BEFORE THE STATE OF NEVADA TAXICAB AUTHORITY

IN THE MATTER OF:

APPLICATION OF HENDERSON TAXI. WHITTLESEA BLUE CAB. NEVADA YELLOW CAB, NEVADA CHECKER CAB. NEVADA STAR CAB, NEW CAB CO., VIRGIN VALLEY, AND DESERT CAB TO MODIFY TAXI RATES.

AMENDED FINDINGS OF FACT CONCLUSIONS OF LAW AND ORDER **AUTHORIZING ADDITION OF A** SPECIAL EVENT SURCHARGE RATE

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THIS MATTER came before the Nevada Taxicab Authority Board ("the **Board**"), at its regularly scheduled public meeting on October 18, 2023 (the "Hearing"), for consideration of the Application to Modify Taxi Rates filed on October 3, 2023 (the "Application"), by Henderson Taxi, Whittlesea Blue Cab, Nevada Yellow Cab, Nevada Checker Cab, New Cab Co, Nevada Star Cab, Virgin Valley, and Desert Cab (collectively the "Applicants"). The Hearing was held at the Nevada State Business Center, located at 3300 West Sahara Avenue, Suite. 400, Las Vegas, Nevada 89102.

PRESENT: Dan R. Reaser, Chair Donald Soderberg, Vice Chair J.D. Decker, Member Javier Truillo, Member (By Video Conference)

Rusty Graf, Member

Karl W. Armstrong, Taxicab Authority Administrator

Ziwei Zheng, Deputy Attorney General

The Applicants were present and represented by legal counsel, Kimberly Maxson Rushton and Brent Bell of Whittlesea Blue Cab and Henderson Taxi and also in his capacity as President of the Livery Operators Association of Las Vegas ("LOA"). In attendance were members of the LOA as well as carrier representatives from Lucky Cab, Western Taxi, and Deluxe Cab.

There were no Petitions for Leave to Intervene or Protests filed nor did any individual appear before the Board in opposition to the Application.

Based on the evidence presented to the Board and following consideration of the arguments presented during the Hearing, the Board hereby enters the following Findings of

Fact, Conclusions of Law and Order (the "Decision"):

FINDINGS OF FACT

- 1. The administrative record in this matter consists of the Application, Notice of the Application, the Public Board Meeting Notice and Agenda, Exhibits 1 and 2 accompanying this Decision and the testimony of Mr. Bell and Administrator Armstrong.
- The Application requests the Board to modify exiting taxi rates by approving the imposition of a special event surcharge fee (the "<u>F1 Surcharge Fee</u>"), during the 2023 Las Vegas Formula 1 Grand Prix (the "<u>F1 Event</u>").
- 3. The Board admitted into evidence <u>Exhibit 1</u>, which is an overview of the F1 Event track and the corresponding Airport Strip Corridor zones previous adopted and approved by the Board; and <u>Exhibit 2</u>, which is a rate schedule showing the current zone rates and the zone rates proposed to be imposed during the F1 Event when, if approved, the F1 Surcharge Fee would be in effect.
- 4. Counsel for the LOA provided an affirmative presentation, which included an overview of the Application, the legal authority for requests to modify rates and, the justification for a special event surcharge fee in this instance.
- 5. Mr. Bell testified regarding the necessity of the special event surcharge and how it will be used to financially incentivise permitted taxi drivers to work during the F1 Event. He testified that because of the significant travel disruptions and delay associated with the F1 Event many permitted taxicab drivers were requesting personal time off during the F1 Event. Mr. Bell stated that based on discussions with taxi drivers at his companies and the other LOA member companies it was clear that the F1 Surcharge Fee should be greater than the ten dollars (\$10.00) requested in the Application. The Applicants requested to amend the Application to recommend the F1 Surcharge Fee be set at fifteen dollars (\$15.00). The Board accepted the amendment.
- 6. Mr. Bell testified that if the F1 Surcharge Fee is approved, the taxi meters will be programmed to include a "Tariff 2" surcharge rate, which will activate when a driver enters one of the Airport Strip Corridor zones during the F1 Event. Mr. Bell further testified that 100

percent of the F1 Surcharge Fee would be received by permitted drivers of leased taxicabs and that while there are variances among the certificated companies, approximately 43 percent of F1 Surcharge Fee would be included in the meter commissions paid to employee permitted drivers.

