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

June 25, 2013

The Board Meeting and Public Hearing of the State of Nevada Taxicab Authority was held on Tuesday, June 25, 2013. The meeting was held at the Taxicab Authority at 1785 E. Sahara Avenue, Suite 200, Las Vegas, Nevada 89104. The meeting began at 9:40 A.M.

Present were: Chairman Ileana Drobkin, Member Josh Miller, Member Joseph Hardy, Member Dean Collins and Member Dennis Nolan. Others present: Charles D. Harvey, Administrator, Legal Counsel, Ryan Sunga, Deputy Attorney General; Ruben Aquino, Chief Investigator; and Recording Secretary, Barbara A. Webb.

1. Call to Order.

Meeting was called to order at 9:40 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.

Sam Moffitt, TA Permit # 19565, Yellow Cab – Stated he wanted to ask several questions regarding a bill just passed in the Legislature with regard to the RideIntegrity program. He noted that when he had made a statement before the Ways and Means Committee before the Legislature in early June 2013 it appeared the program was to take effect in October 2013. He asked if that meant that in October they would have the devices in the cabs or was additional research to be conducted before that step. He said that after listening to both testimony and comments it was apparent that the RideIntegrity System was not in use in any other states. He stated that the issue of a flat rate, signs or placards did not make it out of the Transportation Committee with a vote.

He raised a second issue concerning the 22 cent trip charge which would be added to each trip. He said there was concern about the 22 cent charge not being deducted from drivers' earnings. He stated trip charges would be taken off the top of the gross book and the drivers would share none of this amount in their commissions. He asked if this was the case or would drivers now share trip charges in their percentage. He noted that at the Hearing it was stated that the trip charges would generate between \$5 and \$6 million annually to be paid to a company that did not have the same system anywhere in the United States. He suggested that the bill might not have been passed if the funds were coming from the state as opposed to the pockets of taxicab drivers and the riding public.

Steven Lanett, Whittlesea Taxi – Stated that he had applied for his 14th driver's permit and the process took only 15 minutes. He complimented Administrator Harvey on this excellent service. He provided the participants of the meeting with a handout which included a letter addressed to an editor in Las Vegas concerning issues with regard to long hauling giving examples of different fares he and a group of friends were charged from the airport to the Flamingo Hotel ranging from \$15.00 to \$54.00. He questioned whether an expensive system such as RideIntegrity would solve this problem. He noted that he and many other drivers knew how to address this issue if anyone chose to ask them.

Public Comment was closed.

5. Driver Appeal – Helmi Mansour, TA# 108123

Helmi Mansour, TA# 108123 – (Unintelligible) Stated that an officer stopped him. He noted that the officer lied. (Unintelligible) He said the officer noticed him because he was (unintelligible). He said the officer was behind him from the Tropicana until he went to the airport. He noted that he had not seen the officer even though he would have been behind him at 80 mph. (Unintelligible) He said the officer asked him if he had spoken with the customer and he replied yes. (Unintelligible) He said the officer said, he was sorry, he would have to report him to the court. Mr. Mansour stated the officer lied regarding the situation. (Unintelligible) He said he was not an officer. He asked for the issue to be dismissed.

Deputy Attorney General Ryan Sunga – Stated that he was the prosecutor on the case. He noted he wanted to read into the record the standard of review on appeal to the board from the Hearing Officer. NAC 706.975, Subpart 2, says: *"The petition for appeal must set forth the ground or grounds upon which the appellant considers the order, decision, rule, direction or regulation to be unreasonable, unlawful, erroneous or not in conformity with the law"*. He stated that the board was not there to retry the case but to examine the record and to determine whether or not the Hearing Officer in their decision was either unreasonable, lawful, erroneous or not in conformity with the law.

He noted that it was a long hauling case and for that reason he wanted to read the long hauling statute into the record. He noted it was NRS 706.8846, Subpart 3. It says with respect to a passenger's destination: *"The driver shall not take a longer route to the passenger's destination than is necessary unless specifically requested to do so by the passenger"*. He stated that long hauling was a three-part analysis. He noted the first part is what route do they take? And was it the most direct route to the destination or not? He added that there were two exceptions in that a driver could take a different route if 1) the conditions necessitate it and 2) if the passenger specifically requests another route.

He stated that he would discuss each one of the elements. He said he began the case with a direct examination of Investigator Dudley. He indicated that the examination began on page six when he asked Investigator Dudley where he had first seen the appellant. Investigator Dudley responded that he had started following him on the I15 south in the vicinity of the Tropicana. He stated that the appellant was speeding on the I15 and he followed him on to the 215 East through the tunnel and on to the airport. He noted the appellant was speeding during the whole period. Mr. Sunga asked Investigator Dudley where the fare had originated and he responded that the appellant told him the fare originated at The Palazzo. Investigator Dudley, in response to a question, noted that the 215 and tunnel was not the most direct route to the airport. Mr. Sunga asked for the most direct route. Investigator Dudley responded the route including Paradise most of the way.

Investigator Dudley said if he had taken the Paradise route the fare would have been approximately \$16 or \$18 from The Palazzo to the airport. Mr. Sunga stated that Investigator Dudley had looked at the



meter and the fare was in excess of \$30. He stated that with regard to the first part of the long route analysis, the most direct route was not taken.

Mr. Sunga referred to the second part of the analysis which would be the conversation between driver and passenger. As per the statute if a driver was to deviate from the most direct route the passenger would have to request it. Mr. Sunga stated that Investigator Dudley had the passenger complete a written statement which stated that no conversation regarding the route took place. The driver had taken the passenger from The Palazzo to the airport and did not ask permission to take that specific route. Mr. Sunga noted that he had asked Investigator Dudley if he had spoken to the driver about the route and the driver had admitted to Investigator Dudley at the time that he had not had a conversation with the passenger with regard to the route. Mr. Sunga referred to the issue of conditions and stated that there was no indication that any conditions necessitated the longer route. Mr. Sunga stated in summary that a long route was taken. The passenger had not requested it and the conditions did not necessitate it and therefore it was illegal.

Mr. Sunga referred to the appellant's defense at the Hearing and stated it was similar to his comments at the current board meeting. He stated that his first defense was "he was not following me" and "nobody behind me at all". Mr. Sunga stated the appellant was saying that Investigator Dudley was fabricating the entire incident. Mr. Sunga indicated his second defense was "he didn't talk to customer", "he don't see customer". Mr. Sunga stated again the appellant was insinuating that Investigator Dudley was fabricating the passenger's written statement. Mr. Sunga referred members again to the transcript and stated the appellant testified that "he had to talk to customer in front of me if he say that he talked to customer, I don't believe you". Mr. Sunga made the point once again that the appellant was insinuating that since Investigator Dudley had not talked to the passenger that he could not have gotten a written statement.

