7:00 pm to 6:00 am, and was an overnight event. He added it had live music, art, carnival features and theatrical performances. He noted that he had attended the meeting to discuss provisions that they had made with regard to taxis. He stated they considered taxis an important mode of arrival and they were expecting a demand from patrons. To that end he wanted to ensure that the patrons and taxi operators were both well served. He referred to the map and noted it was distributed in the packets.

He explained that they had done some new things for 2013 to specifically facilitate taxi arrivals and departures from the site. He said that it was a key thing and for the first time they had arranged with Nellis Air Force Base to allow buses and taxis on a special route through Nellis. He noted that similar arrangements had been made for the NASCAR event. He referred to the map that had been included in the packets and pointed out the route which would extend from the Hollywood Gate on the south end of Nellis Air Force Base through the base to Las Vegas Blvd. He added that it would reach Las Vegas Blvd. at the point known as Gate 5 of the Speedway at Bergstrom Avenue. He stated that this would give buses and cabs an unimpeded route avoiding traffic into the festival site. He noted that the route would only be available to cabs and the shuttle buses.

Chair Drobkin thanked Mr. Bates for taking the time to appear before the meeting and provide the information to the drivers.

John Hickman, Frias, asked if there were any plans inside the designated taxicab area for the queuing system. He asked if there would be a lineup in a similar manner as was done at the airport.



Mr. Bates responded that they were currently working on that issue, on the layouts. He noted it was a substantial area and they were working on defining a pickup area where as many as 16 cabs could be loaded at one time and said they were also organizing the lines into the number of people who wanted a cab so they could be processed faster. He confirmed that there would be plenty of room to stack cabs prior to getting into the loading area. He noted that that would form part of the information that they would be sending out. He stated that they would have staff inside the lots directing traffic and helping to facilitate flow.

10. A Cab Application for Modification of Certificate of Public Convenience and Necessity. Initial appearances of Applicant and Intervenor. Discussion and possible decision regarding setting a date for the pre-hearing conference, pursuant to NAC 706.933.

Chair Drobkin called on the Intervenor to identify themselves for the record, that they were intervening and intended to oppose the item.

Intervenor were: A Cab; Yellow/Checker/Star Cab Companies; Deluxe Cab Co.; Whittlesea Blue Cab/Henderson Taxi; ITPE Union; Frias Transportation Management; Lucky Cab; and Desert Cab.

Esther Rodriguez, Attorney for A Cab and Jay Nady, Owner of A Cab. Esther Rodriguez stated that it was A Cab's Application for Modification to its existing Certificate of Public Convenience and Necessity (CPCN) pertaining solely to its current geographic locations. She stated that A Cab had been conducting taxicab motor carrier operations pursuant to the certificate issued in May 5, 2001. She added with that certificate A Cab is limited to trips originating west of the Interstate 15. She noted the company commenced operations in 2001 with five taxicabs and said that in the last 12 years had grown to 74 medallions as of the beginning of 2013. She noted that with this request A Cab was proposing that all original restrictions identified in the April 26, 2001 order which had granted its CPCN be removed from its medallions over the next few years. She said that A Cab was proposing that 18 of its medallions immediately become unrestricted and then 18 additional medallions annually having the restrictions lifted, so an approximate four-year implementation.

She stated that A Cab was also requesting that its CPCN be modified to reflect a willingness to share equally a future and temporary permanent medallion allocation as the Board entertained those requests and to be restricted only as much as the other companies that would also choose to share in the additional medallions. She stated that A Cab's proposed modifications would be beneficial to the traveling public as currently the company was unable to provide service to any customer who was in a position east of Interstate 15. She recounted an example of this inability to serve the public. She noted that A Cab had an established base of customers on the west side which it would not abandon. She added that such expansion would be cost effective, eliminating the waste of deadheading back from east of the I15 and at the same time would allow A Cab to better serve the riding public.

She confirmed no reduction in personnel or operating procedures was anticipated and, in fact, they might require additional hiring to fulfill the expansion. She also noted that with the expansion, A Cab would be able to fill the 10 to 15 blown shifts per week due to slow periods. She confirmed the company was financially stable and would better utilize their assets. She explained the difficulties A Cab drivers experienced operating within their designated areas. She noted that there had been negative publicity recently in the press regarding the industry, but A Cab had not been one of the companies involved in these practices. She stated the application was filed pursuant to NAC 706.1375 and NRS 706.391 which they believed were the only provisions in the code and the statutes that addressed modifications. She confirmed that they had supplied all the exhibits required to meet the standard for modification under each of the statutes and were requesting that the Board move to grant the request.