- 7. Administrator Armstrong testified in support of the requested F1 Surcharge Fee at the requested (\$15.00) rate. Administrator Armstrong indicated the Board that the area surrounding the F1 Event track, including points of ingress and egress, loading zones, and staging areas for commercial vehicles (the "F1 Staging Requirements"), had not been determined, and for that reason temporary adjustments to the Airport Strip Corridor zones may be required to implement the F1 Surcharge Fee. In response, Mr. Bell advised the Board that the taxi meters are capable of modifying the geo-fencing necessary to implement the proposed "Tariff 2" meter rate. The evidence shows that the meters can be adjusted to effectuate the implementation of the F1 Staging Requirements.
- 8. Mr. Bell explained that the Application requested that the Board authorize the F1 Surcharge Fee to be imposed commencing at 12:00 p.m. (PST) on Wednesday, November 15, 2023, and continue to and terminate at 12:00 p.m. (PST) on Tuesday, November 21, 2023 ("F1 Surcharge Period"). Mr. Bell testified that given the proposed surcharge was a pilot program, the Applicants had estimated this was the minimum period necessary to accommodate spectators attending practice and qualifying sessions of the F1 Event and to encourage adequate taxicab services to be available for spectators departing Las Vegas following such event.
- 8. On examination by Board Vice-Chair Soderberg, Mr. Bell testified that the F1 Surcharge Period recommended by the Applicants may not be lengthy enough to meet the demands of the traveling public. Based on the testimony, Vice-Chair Soderberg recommended that two additional days be added, one day on each side of the F1 Surcharge Period. Applicants moved to further amend the Application to extend the F1 Surcharge Period to commence at 12:00 p.m. (PST) on Wednesday, November 15, 2023, and continue to and terminate at 12:00 p.m. (PST) on Tuesday, November 21, 2023. The Board accepted

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the amendment.

- 9. In order to determine the effectiveness of a "special event surcharge fee" Administrator Armstrong requested that certificated taxi carriers provide statistical information, following the F1 Event. Administrator Armstrong suggested the information be submitted to the Authority on or before December 5, 2023, and include statistics showing: (i) the total number of rides provided during the F1 Surcharge Period; (ii) the number of rides provided in the zones during such period; (iii) the number of rides provided outside of the zones during such period; (iv) the number of rides provided during the such period in comparison to the number of rides provided during the same time in 2022; and, (v) the number of trips provided the weekend before the F1 Surcharge Period and the weekend after such period (the "Special Event Surcharge Metrics"). Administrator Armstrong stated that the Authority would evaluate the Special Event Surcharge Metrics and provide a report to the Board for consideration at its December 2023 regularly scheduled public meeting, at which time the Board could determine whether to authorize an extension of a "special event surcharge fee" for events scheduled in 2024.
- 10. After discussion and deliberation, all five members of the Board present at Hearing, having fully considered the law and being fully advised in the premises, voted unanimously in favor of a motion to grant the Application as amended, adopting the Applicants' F1 Surcharge Fee proposal for the F1 Surcharge Period and subject to the Special Event Surcharge Metrics reporting requirements.
- 11. If any of the foregoing findings of fact is more appropriately construed as a conclusion of law, it may be so construed.

CONCLUSIONS OF LAW

- 1. The Hearing was held in compliance with the provisions of the Nevada Open Meeting Law, the Nevada Administrative Procedure Act, Chapter 706 of the Nevada Revised Statutes (the "NRS") and Chapter 706 of the Nevada Administrative Code (the "NAC").
 - 2. The geographic area subject to this Order is Clark County, Nevada.
 - 3. The Board is duly constituted and may regulate the conduct of the taxicab

business. NRS 706.8818.