Mr. Sunga added that Investigator Dudley also wrote a speeding ticket as he said the appellant was speeding on the 15 and through the tunnel. Mr. Sunga stated that Investigator Dudley made a typographical error on the ticket and wrote it under the incorrect NRS. Mr. Sunga stated that he thought it was fair to dismiss that speeding ticket and the Hearing Officer granted Mr. Sunga's motion to drop the ticket. Mr. Sunga said once the speeding ticket was dropped the appellant said "if he lied on the speed, he lied on this too". Mr. Sunga noted he objected to that at the hearing as there had been no mention of anyone lying with regard to the speeding ticket, it was a typographical error.

Mr. Sunga stated that the appellant testified that he had spoken to the passengers and had warned the passengers that taking the highway would raise their fare from \$18 to \$30 but they wanted to take that route anyway. The Hearing Officer asked the appellant how he would explain the passenger's written statement that stated they had no conversation with the driver. Mr. Sunga said the appellant responded "that was a forced statement" or he was saying that Investigator Dudley was coercing the passengers into filling out the statement. Based on all the testimony and statement the Hearing Officer found that the appellant, Mr. Mansour had long hauled the passenger.

Mr. Sunga stated that the question for the Taxicab Authority (TA) now was, was that decision given all that evidence unreasonable, unlawful, erroneous or was it not in conformity with the law? Mr. Sunga stated that based the allegations against Investigator Dudley and the weight of the evidence against Mr. Mansour that the decision by the Hearing Officer was not unreasonable, unlawful, erroneous and it wasn't not in conformity with the law.

Mr. Helmi Mansour – Stated that the officer talked to the customer and he waited about half an hour. (Unintelligible) He said half an hour he forgot me. The customer was getting out. (Unintelligible) He said the customer left without anybody talking to her. (Unintelligible) He said the officer said we are so busy.



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We will deal with you. (Unintelligible) Mr. Mansour said he was given a paper and they had given him two tickets. He said the officer said he had to. (Unintelligible) He said the officer said, I follow him (intelligible) saw him speeding. He thought something wasn't right. (Unintelligible) He said he don't talk to the lady. He don't talk to me. (Unintelligible) Because he lied. I lie in any court, you kick me out.

Motion: To deny the appeal noting that the speeding charge was dismissed and is not before the Taxicab Authority. Nothing in the record indicates that the ruling of the Hearing Officer was either unreasonable, not in compliance with the law, unlawful or erroneous. The record indicates the officer's ruling was correct.
By: Member Hardy
Seconded: Member Collins
Vote: Passed unanimously

6. Approval of the May 8, 2013 Board Meeting Minutes

Motion: Approve the May 8, 2013 Board Meeting Minutes
By: Member Collins
Seconded: Member Nolan
Vote: Passed unanimously

7. Discussion with Maria Soto, Traffic Manager for LVCVA, Regarding Recent Taxicab Service.

She discussed Associated Surplus Dealers (ASD), Nightclub & Bar Expo (NAB). She noted ASD brought long lines at the cab stands. She said the NAB had about 155 people in line at any given time. She said with regard to NAB there were challenges with regard to the demonstrators from Yellow/Checker/Star (YCS) but with the assistance they were able to recover and get the attendees back to their respective hotels. She confirmed that since an agreement was signed they had had good cab service with the exception of June 20, 2013 Energy Management at the Center and Cascade at Cashman with 4,000 attendees at both events. She said the Esthetics, Cosmetics and Spa Conference was the previous week and there were some challenges on Sunday and there was a 25 to 40 minute wait. She noted they had reached out to Frias who worked the cab stand and got people out in a timely manner.

She indicated they wanted to improve service at the Center and noted they wanted to schedule an industry meeting at the convention center and invite all the cab drivers to come. She indicated they would be discussing the challenges that they face at the Center, for example, access, and there would be presentations. She indicated that they would be scheduling it tentatively for July 30, 2013 from 11:00 a.m. to 1:00 p.m. and would be sending information out to all taxicab companies. She said they would follow-up with a road supervisor meeting as well and noted they would be providing lunch at both meetings.

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

Not Present

9. Discussion Jeff Zamaria, Director of Events, Sands Expo, Regarding Recent Taxicab Service

Lawrence R. Montoya, Head of Security, Sands Expo – Noted that he would be replacing Jeff Zamaria. He noted that taxicab service that they had received within the last few weeks had been fantastic and they had no complaints. He noted that in the upcoming three to four weeks they would be busy with conventions and shows. He added that 4,000 people were coming in during this week and 8,000 were



expected during the week of July 5th to the 12th. He said an additional 6,000 would come from retail and tobacco in mid-July. He said they would have 15,000 coming in for the Wheel of Fortune coming up.

10. DÉJÀ VU SHOWGIRLS OF LAS VEGAS, LLC, et al. v. A CAB LLC, et al. Hearing to comply with Remand Order from the Eighth Judicial District Court to consider NRS 706.885 (2) (a) in terms of the Nevada Taxicab Authority's ability, potentially, to impose discipline on certificate holders for alleged violations of NRS 706.881 through 885.

Intervenors were: A Cab, Whittlesea Blue Cab/Henderson Taxi, Nellis, Frias Transportation Management, Yellow/Checker/Star and Western.

{00:32:29:15} VERBATIM

Chair Drobkin: Good morning Mr. Beller, how are you?

Atty. Beller Fine, how are you? Mr. Neil Beller on behalf of DÉJÀ VU and Mr. Mahoney is here on behalf of DÉJÀ VU and also Little Darlings. He would like to address the Authority.

Chair Drobkin: Okay.

Mr. Mahoney: (Unintelligible). Thank you for the opportunity to address you. Recently Little Darlings and VEGAS SHOWGIRLS were (unintelligible) litigation against the TA, the cab companies whereas (unintelligible). This case was about diversion, extortion, boycotting, disparaging remarks, lies, lies, super fraud and text fraud. Issues involved in the case were our companies responsible for their drivers? The court said yes. The TA was given the ability to hold companies responsible for the illegal activity of their drivers. From the (unintelligible) is it okay for drivers to put paying customers from business they (unintelligible) because they are being paid larger amounts of money to take people to those other businesses? By statute it's against the law and I enforce it very often.

With this diversion of boycotting, disparaging remarks become extortion mainly because the drivers, cab companies that allow it, allow their drivers to say whatever they want, take the passenger to a business that pays more money become extortionate businesses that don't want to pay a portion or match the same amount or they don't gain any business really never settled. There seems to be very little enforcement. Does the TA have certain companies and drivers are taking tourists to illegal businesses and clip joints because they're paid \$150 or up to \$250 a person? It seems not. There seems to be no enforcement of (unintelligible) these companies or drivers. I've seen hundreds of tourists come by my clubs and complain about being clipped.