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Mr. Marc Gordon, General Counsel for YCS - Stated that they opposed it. He noted it was his understanding that they were there today to set a pre-hearing conference to all parties' rights to file positions.

Steve Findlay, Deluxe Cab Co. - Stated he supported Mr. Nady.

Cheryl Knapp, General Manager, Whittlesea Blue Cab/Henderson Taxi - Stated that they opposed the application (unintelligible).

ITPE Union - stated that they opposed the application.

Mr. Neal Tomlinson for Frias Transportation Management - Stated that they had filed a petition noting that they had concerns regarding the application. (unintelligible). He confirmed they were opposing the application.

Lucky Cab - Stated that they opposed the application.

Mr. Brent Carson, Law Firm representing Desert Cab - Stated that they were requesting intervention status. (unintelligible)

Motion:	Propose that the Board direct Administrator Harvey to schedule and conduct a Pre-hearing Conference and report back to the board at the next meeting.
By:	Chair Drobkin
Seconded:	Member Hardy
Vote:	Passed unanimously

Chair Drobkin confirmed that it was for Mr. Charles Harvey to set the date, conduct the Pre-hearing Conference and report back to the board. She confirmed the time limit would be between May 8, 2013 and the next scheduled board meeting.

11. Discussion and Possible Decision regarding the Application for Rehearing, pursuant to NAC 706.912 by Nevada Yellow Cab Corporation, Nevada Checker Cab Corporation and Nevada Star Cab Corporation (YCS) regarding Taxicab Authority Testing of "RideIntegrity" in violation of NRS Chapter 242 ("Information Services").

Mr. Gordon, General Counsel for Yellow/Checker/Star, the Applicant in the matter - Stated that in attendance was Mr. Jonathan Schwartz, Director, and Mr. Bill Shranko, COO of Yellow/Checker/Star. He noted that in the previous week they had filed an appendix to their application which contained written materials they felt were supplemental to their application. He added that a copy of that appendix was handed out to all the board members and Mr. Harvey. He stated that they were appearing today as they had filed an application requesting a Rehearing on the RideIntegrity matter. He noted that they were asking that the board reconsider and reverse its earlier order of February 25, 2013 which approved the testing of the RideIntegrity technology in 150 taxis for a period of up to one year. He said they were asking the board to reconsider that decision based on newly discovered information. He noted that they understood the seriousness of asking the board to reconsider such a decision, but felt the board had the fortitude and collective wisdom to reassess. He added that the usual legal basis for a re-consideration would be the discovery of new information justifying an agency to revisit an earlier decision.

He stated that RideIntegrity was first presented to the board and industry at a regular TA board meeting on January 29, 2013 with all five members of the board being present. He stated at the original hearing on January 29, 2013 there was a long presentation with a substantial number of objections,



interventions, and comments. He noted that there was some misunderstanding with regard to the motion and its exact wording. He said that it was clear, from his understanding at the time, that no one was aware of NRS Chapter 242 (he would later refer to as just 242) and how it would apply to RideIntegrity and the new technology being requested.

He stated that 242 established a comprehensive, statutory and regulatory process for evaluating and approving requests by state agencies for new information technology. He said the IT Services Division of the State of Nevada administers 242. He stated that the IT Services Division is headed by Mr. David Gustafson who must approve all requests by state agencies for new technology systems before any development works would take place including testing. He noted that he considered the issue of the process an essential point. He said once the new technology was approved it was called a technology investment request (TIR). He said once the TIR was approved the development, acquisition, and implementation would follow. He stated 242 required a requesting state agency to demonstrate a need and that need would be demonstrated to the IT Services Division through the TIR. The TIR would be supported by the Business Case Document. The requesting agency would assemble all this in collaboration with the IT Services Division and this would be considered the first step. He stated that in this case the need or the request of the TA would first be vetted by the IT Services Division pursuant to NRS 242. He noted that until that request was approved by the head of the IT Services Division no development of any kind by statute could take place by the TA. He confirmed that this was the new information they had discovered subsequent to the January 29th meeting.