- 4. Generally, the Board may attach to the exercise of the rights granted by the allocation of taxicab medallions any terms and conditions that in its judgment the public interest may require. NRS 706.8824(5).
- 5. The Board is directed by law to review the rates, charges, or fares of the certificate holders in its jurisdiction. NRS 706.8824(6)(b).
- 6. The Board has the authority to review and adjust, alter, or change the taxicab rates, charges, or fares for taxicab service in Clark County, Nevada, and is the only entity authorized to do so for taxicab service within its jurisdiction. NRS 706.8819(1)(a); NAC 706.471(1).
- 7. The rates, charges, or fares of all certificate holders within a county under the jurisdiction of the Board must be uniform, unless there is a showing that the public interest requires otherwise. NAC 706.471(3).
- 8. In conducting an investigation, inquiry, or hearing, neither the Board nor any of its officers or employees are bound by the technical rules of evidence, and no informality in any proceeding or in the manner of taking of testimony will invalidate any order, decision, rule, or regulation made or approved by the Board. NAC 706.948(1).
 - 9. The Application, as amended, is in proper form and substance. NAC 706.909.
- 10. The Board has the authority to ensure that the traveling public and spectators attending the F1 Event have access to readily available, safe and reliable transportation services. In furtherance of that objective, the Board concludes the public interest will be served by implementing the F1 Surcharge Fee proposal for the F1 Surcharge Period to support the efforts of the certificated taxi carriers to deploy as many of the authorized taxicabs as possible in order to serve the traveling public. NAC 706.909(3).
- 11. In accordance with NRS 233B.121, NRS 233B.123 and NRS 233B.135, and consistent with NAC 706.909(2) & (4), the reliable, probative and substantial evidence submitted to the Board at the Hearing establishes by a preponderance of such evidence:
 - (a) The F1 Surcharge Fee should be set at fifteen-dollar (\$15.00) on all trips

performed within the existing established taxi zones located on and around the Airport Strip Corridor as well as taxi trips that originate or terminate in one of such identified taxi zones.

- (b) The F1 Surcharge Fee should be applicable during a period that accommodates the travel public and spectators for a reasonable period preceding and following the F1 Event, including practice sessions qualifying events, the actual race, and travel into and from Las Vegas associated with the F1 Event. Accordingly, the F1 Surcharge Period should commence at 12:00 p.m. (PST) on Wednesday, November 15, 2023, and continue to and terminate at 12:00 p.m. (PST) on Tuesday, November 21, 2023, to provide reasonably continuance of taxi services.
- (c) The F1 Surcharge Fee should be implemented using a new meter rate, identified on the meter as "Tariff 2", and providing that "Tariff 2" will not supersede any existing taxi rate but instead be added onto the applicable zone rate during the F1 Surcharge Period.
- (d) Information confirming track access points, additional road closures, loading zones and staging areas for commercial vehicles was not available to the Board. Based on the evidence submitted regarding the geo-fencing programing capabilities of taxicab meters, the Board concludes that subject to supervision by the Administrator, temporary adjustments of the geographic areas associated with the currently approved flat rate zones for the Airport Strip Corridor will be necessary to include the loading zones and staging areas for commercial vehicles established for the F1 Event and to comply with the F1 Staging Requirements.
- 12. NAC 706.909(5) requires the Applicants requesting a rate modification to submit supporting financial statements. NAC 706.876 authorizes the Board to allow a deviation from this regulatory requirement if good cause establishes that waiver is not contrary to the requirements of a statute and compliance is unnecessary. The Board concludes that good cause to waive the requirements of NAC 706.909(5) exists here given the imposition of the F1 Surcharge Fee is a pilot program targeted to determine best ratemaking practices to encourage full work force participation by permitted taxicab drivers to

provide services to the traveling public during special events in Clark County, Nevada. Accordingly, financial statements of the certificated taxicab companies would not provide probative evidence useful in determining the reasonableness of a special event surcharge rate.

- 13. Based on the fact that the imposition of F1 Surcharge Fee proposal for the F1 Surcharge Period is a pilot program, the public interest will be served by the collection and analysis of Special Event Surcharge Metrics to determine the effectiveness of special event surcharges in improving full work force participation by permitted taxicab drivers to provide services to the traveling public during special events in Clark County, Nevada. Accordingly, the Board concludes that Special Event Surcharge Metrics reporting requirements are an appropriate exercise of the Board's authority pursuant to NRS 706.8819(1)(a) and NAC 706.471(1).
- 14. The interests, welfare and convenience of the travelling public are served by the F1 Surcharge Fee proposal for the F1 Surcharge Period and subject to the Special Event Surcharge Metrics reporting requirements.
- 15. Public policy favors approval of the Application, adoption of F1 Surcharge Fee proposal for the F1 Surcharge Period and the imposition of the Special Event Surcharge Metrics reporting requirements.
- 16. The Board's approval of the Application is a reasonable and permissible exercise of its authority to regulate the taxicab industry and its rates in the public interest.
- 17. If any of the foregoing conclusions of law is more appropriately construed as a finding of fact, it may be so construed.