When I go to work early in the morning or when I leave early in the morning to go home I usually suggest (unintelligible) they call the police or deny charges on their credit cards. Again, I don't know for a fact these people were trotted or not but they sound like they were. Over the past 12 years I've seen a million enquiries (unintelligible) a million enquiries the IRS had required us to use 1099 in drivers for money paid to them by clubs and clip joints. On every occasion their answer is the same. I (unintelligible) documented receiving acquired before the deductions. A 1099 is required for anyone that's paid over \$600. Until 2000



there were only three businesses that missed compliance in this city leading to the gentleman's clubs.

Because of my continued (unintelligible) the IRS they did force compliance. Now there are being state and federal taxes collected on over \$50 million. In conclusion I have a simple question for you. Are you going for it, enforced it, NRS statutes? Are you going to protect our tourists? Are you going to see the cab (unintelligible) companies (unintelligible) if reporting regulations? Are you going to investigate diversion? What are your plans? I only want to know the rules. I don't care what the rules are. I just want to play within the confines of the rules so that we're on an equal playing field with the other businesses in town.

Atty. Beller: Thank you and I might add if I may (unintelligible) a copy of this opinion and effectively (unintelligible) if you will on the authority to implement what you will in terms of more stringent regulations or not as the case may be. It's our position that although the cab companies will say we tell our drivers what to do I know the Authority has a program in terms of (unintelligible) diversion etc. But we can go to any of the clubs that pay high dollars to these cab drivers and even though theoretically they're now based upon this (unintelligible) litigation if you will going to the Justice Department and having them enforce the 1099s and the beat goes on and some of the clubs that pay to hire (unintelligible) money which in our (unintelligible) we believe is adding to the diversion and the extortion by the club owners that pay and unless you do something nothing is going to effectively happen.

Chair Drobkin: I want to just comment and I appreciate your time as well but I want to just comment that most of the things that you are speaking about are outside the TA's jurisdiction for simply here we can only deal with the diverting issue in total. So I just want to get that on record for the both of you to clarify that. That is what we're here to do and my understanding of the order is that this body is to specifically look at (2) (a) and so I just want to make sure that we're narrowed and focused to what is actually in this binder and I did read those pretty much cover to cover so. It took me a few days but I did get through it, so. I do understand what this is about even though I wasn't here initially, so.

Atty. Beller: And that is our only point. We would request that not only that the re-regulations but that they're implemented and right now even though they're on the books from an NRS or otherwise nothing has really changed in our opinion.

Chair Drobkin: I understand. So let's get through. Let's get through what we need to hear and get through and then we'll work on step (b) and that's we do have a new team, a fantastic chief, fantastic administrator so it's kind of a new day over here. So let's move forward and consider what we need to, okay. Is that all you guys want to say?

Unidentified: Yes.

Chair Drobkin: Does anyone have any questions? No, okay. Okay I'll allow interventions at this time. A Cab...?

Atty. Rodriguez: Good morning.



Chair Drobkin: Good morning.

Atty. Rodriguez: Esther Rodriguez, attorney for A Cab, First of all the board is probably aware of this fact. It's on the record to be clear. Although the agenda item and some of the references to DÉJÀ VU versus A Cab, there is an et al which basically, this does involve the majority. The complaint here, as well as what proceeded before the District Court does involve the majority of the cab companies. There were a few that were left out of Mr. Mahoney's and Mr. Beller's complaint. A Cab did participate in objecting before Judge Herndon on the petition for judicial review and we'd like to continue to participate in anything that goes forward before the board on this. The problem with this case is probably what my attorney colleagues will mention is that there has been ongoing litigation before Judge Gonzalez in another department and the plaintiffs just made reference to that. I'm calling them plaintiffs because that's what we've been referring to them over the course of discovery. They're the very same claims. They're the very same investigative reports that are basically being presented to this board, Judge Herndon and Judge Gonzalez, both District Court judges.

I'm not going to get too far into that because I know the board is very limited in terms of what you want to hear about diversion but I do feel that it's important to make you aware that we've participated in over a year and a half of discovery about those claims. Before the District Court case we took over 18 depositions, written discovery, thousands of documents were exchanged. We are about to go to trial. A Cab moved for summary judgment and Judge Gonzalez did grant that in our favor. Judge Gonzalez basically said that after a year and a half of all of this there was not any admissible evidence that was presented by the plaintiffs against A Cab.

So, you know, this unfortunately cost A Cab over \$100,000 in attorney's fees. I'm sure my colleagues will also mention that the attorney's fees in this case for each party was way over \$100,000. The clubs were also defending themselves in this matter and you know, I heard estimates anywhere from half a million upwards in terms of just attorney's fees to defend them and here we are again having to defend the same claim before this board. We, if the board does take into consideration any additional evidence, I do intend to present everything that was before Judge Gonzalez because again, we already did discovery on diversion and now Judge Herndon has sent it back for you to look at the same items again. But as I mentioned, you know, these are duplicative forums and this matter has already been litigated. So we're going to ask. We are going to be asking for to uphold the previous finding which we believe was proper, that there is no evidence against the companies for diversion or commercial disparagement. Thank you.

Chair Drobkin: Thank you. Whittlesea...?

Atty. Trafton: Good morning, Mark Trafton on behalf of Whittlesea Blue Cab Company/ Henderson Taxi. I'm going to keep my comments very short. Like Ms. Rodriguez said I participated in the litigation of this ruling at least two years and the second, the separate case, the petition for judicial review had to do with the exact, same issues in the other case that we're doing discovery on. At the last



hearing the parties, Judge Herndon granted the petition through, for judicial review.

Then we filed for a motion to reconsider and he denied that. In denying that motion, and this is my impression, everybody can disagree or agree, however they see fit, but when he denied the motion he said, I see no evidence from my review of the record that the Taxicab Authority considered 885 (2)(a) in its decision. I see evidence that they considered (2)(b) but I see no evidence that they considered (2)(a). And what I was left with when I walked out of that hearing was what Judge Herndon was concerned about was that there was no, nothing in writing saying here's why (2)(a) does not apply to this situation. The Taxicab Authority board looked I believe, correctly at (2)(b) and determined that there was not sufficient, probable cause and therefore dismissed the complaint.

And so it went through all the appeal process and by the time it got to Judge Herndon he looked at all the record and there wasn't any reference to (2)(a) so my respectful suggestion is at this point, what needs to be on the record is somehow discussion concerning (2)(a) either why you believe it does apply and then you apply the allegations to (2)(a) or you say here's why (2)(a) doesn't apply. And I think the case for the latter is much stronger. In my opinion (2)(a) does not apply and it doesn't apply for the reasons that have been argued by two of your attorney generals. The first, Mr. Davis in his reply to the Division for Judicial Review essentially argued and I'm just going to paraphrase here, that the concept of *respondent superior* doesn't apply to administrative bodies and we are dealing with an administrative body such as this. You have to look at the statutes very specifically and apply the statute specifically to the facts.