He stated that they objected at both work group meetings in February and attended under protest. An objection was placed on the record. They then filed an Opposing Brief with the TA in mid-February. He referred to the following meeting of the TA on February 26, 2013 with three members of the board present. He argued that nothing could go ahead with testing due to the failure to follow 242 requirements. He noted that they were informed by Chair Drobkin that the pilot program had already been approved and an order entered the previous day on February 25, 2013. On February 26, 2013 he had informed the board that YCS would be filing an immediate application for Rehearing based on the failure to follow 242.

He stated that discovery of new information of which the agency was not aware at the time of the initial decision provided ample legal grounds for an agency to reverse a previous order. He noted that as a matter of procedure no one had filed an opposition to their application. He said that in District Court if there was no opposition filed the court would deem the application granted. He stated that the Attorney General's Office had not filed an opposition defending the TA's order and there was no opposition brief filed by any of the intervenors. He said the Frias Group had filed an Intervention which stated in one sentence that there was no new information to be considered. He stated that he believed he had presented such new information.

Chair Drobkin noted the TA did not follow District Court rules. Member Hardy added that the board was sitting as the adjudicator in the matter and was not a party to the matter. He said that neither he nor the board would file an opposition brief in the matter as the TA was not a party arguing against Mr. Gordon's client but was there to listen to the facts.

Mr. Gordon acknowledged his point but disagreed with him stating that he felt the AG's Office would normally file an opposition brief on behalf of an order it was promoting. He addressed the board members and noted that they had given each copies of their brief, appendix, the Statutes, the State Administrative Manual, and the TIR Guidelines. He noted that he was confident that if they reviewed the materials they would agree that the requirements of the 242 process applied and were not being complied with in this case. He said that in the event the matter was appealed he would take the



opportunity to highlight in detail the 242 process and the appendix that had been distributed and proceeded to discuss relevant points.

He completed his presentation by stating that the 242 process was clear and certain and should be followed. He noted that not following it would result in situations of redundancies, the wasting of resources and inefficiencies if agencies proceeded autonomously. He said that with regard to RideIntegrity they thought that the developer and the TA were thinking of funding it by means of SB 430 pending before the legislature which they opposed. He said that SB 430 would impose a 22 cent per trip charge as the price tag for RideIntegrity. He said based on 22 million trips in 2012 RideIntegrity was therefore projected to cost the traveling public approximately \$6 million annually. He noted by comparison the entire annual budget of the TA is approximately \$5.4 million. He said that another point to be considered was that following approval of the TIR by the Division the 242 RFP (Request for Proposals) process would allow for competing technology offerings among qualified vendors of similar technology. He added that RideIntegrity was a startup company but the technology itself was not new and was offered by several other qualified and experienced vendors who specialized in the field of mobile taxi technology. He said they had similar products that had been sold and used for several years. He said that several of these companies were interested in participating in the 242 RFP process. He noted that the order of the TA from February 25, 2013 excluded other qualified vendors which he considered a significant and unfair competitive advantage. He said that the other vendors considered that it would be unfair and anti-competitive and illegal not to allow their participation through the 242 RFP process.

He said in their opinion and in summary, the proposed testing of the multi-million dollar IT project failed to follow the 242 process, excluded other qualified and interested vendors, failed to address budgeting within the state's approved budget, sought to avoid the competitive RFP procedure and further sought to proceed with development without the approval of the IT Services Division administrator.

Mr. Harvey stated that during his career he had implemented several multi-million-dollar IT projects and he stated that once a decision was made to replace a system or implement a new system there would be a formal business case made at that point. The agency would have to demonstrate that there was a need to replace or pursue something new and at that point a formal process would be followed.

Mr. Harvey stated that as it related to the RideIntegrity project when it was brought to his attention he contacted State Information Technology to discuss the pilot project. He said this was at the point where the system was demonstrated before the Nevada Transportation Board (NTB). He said he knew it would be on the TA agenda and so he contacted the State IT and spoke directly with Mr. David Miller about the project. Mr. Harvey said that Mr. D. Miller gave his opinion and stated there would be no issues based on the information he was given for the pilot project approved at the Nevada TA. He said the item was brought before the board and was approved and the staff was subsequently directed to set up a study group and develop parameters which they did. He stated that since then he had had additional conversations with Mr. D. Miller and he said he would like to share some of the information from those conversations which took place via email.