ORDER

THEREFORE, IT IS HEREBY ORDERED:

- 1. The Board GRANTS the Application with the amendments requested by Applicants and accepted at the Hearing.
- 2. A F1 Surcharge Fee of fifteen dollars (\$15.00) on trips originating or ending within any Airport Strip Corridor zone is APPROVED.

- 3. The implementation of the F1 Surcharge Fee using a new meter rate, identified on the meter as "Tariff 2", and providing that "Tariff 2" will not supersede any existing taxi rate but instead be added onto the applicable zone rate during the F1 Surcharge Period, is APPROVED.
- 4. Under the supervision of the Administrator, to implement the F1 Surcharge Fee and comply with the F1 Staging Requirements including without exception the loading zones and staging areas for commercial vehicles, temporary adjustments of the geographic areas associated with the currently approved flat rate zones for the Airport Strip Corridor, are APPROVED.
- 5. Implementation of the F1 Surcharge Fee for the F1 Surcharge Period commencing at 12:00 p.m. (PST) on Wednesday, November 15, 2023, and continuing to and terminate at 12:00 p.m. (PST) on Tuesday, November 21, 2023, is APPROVED.
- The imposition upon the certificated taxicab companies of the Special Event Surcharge Metrics reporting requirements and the reporting submission date of December 5, 2023, is APPROVED.
- 7. For the purposes of planning, programming and implementing the F1 Surcharge Fee, this Order is effective on October 26, 2023. For the purpose of imposing the F1 Surcharge Fee, this Order is effective at 12:00 p.m. (PST) on Wednesday, November 15, 2023, and continuing to and terminating at 12:00 p.m. (PST) on Tuesday, November 21, 2023.
- 8. The Board retains jurisdiction to correct any error that may have occurred during the drafting or issuance of this Order.

DATED this 30th day of October, 2023.

STATE OF NEVADA
TAXICAB AUTHORITY BOARD



EXHIBIT 1

EXHIBIT 1



Home

Products

Partners

Contact

My Account

DT5 Formula 1 Map



Transportation Innovation Experts

Location

• 4675 S Wynn Road Las Vegas, NV 89103 Our Partners

> Taxi Butler

> T-Mobile USA

A Kaptyn, Inc. Company

Triad TransTech is wholly owned by Kaptyn, Inc. a Delaware corporation

EXHIBIT 2

EXHIBIT 2

	Airport Pickup Tier 1 Fuel			Zone Pickup Tier 1 Fuel		
	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3
Fare	\$18.96	\$22.84	\$26.73	\$21.36	\$25.24	\$29.13
Extra	\$2.40	\$2.40	\$2.40	\$0.00	\$0.00	\$0.00
SubTotal	\$21.36	\$25.24	\$29.13	\$21.36	\$25.24	\$29.13
Tax	\$0.64	\$0.76	\$0.87	\$0.64	\$0.76	\$0.87
Total	\$22.00	\$26.00	\$30.00	\$22.00	\$26.00	\$30.00

	w/F1 Surcharge							
	Airport I	Pickup Tier	1 Fuel	Zone Pickup Tier 1 Fuel				
	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3		
Fare	\$33.52	\$37.41	\$41.29	\$35.92	\$39.81	\$43.69		
Extra	\$2.40	\$2.40	\$2.40	\$0.00	\$0.00	\$0.00		
SubTotal	\$35.92	\$39.81	\$43.69	\$35.92	\$39.81	\$43.69		
Тах	\$1.08	\$1.19	\$1.31	\$1.08	\$1.19	\$1.31		
Total	\$37.00	\$41.00	\$45.00	\$37.00	\$41.00	\$45.00		