DAG Sunga: Mr. Trafton, could I interrupt you for a second?

Atty. Trafton: Of course.

DAG Sunga: Could you explain to the board what *respondent superior* means...

Atty. Trafton: Yes.

DAG Sunga: ...before you go on.

Atty. Trafton: Yes, I'm sorry. *respondent superior* is a Common Law theory which means it's developed through the years by cases that have been heard by appellate court, the United States Supreme Court, is a theory that generally says the Common Law theory that generally says that employers are responsible for the acts of their employees as long as those acts were conducted in the course and scope of their employment. Okay? Again, it's a general theory of law that's applied in civil litigation cases.

But what the Nevada Supreme Court has said and it was cited by Mr. Davis in his reply to the position for judicial review, our Supreme Court in Nevada has said that Common Law theory of *respondent superior* where employers are generally responsible for the acts of their employees is not applicable to administrative agencies especially when there are specific statutes that talk about what the employers are responsible for. That's what we have here in (2)(b). (2)(b) says



that the taxicab company certificate holders are specifically responsible for knowingly permitting their drivers to violate these prior acts that are referred to. I think it's 881 through 885, okay.

So our Supreme Court says when you have a situation like that where our legislature has specifically said, here's what the employers are responsible for *respondeat superior* does not apply and that's what Mr. Beller has been arguing sort of all the way through this case, is that the certificate holders are responsible for diversion of the drivers and the reality is we have statutes that say, drivers are not allowed to divert and if they do, here's what the punishment is. It spells it out. There are actually fines that can be assessed for the first offense, second offense and I could point you to the statute. It's all in there, 888, 887 is the actual consequences for diversion. So our legislators have already contemplated this issue and what the remedy is.

What is being asked for, I believe, is beyond what the legislature contemplated. But what Judge Herndon was troubled with is that, and here's what I believe. I believe the board looked at (2)(a) and said, this doesn't apply, we need to apply (2)(b) because that's what specifically applies here. But what bothered, I'm sort of guessing here, surmising based on what Judge Herndon said. He was troubled that it didn't say anywhere that you guys looked at (2)(a) and determined that it didn't apply and explained why it doesn't apply. So one would be because the Common Law theory doesn't apply to regulatory bodies, the second reason why which again was briefed by your Attorney General Mr. Sunga, very well-reasoned and he articulated the legislative history. And earlier I was talking about why the legislators contemplated and how they wrote the laws the way they did, he went back, did the history.

This specific statute was enacted in 1969 and (2)(b) was not originally in there in 1969. (2)(b) was added in 1977. Why? Because the Taxicab Authority needed to have some specific way to hold certificate holders responsible for the acts of their employees, so in 1977 the legislature added (2)(b) and there it is. It's in there now and that's the standard by which you govern or you hold certificate holders to. The standard is, did you require them to violate the law? Of course not in this case and number two would be, did you knowingly permit this to happen? And that's what the board considered well over two years ago I believe it was when they denied the complaint and dismissed the case.

So those are two reasons why I think it would behoove this board to articulate that in its order, yes, we considered this, (2)(a) that is and here are the reasons why we don't feel it applies. Here's why we believe (2)(b) applies and that's what you applied originally. My remarks went a little longer than I intended but if you have any questions I'd be happy to answer them.

Chair Drobkin: The only question I'd have is (2)(a) specifically talks about a violation.

Atty. Trafton: Right.

Chair Drobkin: To my knowledge there wasn't a violation found for whatever reason. Most of us weren't here. I think Josh was the only one here. Member Miller was the only one here at this time but a different administration so.



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- Atty. Trafton: Sure.
- Chair Drobkin: Just in looking at that it talks specifically about a violation of the provision. Just guessing that that might have been why they didn't look at that.
- Atty. Trafton: There you go.
- Chair Drobkin: Five years ago but.
- Atty. Trafton: That could be it and again getting back to Judge Herndon's remarks he just seems perplexed why there wasn't any discussions in the order. And he was primarily open, to be candid, he was primarily focusing on the order from the NTA. The NTA kind of hammered (2)(b) and said, not only is there evidence that the certificate holders are not knowingly permitting it, they have policies against it. They discipline their drivers for doing it so it's kind of the opposite and so that was sort of the crux of the NTA order and Judge Herndon he kept saying, look, I can see that the NTA when they were reviewing the TA, they were very clear about (2)(b) but I see nothing in here about (2)(a) and Mr. Beller is raising (2)(a) and I don't see that the TA considered it.
- And we were all, the taxicab attorneys were frustrated because we felt like the prior board did consider it and believed that it didn't apply but there was not proof of that in the order so we were kind of stuck with it at that point. So it could have been that very reason because there was not, there were allegations of a violation but there was never a hearing and which as you know, that the statute acquires, if you allege these certain things there has to be a hearing to determine, just like there was a hearing earlier. There were no hearings on that.
- Chair Drobkin: So my understanding as well. Member Miller, do you have anything to add? (Unintelligible)
- Member Miller: No.
- Chair Drobkin: Any questions? Okay, thank you sir.
- Atty. Trafton: Thank you very much.
- Chair Drobkin: Very informative. Nellis...?
- Atty. Brent Carson: Good morning, how are you?
- Chair Drobkin: Good morning.
- Atty. Brent Carson: Representing Nellis Cab Company, I'll be very short and sweet.
- Unidentified: That's what the last guy said.
- Atty. Brent Carson: I know. It just so happened that Ms. Rodriguez stated everything correctly. It was my understanding as well that we're here to see whether the board considered (2)(a) and that's our narrow (unintelligible). That's what we're confined to and that's what the order, my understanding of the order from Judge



Herndon is so. If you have any questions on behalf of Nellis Cab, we've been in the same litigation for over a couple of years too. I believe Mr. Trafton stated everything pretty eloquently.

Chair Drobkin: Okay.

Atty. Brent Carson: Thank you.

Chair Drobkin: Thank you sir. Frias...?

Atty. Tomlinson: Good morning Madam Chair, members of the board, Neal Tomlinson (unintelligible) for Frias Company. We're named in the DÉJÀ VU complaint. I agree, I'll be short too. I agree completely with Mr. Trafton. I think his arguments are squarely on point and I think he concisely, correctly summarized the issue before this board. The issue is simply to consider section (2)(a) and to the Chair's point about (2)(a) speaking to any violation, that's actually, absolutely correct. The fact was, the finding by the administrator was, at the time, I believe it was Gordon Walker. The finding was that there was no probable cause for a violation. So that's yet another reason why (2)(a) wouldn't apply in this context because there was no violation found.