He said on March 5, 2013 Mr. D. Miller stated: "State agencies can have inter-pilots under certain stipulations: 1. No state data is accessed, used or made available to the vendor in any format. 2. The pilot is independent from state systems, in other words it doesn't link to your current systems. This includes the installation of any software agent, component or application on a state or agency server, PC or other device. 3. The agency develops expectations for any deliverables, outputs, reports etc. that would be used to evaluate the pilot's success and further remind application and system requirements or further planning and analysis. 4. There will be no obligation by the agency or the State of Nevada for any financial or other commitment to the vendor. The pilot is for the evaluation of requirements and part of a



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process for further planning and not for the direct acquisition of a product or service which fall outside of the state's normal IT planning, budgeting and vendor acquisition process."

He referred to the occasion when he spoke to the media about the project and said there was no budget. He clarified that there was no budget because it was not a project. He noted that when he said there was no project he meant that the board and the agency had not determined that they would purchase anything or place anything.

He said he would like to share a second email dated May 2, 2013 from Mr. D. Miller: "I think that using the term pilot has had unfortunate consequences. Pilot suggests that you are engaged in a test program for an already determined solution. In your case what you really have is a vendor demonstration. The vendor is showing you what their system can do including giving you example deliverables such as reports. This means that there will not be any direct demand or interface with state resources and there is no commitment from the state for any fiscal or other involvement with the vendor that is showing your system. Ideally this demo should provide valuable information to your agency as you collect requirements and build a budget request for a system. In your process of gathering requirements you should check with similar regulatory authorities in other states to see what they are doing and open the door for other vendors to provide information and/or show off their software. Once you have a pretty complete list of requirements you may wish to formalize this exploration with a request for information that gathers costs related to your needed functionality. This is a pre-TIR process and we have a template for this if and when you are ready. I hope this helps. I'm available if you need me." He stated that Mr. D. Miller was making himself available if the board wished to contact him by phone.

Deputy Attorney General Ryan Sunga asked if the state had made any state data available to FTi (Frias Transportation Infrastructure)? Mr. Harvey responded no. Mr. Sunga noted that it said the pilot was to be independent from state systems. Mr. Harvey confirmed it was independent. Mr. Sunga noted that it said the agency should develop expectations for any deliverables, outputs, reports and sample reports that would be used to evaluate the success of the pilot. He asked if that would be part of it. Mr. Harvey responded that parameters had been developed in the study group. Mr. Sunga noted that it said that there could not be any obligation by the agency for financial or other commitment to the vendor. He asked if there was any obligation. Mr. Harvey responded no.

Mr. Josh Miller stated that he was not at the February meeting. He asked if there had been any discussion at that meeting regarding the minutes because he thought he remembered approving it to go to a work group not a one-year pilot. Mr. Harvey responded that he did not believe that the board approved a time frame for the pilot. There was some discussion and disagreement about what transpired at the January 29, 2013 meeting with regard to what was voted on and approved.

Mr. Kelly Kuzik representing the TA advised Mr. David Miller that he was on the speakerphone in the board meeting. He confirmed that they were in compliance with the Nevada Open Meeting Law and he noted that all questions would be directed by the Deputy Attorney General, Ryan Sunga. Mr. Marc Gordon, General Counsel for YCS took the opportunity to introduce himself. Chair Drobkin asked Mr. D. Miller if he had any advice for the board on the most appropriate way to conduct the demonstration. Mr. D. Miller responded it would be up to the vendor on how the demonstration would proceed. He said he would caution them, as related in his emails, that there should be no access to state data or systems and no commitment on the part of the State of Nevada or the TA or Business and Industry to an entity that would be demonstrating their software and all components that would make it a demonstration as opposed to a pilot which was the testing of software.



He said he would like to clarify the way he saw the issue. He noted that for a process that would have the TIR, basically the agency would have a business reason for what they were doing such as finding a technology solution to a business problem and then the next step would be developing requirements. He stated that during the development of the requirements agencies would oftentimes look at various vendors' demonstrations and information gained through a RFI (Request for Information). He confirmed that was appropriate. He said at this point in the process you are just collecting information and no decision is being made. He said as part of the TIR process the information would be distilled down with their requirements and at that point there would be an evaluation of alternatives. He said at the point prior to that, during the collection of information, he had encouraged the board and the TA to look at the information with regard to the capabilities of other systems. He said now the TA was staged correctly within the TIR process.