There was simply no probable cause to determine a violation. And then the second reason is as Mr. Trafton stated is the legislative history is clear that the TA actually went to the legislature in 1977 and said, hey, we need a mechanism to hold the companies liable when they do something wrong and that's why (2)(b) was added. So there obviously would have been no reason for them to go to the legislature and ask for that if they felt they had the authority under (2)(a). So again, I concur with Whittlesea's comments and Mr. Trafton and certainly would be able to answer any questions of the board members.

Chair Drobkin: Does anyone have any questions? No sir.

Atty. Tomlinson: Actually there's one other thing I wanted to state and this was, I put this on the record way back when this hearing first took place and the complainant was denied. The situation that Mr. Beller and his client described, it's important for everyone to realize that the situation that is created by Mr. Beller's client and his competitors, the practice of offering gratuities to drivers for delivering them to their business establishments is a practice that has been created solely by Mr. Beller's client and his competitor. Throughout the record in this case Mr. Beller's clients freely admit that they participated in that practice. I think that's an important overtone to this whole complaint that should be considered.

Member Collins: I'm just to weigh in Mr. Tomlinson. I've read your comments in the 2010 hearing and you kind of point to that exactly and I agree with you. I think everyone is participating in and part of the problem there because if, I could see if a company doesn't pay drivers anything. The only other companies are paying them to divert them to their club, that's one thing but everyone's participating and paying and I think in this particular situation at least the way I read it you've got certain clubs that are paying a higher amount so that in itself is fueling the problem. I agree, thank you.

Chair Drobkin: Thank you. YCS...?



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- Atty. Gordon: Good morning Madam Chair.
- Chair Drobkin: Good morning.
- Atty. Gordon: Marc Gordon, General Counsel for Yellow/Checker/Star. I think Mr. Trafton, Mr. Tomlinson and the other counsel have excellently covered our position in regards to this matter and I really have nothing to add to the points. We have joined in with the other counsels, the other companies' counsels throughout this lengthy and expensive litigation. It's concluded and I think this is the only issue that's left to be resolved so we'll join in their comments.
- Chair Drobkin: Thank you sir. Western...?
- Marilyn Moran: No comment.
- Chair Drobkin: Okay, thank you. ITPE...?
- Unidentified: No comment.
- Chair Drobkin: Thank you. Would you like to respond, come up and respond?
- Atty. Beller: If I may respond to Mr. Collins' remark, DÉJÀ VU and Little Darlings.
- Chair Drobkin: (Unintelligible)
- Atty. Beller: Sorry?
- Chair Drobkin: Please identify yourself.
- Atty. Beller: I'm sorry. Neil Beller again. The reason DÉJÀ VU and Little Darlings pay is that if they don't pay they're not going to get the business. What Judge Herndon specifically said was, you have, and let me just briefly read the order: *"That the Nevada Transportation Authority's order dated May 4, 2011 is erroneous in terms of the application of the law as there is no evidence in the record to suggest that the NTA or the NTA Authority considered again (a) in terms of the ability to impose discipline on the holders for alleged violations"*. Effectively what we're asking for and what Judge Herndon simply said is that you now have the authority contrary to what Mr. Trafton said, you have a greater authority now to implement regulations and hopefully enforce those regulations against these certificate holders and that's all that we're asking for, is that there be regulations, that they be implemented and there be a level playing field so that effectively the consumers, the people that come to our town effectively are not paying more because in essence the clubs are being extorted by paying these greater amounts of money and that's what we want you to try and have you do and implement so that consumers, the tourists aren't ripped off. And then all Judge Herndon said was he is giving you the authority the way he sees it to implement regulations against owners.
- Member Collins: Sir, I'd like to ask a quick question. (Unintelligible) What do you think these regulations should be?



Atty. Neil Beller: Well, throughout the litigation and again there was the Judge Herndon litigation and Judge Gonzalez and, notwithstanding, Ms. Rodriguez's comments because there were resolutions across the board for a myriad of reasons and throughout the depositions in the Judge Gonzalez case. It's apparent at least in terms of people that testified that we have regulations. The authority has regulations that they have a three-hour class telling drivers not to divert, etc. The cab companies have pamphlets that they give to the drivers and they say, do not divert and diversion is against the Nevada Revised Statute etc. But you can go to any one of a number of clubs, the clubs for example that are not paying and I believe Mr. Mahoney on Las Vegas Boulevard does not pay. He will not see lines of cabs coming there because he is not paying.

The clubs that do pay the most, notwithstanding what Mr. Mahoney did in terms of the IRS enforcing them, which he did, to implement existing laws that were on the books in terms of 1099s, the point being is the clubs that are paying the most and if you go to some of those clubs at night and at 2 and 3 in the morning where they're waiting for passengers because again they're being paid the most. It is our position if you pay the most, if this is implicit diversion on the face of it.

Chair Drobkin: Mr. Beller, I'm sorry, I don't mean to be disrespectful and stop you but in the order that I have in front of me, I don't see where it says anything about the expansion of regulation or the authority. It just says to simply remanded it back for us to review (2)(a) so I apologize for that so if we can kind of narrow the conversation back to again, what's in this binder and the issue at hand I'd appreciate it. We are not here to expand our authority or regulation in any way. We're simply here to apply (2)(a) and to either uphold or not. So if we could bring this.

Atty. Beller: (Unintelligible) I understand that. That's what Judge Herndon implicitly said because everyone had to sign off on this order. This is what ultimately came up as the order. But according to the court you do have the authority. What you do with it as Judge Herndon said, parenthetically, is going to be up to you in the last instance but notwithstanding what Mr. Trafton said this is the order. You have the ability of now doing what you will or not as the case may be.

Chair Drobkin: Right, right, understood.

Member Hardy: Yeah, I would, I would echo the Chair's comments. I think our authority, if you will, on what is essentially a remand from Judge Herndon is to consider NRS 706.885 (2)(a) and in terms of and quoting from this order, in terms of the Nevada Taxicab Authority's ability potentially to impose discipline on certificate holders for alleged violations of NRS 706.881 through 885 and so to me, yeah, our scope of what we're doing here today is narrowly bound by Judge Herndon's order because obviously he didn't have a problem with what the board did with respect to (2)(b). It appears that it was the fact that the board previously did not consider (2)(a) is all. So I don't see where he's telling us we can or we need to do anything in terms of issuing new regulations or anything like that.

Atty. Beller: Well he says, if I may on line 17, the ability to impose discipline on certificate holders for alleged violations so what he is saying is you can. He did parenthetically say at the hearing you can choose to do nothing but you have the



ability. Our position is we would like you to do more than is being done and particularly if there is a violation and according to (a) you do have that authority and that is our only point.

Member Miller: Can you, I mean specifically, talk about what violation has been presented to us here in (2)(a). Can you cover that? I mean, what we're trying to determine, that's what we need to weigh in on I think. That's according to Judge Herndon.

Atty. Beller: Well, I mean specifically what we're asking you to do, to answer the question, is implement regulations.

Member Miller: No, that's if we find that there was a violation. Now I mean I was here, I received the private investigator report, right? But I don't, I'm not aware of any, like, violations that came out of that investigator's report or any taxicab drivers cited. Were there any tickets issued? Or I didn't.

Atty. Beller: Which report are you referring to?

Member Miller: The private investigator report that you submitted when I...

Atty. Beller: Going way back when?

Member Miller: Right.

Atty. Beller: Okay, we believe notwithstanding Ms. Rodriguez' comments that there were numerous violations against drivers. Now whether or not the companies themselves knew, participated or what we believe turned a blind eye in terms of what was going on, this is what we're asking you to implement. The argument on the other side of the fence is well the Authority basically tells the drivers not to divert. Our companies have a little pamphlet and we tell the drivers not to divert and then we discipline them if we find that they have.

But effectively throughout several years of litigation there was nothing to indicate that anything specifically happened to any of the drivers and the companies in our opinion were turning a blind eye. Now all we're asking you to do, notwithstanding and re-litigating something that has been resolved, is we're asking you to effectively, if you find that the companies are turning a blind eye or not doing enough to implement enforcement of not diversion that you have the ability of doing so. That's all that we're asking for.

Chair Drobkin: Now remember we're just for further clarification, there was an allegation but it was never substantiated by the agency?

Atty. Beller: Right.

Chair Drobkin: So that's where we're at now and again I focus it on to (2)(a) is what we're under court order to look at, not to re-litigate, not to bring in other evidence as if it was five years ago. I can understand your frustration, I really can. I wasn't here five years ago and neither was the administrator, the chief, so I do apologize that, you know, for you. But what we have to do for right now is we're specifically to look at (2)(a) and my sentiment is there was no, because there was no



substantiated allegation. There was no ticket issued. There was no court (unintelligible) for those drivers and there was no violation.

Atty. Beller: And I might add if I may Chair Drobkin, that the Authority (unintelligible) that hearing going back when and they only looked at the companies and not the drivers and there was a suggestion that they were to go and to look into the drivers per se.

Chair Drobkin: Right.

Atty. Beller: And nothing ever happened.

Chair Drobkin: And did? Right and so the conclusion of that, there was nothing issued. There was nothing issued and that's where I understand your frustration. I absolutely do but for what we're tapped to do that is what we have to look at right now, you know, the five or six years after the fact.

Member Nolan: Madam Chair? I just wanted to ask our leading counsel what are the remedies that this board has for disciplining certificate holders who violate, you know, the section, statute 706.881 to 885 and particularly referring to subsection (2)(a).

DAG Sunga: Yeah, that's a good question and if you look at 706.885, subpart 2, it gives you a maximum and I guess your discretion would be anywhere between nothing and that maximum. It says that penalize the grantee of a certificate to amount of \$15,000 or penalize the grantee of a driver's permit to a maximum of \$500 or suspend or revoke the certificate of a driver's permit granted by the Authority. So there are options of monetary fines. There are options of suspending certificates or revoking certificates.

Member Nolan: So we currently have the authority and I read that as well. I think I wanted it read into the record but we currently have the authority to take disciplinary action if in fact there was a citation issued that was upheld and brought before this. I guess the other part of this then and I don't mean to put Chief Aquino on the spot but just to ask if there is a level of enforcement? Are we looking for these type of violations and you know, apparently in the last several years we've not seen any citations issued so I don't know if there's an enforcement issue or you know, what the threshold is to write these type of citations. So, Chief maybe I can ask you to comment on what level of enforcement is there with regard to looking at these types of issues?

Chief Ruben Aquino: Well, for the record, in 2012 there was some activity in regard to diversions, not this specifically as far as with the strip clubs but there has been some diversions concerning limousines versus taxicabs. But it certainly, that's an opportunity for us to sit down with Mr. Beller or anybody else that's interested and seeing if there is that widespread problem as you're alluding to and that we can focus some of our attention on that.

As you well know, a lot of our attention has been focused on the long hauling issues and I hate to be a broken record but we have to consider our resources here with the enforcement unit with the Taxicab Authority and recently we had developed a group of Investigator IIIs and my vision and design by doing that to



be able to have these undercover units conduct these type of enforcement activities. And so as we are ramping up and looking at our priorities as far as enforcement is concerned this certainly can be up there in the, I guess in the lineup, as far as activities, or future activities.

Chair Drobkin: Chief Aquino, weren't we involved in a joint operation with Metro regarding clip joints?

Chief Ruben Aquino: Yes we were.

Chair Drobkin: I thought that was.

Chief Ruben Aquino: I'm not at liberty to discuss that as far as the details of it but my Investigator IIIs are currently working with organized crime with the Las Vegas Metropolitan Police Department (LVMPD) with regard to the clip joints. We've done sting operations with them so, and that's on a continuous basis. So there are some various enforcement activities in regard to some of the things that you've mentioned as far as clip joints are concerned.

Chair Drobkin: Chief Aquino, would you consider moving forward and doing a sting operation on the, on the diversion issue?

Chief Ruben Aquino: I think I'm, from my knowledge and background, I'm very comfortable in doing diversion sting operations. I think that I created the playbook when I was with the Nevada Transportation Authority in regard to diversion stings as I've done them all up and down the strip. I'm hoping to bring that knowledge and those tactics here to the enforcement unit here and that's something that we're looking in the future to having those activities or play on those activities.

Chair Drobkin: In the near future, right?

Chief Ruben Aquino: Very near future.

Atty. Beller: My only last point if I may?

Chair Drobkin: Please.

Atty. Beller: We're not asking necessarily to implement new regulations or things of that nature. We believe pursuant to Judge Herndon's order you have that ability while Mr. Trafton is arguing well, the company has to knowingly be aware or knowingly, well, be aware of what is going on. I think the terms of (2)(a) gives you less ability to have to be knowingly aware in terms of the company but rather if someone shows that the company was involved or could have been involved or turned a blind eye you have the authority to discipline the company as well and that's really what we're asking for because it didn't happen in the first instance and you indicated you read the investigative reports, notwithstanding Ms. Rodriguez's comments there is a plethora of documents that show that diversion was going on. And we're asking you if it is shown on a next time to do something against this certificate holder for basically turning a blind eye which is a different standard obviously in knowingly being aware of it and that's all that we're asking for.



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Chair Drobkin: (Unintelligible)

Member Miller: Well, it sounds like if we were to do a sting or dig into this a little deeper, you know, that could be something that we focus on, you know, that we know going in that it's not just about, you know, writing tickets to actual drivers but to sort of try and understand the landscape out there and whether we can any sense that any companies are turning a blind eye to this type of thing. I would also say that, I mean there are all sorts of degrees of diversion. I mean it's diversion to pay an amount versus the guy who is not paying anything. I mean you're diverting cabs by paying a smaller amount and then the guys that are paying the most are probably the worst offenders, like you're somewhere in the middle, so you know.