Chair Drobkin asked if he thought it was in the best interest of the TA to rename the RideIntegrity program. Mr. D. Miller said that he thought it was in the best interest of the TA not to call it a pilot but it would be up to the board to decide if the name was to be changed. Chair Drobkin asked on its merit if the TA was in full compliance. Mr. D. Miller responded that on the actual merits of what the TA was doing he noted he would encourage the TA to continue to work with him because eventually the TA would complete the TIR and they would then be reviewing what would be the most valid alternatives for meeting the business needs with technology and going forward from there. He mentioned that they were looking at technology solutions as to whether they would go to the cloud or have an off-the-shelf system or build a system. He said those were the types of major alternatives that would be evaluated in the TIR. He said the next step, if the TA obtained funding, and the TA moved ahead would be the RFP process. He said at that point vendor solutions for whatever alternative the TA had chosen, e.g. the cloud, and vendors would then be able to compete under an RFP. He said at that point it would be under another division, purchasing. He added that under that RFP process the Deputy Attorney General attached to his division would be involved, so checks and balances existed during the whole process.

Mr. Gordon asked if they had maintained that it was acceptable for RideIntegrity to test technology on their own vehicles and provide the data. He noted that there were other interested vendors. He said if they were calling it a demonstration could the other vendors come in and do the same. Mr. D. Miller responded he represented the State of Nevada and confirmed that he was not involved with the taxicab companies. He said as far as the protection of and interests of the state, any entity that was developing software could offer it up for a demonstration as long as there was no demand upon the state to provide systems, software or data which was considered both confidential and state property. He said when you went through the process of collecting information from multiple entities you would do a formal RFI because your requirements would be distilled down. At that point you could say to these vendors, to meet these requirements, what would your costs be? The vendors would come back with quotes and you could compare. He said that would be how you get costs to go into a TIR based upon that input.

Mr. Gordon asked for confirmation that he had understood his response correctly. He asked if it was a pre-TIR demonstration and that other vendors would be allowed to participate. Mr. D. Miller responded yes, they are allowed to participate as far as showing their product. He noted that the TA would collect the information from vendors and would be assessing that in conjunction with their business needs and what they saw in various alternatives. He noted that there were examples of all the TIR documents and detailed explanations on their website.

Mr. Nady stated that just allowing one vendor to have an advantage might not be best for the TA. He thought it would be preferable to see what was out there and let the industry know what was available so they could have access to the best system. Chair Drobkin noted that it was the responsibility of the industry to bring products forward, that it was not the responsibility of the TA and board. Mr. D. Miller said with multiple vendors, who would win would come down to what business requirements were



needed. He said how the TA could collect such information his division had a standard template to assist.

Member Josh Miller referred back to a previous meeting and the discussion regarding the putting together of a work group to develop parameters and ways to measure the success of a potential pilot. He said it was months since they had done the vote. He said that it was his recollection that the TA had voted to move forward with a work group not a pilot. It said if the TA had moved ahead with that vote it had been specific that the board wanted to see results of the pilot within 30 days. Chair Drobkin stated that that was the work group. She said there was no way that they would have been able to come back with results of a pilot within 30 days.

Member Josh Miller responded that proved his point that the terminology of work group and pilot were being used interchangeably during the meeting. Chair Drobkin responded that she recalled asking Member Dennis Nolan at the time for clarification and he stated that the intent was to approve a pilot program. She said there was a working group and they did bring back the parameters at that meeting. She said that became a procedural vote, a non-vote, just the procedure of them coming back to recite what had happened at that working group. She said that was on the advice of Deputy Attorney General Sunga. She said his recollection was the same. She confirmed that Mr. Harvey had reviewed the audio and they had had a conversation after to ensure that they were proceeding properly. Member Josh Miller said that for the record it was not his intent to approve a pilot. He said in reviewing the minutes there had been some degree of mixing up the terminology during the meeting. He also asked for an overview or results of the working group as he had not been at the February 26, 2013 meeting.

Mr. J. Schwartz, Yellow/Checker/Star stated that his recollections from the February 26, 2013 meeting coincided with those of Member Josh Miller, that the board approved sending it to a work group and the work group was then supposed to report back for further discussion. Chair Drobkin said the pilot was approved in January. It was noted that there was disagreement on what was approved on January 29, 2013. Mr. Schwartz said a pilot was not approved in January. He said what had been approved was for it to go to a work group and then it was to come back to the board for further discussion and a report at which time the board would have taken a vote. Chair Drobkin stated that it was contingent upon the working group being set up and she stated it was approved at that time. She said that was the recollection of the Deputy Attorney General and it was also the recollection of the person who had made the motion.

Mr. Neal Tomlinson B/O FTi stated that it was his recollection from the meeting on January 29, 2013 that the application that they had made was approved and was simply subject to the work group. He noted there were two work group meetings. He said they came back in February and presented that to the board and at that time there were no concerns or questions raised by any board members about the parameters at that time. He said he wanted to correct some misrepresentations that had been made by YCS. He said that the emails of Mr. D. Miller were clear. He said that Mr. D. Miller had set forth requirements for the program to be in compliance and he was of the opinion that all the requirements had been satisfied. He confirmed there was no state funding or state data being used. He said the program is pre-NRS 242, pre-TIR and pre-NRS 333. He noted they would all come into play later.

He stated that one of the main points presented by YCS was the issue of newly discovered information about NRS 242 which had not been available previously. He said that was not the case. He stated that YCS had stated that FTi had not opposed the arguments regarding NRS 242. He confirmed again this was not the case. He said that they filed a brief, a Memorandum of Points and Authorities on February 25, 2013 in response to the opposition of YCS. He noted it consisted of two pages of rebuttal to NRS 242 and the TIR and therefore the issues were in front of the board. He stated in his opinion, YCS was not presenting anything new. He noted that the program was voted on and they had been operating on



the order that it was approved. The work group parameters were presented and accepted by the board. He said with that said they were asking that the application by YCS be denied and that they be allowed to proceed with their demonstration to the TA. He said they were ready to proceed and as soon as the decision was made the system would be activated as early as May 9, 2013. Chair Drobkin asked for clarification. She asked was it to be activated for the demonstration to compile the information? Mr. Tomlinson responded yes, in compliance with the information set forth by Mr. D. Miller from IT Services.

Member Dean Collins asked about the timeframe when it would all happen, 30 days, 90 days. Mr. Tomlinson responded that the 30-day issue came about as questions had been raised at the meeting suggesting it was too fast. He said for that reason some parameters were put into place and so two work group meetings were set up to flesh out the parameters. He said as far as data, it would start to be streamed within the following ten days.

Member Dean Collins asked if Mr. Harvey's staff would be looking at some of the data within the next 30 days. Mr. Tomlinson responded they would be viewing the data. He said there was no input required by the agency and no special equipment required.

Member Joe Hardy asked what SP 430 was exactly. Mr. Tomlinson responded that SP 430 was a technology bill. He described the bill as pending currently in front of the legislature. He explained it was a bill that would direct the TA to improve technology resources to better regulate and force the existing laws including long-hauling. Member Joe Hardy asked about the current status. Mr. Tomlinson responded that the bill was set for hearing the following week.

Mr. Gordon, General Counsel for Yellow/Checker/Star stated that he would like to use the word 'omissions'. He noted that he did not mention the 22 cent charge/per trip to pay for the technology which was also included in the bill. He said that information allowed them to know the cost of the project. He said he disagreed with Mr. Tomlinson's remarks that Mr. D. Miller's comments were incompatible with the YCS position. He said Mr. D. Miller's remarks were exactly what they had referred to about the process. He said that he would have liked to have had access to Mr. D. Miller's emails earlier. He stated that based on this information and his comments via phone he was of the opinion that the board should modify its order. He said the order was no longer correct and should eliminate any reference to pilot programs and conform to what Mr. D. Miller had said. He said it should also be available to other vendors so they could publish it as an industry. He said in summary his final request was that they modify the order imposing the stipulations stated by Mr. D. Miller which they agreed to as the proper way of proceeding.

Chair Drobkin asked Mr. Gordon why he and the other attorney had not opposed this before the NTA had taken it up prior to the TA and approved it without any controversy. Mr. Gordon responded that it was a limo business and they had not known about it at the time. He confirmed they had heard about it after the fact. Mr. Gordon said they were not subject to the jurisdiction of the NTA so they would not have had legal standing to oppose it. He continued that they had standing before the TA as the board regulated them.