Atty. Beller: Well, and you're correct. Legally, basically why we are paying is effectively if we don't pay what is going to happen is we're not going to get any business because the cab drivers know what's going on. They tell all of their other drivers from different companies and then no one is going to be bringing customers to DÉJÀ VU because they're not paying etc. and so you're correct, it's a balancing and all we would like is some regulations to implement, to show and if there is diversion going on, whatever that diversion may be, and arguably to me the more you pay you can argue that it's a free enterprise or is it really diversion because you're paying obscene amounts of money to the cab drivers as opposed to why some of the clubs actually have gone out of business because they're paying an obscene amount and it just doesn't make sense from a bottom-line point of view. So there is no black and white here but I do believe diversion is going on and still going on and we would like to uphold the (unintelligible) of the cab companies responsible if they're turning a blind eye and/or if they're participating.

Chair Drobkin: Here's the problem that I have with all of this and like I said I do understand your position. It's a complicated issue as in most of the things that we deal with, with the taxicab issues. It's complicated. The problem that I have with this is that there was no violation. There was no, no one was hauled into court. No one was cited. No one was given their day in court. No one was found guilty of any charge, therefore, by that rationale there was no violation. And so under (2)(a) we can't hold anyone, anyone liable for something that technically didn't happen.

Atty. Beller: Why do you say?

Chair Drobkin: Because there was no citations issued for whatever reason and we can get into that...

Atty. Beller: (Unintelligible)

Chair Drobkin: ...not at this hearing.

Atty. Beller: (Unintelligible) Okay.

Chair Drobkin: But there, there because there was nothing actually issued. No one had their day in court, them. Then I can't get there because there was technically no violation found.



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- Atty. Beller: Here's the problem with what you're saying with all due respect. Whoever was sitting where you're sitting (unintelligible).
- Chair Drobkin: I understand.
- Atty. Beller: If the hearing was only against the companies the, what you have in front of you has to do with the drivers and...
- Chair Drobkin: Right, there was, the problem is there was an investigation done and I did read that. There was an investigation done. Like I said I'm not going to comment on that, on how the investigation was done but there was an investigation done and it was found that nothing was, nothing was able to be substantiated.
- Atty. Beller: The investigation was in a meeting, 300 people, please raise your hand.
- Chair Drobkin: Okay, I, there was actually a little bit more than that. I did read that. I did get into that a little bit more so I, and I understand the frustration on that side but for this body, for right now what we're tasked to do. I just can't get there on that. And actually I would like to put down a motion so we can just....
- Member Hardy: I see points on both sides that you know, reading the prior order as Mr. Trafton pointed out, it does not discuss at all 706.885 (2)(a). I think that's probably a result from everything I've reviewed. It's probably a result of a couple of things, one, to me the complaint, the original complaint is not a model of clarity especially in terms of the allegations against the certificate holders and then you have this statute which, you know, to me is not a model of clarity either.
- Instead of an and/or between (a) and (b) there's nothing so I think that gave rise to where we're at today. On the other hand, I think that Mr. Beller's point is well taken that under (2)(a) we do have authority to penalize certificate holders if a violation is found. That goes back to the Chair's point that an investigation was done. There was no violation found so I don't see. I think we do, pursuant to Judge Herndon's order, need to consider whether good cause has been shown for us to penalize or fine or whatever the term is, the certificate holders themselves under (2)(a) but I don't think good cause has been shown. There's no evidence that I saw in the voluminous record here that the certificate holders have violated any provision of NRS 706.881 to 706.885. So I think we have the authority to consider what Judge Herndon told us to consider that but having said that I don't see good cause to find that there's been a violation.
- Chair Drobkin: Does anyone have any other?
- Member Nolan: Just, Madam Chair just a comment. You know, I, this is a shady practice that goes on. I think it's probably one of the worst examples of big-market enterprise that there is and sort of ourselves trying to regulate that and so clearly we already have the authority and there are regulations in place for us to discipline these. What there isn't is a, and hasn't been apparently, is a smoking gun where you have a modified complaint filed by a customer against a taxi company that was investigated and a citation issued for diversion that ever made it to this point, to this board for us to take action and I don't think until whether it's through, you know, law enforcement's investigation of the process or until that complaint



emerges that we're going to have the ability to do what we, or that we're going to be able to do what we have the ability to do.

So, you know, I think mechanisms are in place. I don't think we need additional regulation. There's plenty of sanctions I think (unintelligible) sanctions for this board to take action. Until we receive a complaint or until we, you know, from a customer who feels as though they were diverted unlawfully, until Chief Aquino's team brings a complaint before this board, our hands are tied.

Atty. Beller: Well, and that's all we're asking for is for you to recognize that under (a) you can hold the feet to the fire of the taxicab companies.

Member Collins: I just want to make one comment. Maybe this is just, I'm looking at this from a simplistic standpoint but I still go back to some of the initial comments. To me this is more of an issue that's in regards to taxicab drivers and the adult industry. This is where I think the collaboration occurs. I think the certificate holders in the past have demonstrated they've got rules. They've got regulations. They've got fines in place to kind of monitor that. I don't see how we can, you know, press upon a certificate holder to say, well you were behind this. You're teaching your cab drivers to do certain things that are unlawful. To me it's all about the collaboration I think between the drivers. And I'm not saying everyone is doing it but there's probably a certain group that are doing it and to put it in your words, Mr. Beller, they network. They tell certain drivers, look, this club, this club's paying more versus the other one and I think that's what's going on behind the scenes.

But to make allegations that the certificate holders are somehow behind that and then number two, how do you monitor that, quite frankly? I have a real problem with something like that. We know where, we know where the root of the issue is. It's really with the drivers, certain drivers okay, certain drivers and the clubs. And I go back to Mr. Tomlinson's comments back in 2010. I still say everyone is at fault because this thing is proliferating and any club now that is paying more is going to get the lion share of the business and those clubs that can't afford to pay are going to be left out and I think those are the clubs that are starting to complain. Now, how do you regulate something like that? I'm not sure but to me it doesn't involve, it doesn't appear to involve the taxicab companies.

Atty. Beller: Well, with all due respect Mr. Collins, if it does then we want you to do something to enforce it.

Member Collins: And I would agree 100 percent absolutely.

Atty. Beller: That's not what I'm hearing.

Mr. Dean Collins: But what I'm saying is, how do you effectively monitor that? That's you know.

Atty. Beller: Mr. Aquino?

Member Collins: And we will, we'll entertain those types of things but I think we go back to the Madam Chair's point back in 2010, there was no hard evidence that any of the taxicab companies were involved with diversion. So I think we go back to those,



that evidence okay? And I hear your point and I agree with you, moving forward and maybe with the Chief's new squad that will go out and do investigative issues. There may be something that comes to fruition.