Mr. J. Schwartz, Yellow/Checker/Star stated that he wanted the board and the representatives from Frias to understand the principled objection behind this. He stated that their company had tested products for 30 years and were concerned with what appeared to be an exclusive, exclusionary test of a product. He noted that considering the history of the way they had tested products in the past, they considered this approach to be of great concern. He said they had tested products for durations of a year or plus before they made a decision. He said to them it appeared the TA was proceeding too quickly on this process with one technology without considering other vendors.



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Member Dean Collins asked Mr. Schwartz if there were other providers out there. Mr. Schwartz responded yes. Member Dean Collins asked if they had submitted anything. Mr. Schwartz noted that other vendors had expressed interest in bidding on it. He said that was their main concern, that all possible providers have an opportunity to evaluate it. He said they all needed to discuss whether it was actually needed given the size of the issue. He said he knew everyone was concerned about the public interest in the issue but he stated they were not convinced that there could not be other means to adequately address the issue.

Chair Drobkin stated that she would like to see other vendors with a forward-thinking idea to help solve some of the problems come forward and present them. She noted so far the only company to do that was FTi. She said whether this was that company or another they needed to move forward and give the TA Administrator the resources necessary for him to do his job which was to ensure fairness across all companies and for the tourists.

Mr. J. Schwartz, Yellow/ Checker/Star stated that their company had been spearheading an attempt to address the issue since 2010. He said that they had been proposing a long-haulage database since 2010 and he said he was just hearing from the TA that that would be done. He said that he had also been proposing the posting of fare ranges in taxis which was also going to be done. He said they had also posted signs at the airport and in their taxis as well as increasing fines for drivers convicted of long-hauling. He stated they believed those to be reasonable steps given the size of the problem to the exclusion of spending several million dollars on technology which he doubted was necessary.

Member Joseph Hardy said that his recollection of the events of the meeting was more on track with what Member Josh Miller had expressed and in addition to the comments from Mr. D. Miller on the phone he suggested a granting in part and denying in part of the application. He said to him it was clear that it should not be called a pilot program and he was of the opinion that everyone agreed with that. He suggested that they should modify/clarify the order to call it a pre-TIR vendor demonstration and eliminate all references to it being referred to as a pilot program. He also suggested that they state that as part of the motion or have a separate motion that other vendors are encouraged to submit similar requests for consideration.

Motion:	Moved to grant in part and deny in part (deny what is not explicitly granted) the Application for Rehearing and would grant it to modify and clarify the prior order and to do so by 1. Removing any reference to it being called a pilot program and clarifying that it is a pre-TIR vendor demonstration that the board has approved. 2. In addition other vendors are welcome and encouraged to submit similar requests for vendor demonstrations to the board. It is also stipulated that there should be no state data or systems used.
By:	Member Hardy
Seconded:	Chair Drobkin
Vote:	Passed Unanimously

12. Discussion and Possible Decision regarding the issuance of temporary medallions in the event of a labor strike in order to serve the interests, welfare, convenience, necessity, and well-being of customers of taxicabs and to provide continuous uninterrupted service to the public.

Chair Drobkin stated that the order was pulled from consideration as the strike was over.



13. Public Comment

Bill Shranko, COO YCS, stated that they wanted to thank the board for all their help with providing extra medallions during the 60-day situation which allowed a high level of customer service to continue. He said he was advising the board that they no longer had implemented terms and conditions of employment but a contract signed by both parties and they were happy to move forward. They wanted to thank their drivers for returning to work.

Jeff Zamaria from the Sands stated that the Sands was doing some renovations in the front driveway and from May 10th through the 15th they would be closed to all traffic, taxicabs, limos and buses. He said they were asking that vehicles divert to the Venetian or the Palazzo for incoming guests.

Public Comment Closed

14. Staff Report

a. Administrator's Report

Administrator Harvey advised that there was an employee present that they wanted to acknowledge. He read an email dated April 22, 2013 from Director Bruce Breslow to the Governor's Office and my fellow B&I employees: "Last week the Taxicab Authority played a significant role in the successful recovery of a five-year-old child who was abducted by his mother in Virginia. Based on information received by the TA, John Anderson, Public Safety Dispatcher was able to work with Luxor security officers and LVMPD to locate the taxicab driver, hotel and eventual apprehension of the mother and abducted child. I am very grateful for dedicated employees like John Anderson and would like to publicly thank him on behalf of the Governor and the Department of Business and Industry." Mr. Harvey said it also said John would be receiving a special excellence award pin from our office. The board and attendees applauded Mr. Anderson.

Mr. Harvey referred to the recent LCB (Legislature Counsel Audit) audit that the agency had received. He said they viewed the audit process as a way to listen to constructive advice and identify ways to improve services with a view to becoming a better regulatory agency. He noted the auditors provided a list of recommendations and these had been accepted. He said there was a relatively short timeline to implement the recommendations. He said he would like to read the eight recommendations into the record:

1. To develop additional preventive measures to deter long-hauling practices including providing information to passengers that helps them prevent or immediately identify a long-haul.
2. To comply with agency policy with performing company audits and develop steps to help identify long-hauling practices including steps to hold companies accountable for excessive long-hauling.
3. To work with the Taxicab Authority board to identify information for medallion allocation and assure available resources to file information on taxicab utilization.
4. To comply with policies and procedures for controlling medallions until new technology is implemented including periodic rotation of medallions and verification of medallion validity when officers perform enforcement activities.
5. To develop guidance for companies to help ensure medallions are properly affixed and safeguarded and consider penalties for reporting incorrect medallion information.
6. To ensure proper management oversight so that policies and procedures regarding separation of duties, reconciliation and proper supervision of cash receipts are followed.
7. To limit access to cash receipt systems to ensure changes cannot be made without proper approval.



8. To update policies and procedures to ensure they safeguard agency resources and reflect current practices.

Mr. Harvey noted he would make a copy of the eight recommendations available. He said that the agency had taken a number of steps to address the issues before the audit and have continued to take additional steps since its release. He stated that the agency did not agree with all of the conclusions but they acknowledged that the recommendations were valid and they would follow them.

Member Josh Miller asked about one of the recommendations regarding the long-hauling issue. He asked what would be required of the board to implement some of the changes, specifically the issue of providing additional information to passengers. He said would it entail a sign noting a range of fares to certain locations or reconsideration of a flat rate? Mr. Harvey responded there was the annual review of rates and they would need input there. Member Miller asked if board approval was needed for signage in taxis. Mr. Harvey responded no. He added that with regard to signage he had met with management at the airport in addition to the signage provided by YCS. He noted that the management at the airport had agreed to include additional signage at each terminal and the taxi stations. Mr. Harvey indicated that he had met with members of the industry to discuss revisiting the approximate rate data that they have and ensuring that the data is accurate. Mr. Harvey confirmed that it was his aim to have that data out to the customers within the next three months. He said that he would like to develop his responses to the audit and then come back to the board at the next meeting and advise the board of the proposed plans which would then be discussed by the board members to finalize any actions to be taken.

b. Statistics for February and March 2013

Mr. Kelly Kuzik noted that annual reports were due before May 15, 2013. He added there was a new balance sheet and income statement form on the website that included a current and previous year comparison. He said on the income statement there was a line they had added for the credit card income. He said that companies that charged a \$3 charge had to report that to be in compliance with the board's previous order.

He said the fuel surcharge was still in place. He added the government website which they used for monitoring fuel prices still was showing fuel at approximately \$3.80 a gallon so he said they were not near the \$3.25 criteria to remove it. He noted they had statistics for February and March but only had March on hand. He said he would be happy to answer any questions but added the stats were a little out of synch due to the strike.

Mr. Harvey said that the TA budget closing took place the previous week at the legislature. He stated that he wanted to notify the board of the details. He stated they were approved for seven new positions. He said that they had received approval to replace all 23 of their aged vehicles. He said the TA had received funding for some information technology, some personal computers and laptop replacements. He added they had received funding for relocation. He said that State Buildings and Grounds was providing the TA with a list of available properties. He said the lease for the current building they are occupying would expire on October 31, 2013.

c. Future Agenda Items
No action.

15. Report of Legal Counsel – Deputy Attorney General Ryan Sunga noted that the Déjà vu case had been pulled off the calendar for notice purposes and that they would return in June to deal with that issue.



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16. Adjournment

Motion: To adjourn
By: Chair Drobkin
Seconded: Member Collins
Vote: Passed unanimously

Meeting adjourned at 11:10 A.M.

Respectfully submitted by:

**See note below

 05-31-2013
Barbara A. Webb, Recording Secretary Date

Approved by:

 06-25-13
Leana Drobkin, Chairman Date

 6/7/13
Charles D. Harvey, Administrator Date

**** NOTE:**

The Minutes were transcribed by Aegis RapidText and submitted by Barbara A. Webb.