Atty. Beller: That's all we're asking. As again that hearing was (unintelligible) and how can you tie something to a certificate holder if...

Member Collins: I understand.

Atty. Beller: ...the drivers were not part of the hearing. I mean it.

Chair Drobkin: Yeah, (unintelligible) wanted to. It's not (unintelligible) yeah. I do agree with that.

Member Miller: Well, I would say that there is certainly ways that we can work with the industry to assist in these investigative efforts. I mean there is no reason why, you know, the review of trip sheets can't help us identify specific clubs that might be engaging in these practices and you know, if we were to risk having sort of resistance from any of the owners or the taxi companies in these efforts then I think that's maybe an indication that they're complicit in this. I don't think that's the case but there's ways we can work with the industry to do this investigation.

Chair Drobkin: Anyone have anything else to add? I'm going to put a motion down. We can discuss further in the motion if you like. This Board found no evidence that any driver was cited for the crimes that were alleged to base on, based on (2)(a). There's no probable cause that these operators did anything that would warrant discipline.

Member Hardy: Can I suggest a supplement?

Chair Drobkin: Sure.

Member Hardy: I would also add that the board has considered NRS 706.885 (2)(a) and the record before us which is to me voluminous and we have not found good cause. Good cause has not been shown by the complainant that any certificate holder has violated any provision of NRS 706.881 to 706.885.

DAG Sunga: Are you withdrawing your motion?

Chair Drobkin: I'm going to withdraw it and let Member Hardy's motion stand, correct.

Unidentified: Okay. I'll second the motion, Member Hardy.

Motion: The board has considered NRS 706.885 (2)(a) and the record before us which is to me voluminous and we have not found good cause. Good cause has not been shown by the complainant that any certificate holder has violated any provision of NRS 706.881 to 706.885.

By: Member Joseph Hardy

Seconded: Unidentified Member

Vote: Passed unanimously



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Chair Drobkin: Any discussion on the motion? Okay, all in favor? The motion passes, thank you Mr. Beller.

{01:28:55:15}

11. Administrator Harvey's report regarding the Pre-Hearing Conference held on June 10, 2013 for A Cab's Application for Modification of Certificate of Public Convenience and Necessity.

Chair Drobkin: Administrator Harvey?

Administrator Harvey: Yes, Madam Chair, a Pre-Hearing Conference was held on June 10, 2013 in regards to the application of A Cab for modification of their Certificate of Public Convenience and Necessity. At the conclusion of that Pre-Hearing Conference, we prepared a scheduling order which is included in your binder. If you would prefer I can read it into the record or we can...

Chair Drobkin: It's to your pleasure.

Administrator Harvey: The important thing is that the matter has been set for hearing by the board on February 4, 2014.

Chair Drobkin: Okay, any questions on this? Nope, thank you.

{01:29:57:04} END OF VERBATIM

12. Public Comment

Bill Shranko, YCS – Stated that he thought the board had made a good decision today on the Item 10 and gave an example of why he was of that opinion.

Jay Nady, A Cab – Stated that he thought it was interesting that Mr. Beller had said that all they were asking for was to change or implement the current regulations. He said he was of the opinion that in reality he had cost the industry, more specifically owners \$125,000 in attorney's fees over three years. He thought it was a shake down on the taxicab industry for a problem that another industry had created. He expressed concern that not one of his drivers had been accused of diversion but he had still been sued. He noted that he had won by a summary judgment after three years.

Steven Lanett, Whittlesea – Stated that he tries to treat his customers properly. He noted some clubs do not serve alcohol so it is not a level playing field. He said many years ago there were some disproportionate payments to drivers but that has not occurred for a long time. He stated he gives his passengers a good ride.

Sam Moffitt, Yellow Cab – Stated when he started driving 17 years ago every club that served alcohol gave the drivers a \$5 bounty, the totally nude places paid \$10. He said that seemed to work well. He said later the gentleman's clubs raised the amounts tipped to drivers and that worked well and many other clubs followed. He said now the same clubs were accusing the drivers of coercing them out of their money. He stated he felt they had done this to themselves. He suggested when they do their sting operations that they start at the hotels with regard to diversion as the doormen of the hotels would direct passengers to the best clubs. He said investigators needed to take those types of things into consideration as it concerned many other people making money off the clubs.



End of Public Comment

13. Staff Report

a. Administrator's Report

Mr. Harvey stated that his administration was committed to compliance enforcement of the industry. He said when an allegation comes to their attention they investigate it. He said they are the regulators of the industry and he noted that they work closely with industry and the owners to discuss issues that they may be having and alternatively to relay to them issues that the administration might be having. He noted they worked together to resolve most issues. He said the Taxicab Authority employees would be out in the coming weekend changing meters for the upcoming airport fee increase. He said effective Monday, July 1, 2013 the automated vehicle identification system, trip charges would increase from \$1.80 to \$2.00. He added that they had a number of employees who had volunteered to go out and update the meters.

He stated on June 17, 2013 the Taxicab Authority hosted a delegation of taxi executives from China. He stated that the six executives represented one of the largest taxi companies operating in Shanghai with more than 12,700 taxicabs in operation. He said the purpose of the visit was to learn how the TA handles licensing, clients' monitoring, investigations and enforcement of violations. He added they had traveled with a translator so the exchange was meaningful. He said Shanghai has more than 52,000 taxicabs in operation. He said they have GPS and were using smart phone taxi bookings. He noted they also shared many problems including illegal taxis and long hauling. He stated they were honored that the executives had chosen to visit.

He said in October 2012 the TA initiated a uniform bicycle patrol pilot project with the use of four used loaner bicycles. The TA investigators were able to demonstrate the effectiveness of this tool in broadening patrol capabilities. He stated that based on that he wanted to present one of the new bicycles that they had been able to purchase to ensure that investigators had the best tools and equipment that they needed to be successful in their duties. He said that the idea came from four investigators and he acknowledged them by name as well as Chief Aquino for all their efforts.

b. Statistics for May 2013

Mr. Kelly Kuzik, NTA – Stated that Supervisor Marla Rudnick retired after 18 years and he noted they were very sorry to see her go. He stated that they wished her all the best in her retirement.

He said that based on the LCB audit that they received he noted that they were well into conducting all of their audits required of the cab companies. He said that the companies had been very accommodating and he noted his appreciation as it made the process much easier. He said that they hoped to have all the audits finished by the end of the summer and stated that they intended to work on a schedule of approximately every 18 months for the administrative and statutory audits.

He said that he hoped that in the next few months he would be able to present to the board the status of the LCB audit. He referred to the monthly stats and said that the numbers for April and May were reflecting a recovery. He said the strike had some effect. He said they are basically where they had been the year before and the numbers were returning to a level that they were not concerned about.

c. Future Agenda Items

No action.



