

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADVISORY COMMITTEE
WORKSHOP ON REGULATORY MATTERS

1501 National Avenue
San Diego, CA 92113

November 18, 2019

[Clerk's note: Except where noted, public, staff and committee member comments are paraphrased].

1. Roll Call

Leonardo Fewell, Chair of the Committee, called the Workshop on Regulatory Matters meeting to order at 2:05 pm. A roll call sheet listing the Workshop on Regulatory Matters (WORM) member attendance is attached.

2. Approval of Meeting Minutes – August 13, 2019

Mr. Majid moved for approval of the minutes of the August 13, 2019 WORM meeting. Mr. Hueso seconded the motion, and the vote was 10 to 0 in favor with Mr. Nahavandian, Mr. Nichols and Mr. Tehrani absent.

3. Non-Agenda Public Comment

There were no non-agenda public comments.

4. Management Communications

Mr. Fewell announced the departure of prior Taxicab Administration Manager, Kenneth Nelson and his appointment as successor to the Taxicab Administration Manager position. Mr. Fewell notified attendees that the December 11, 2019 at 10:00 am Taxicab Administration Committee (TAC) meeting has been moved to December 2, 2019 at 2:00 pm.

5. Revision to Board Policy No. 34 (For-Hire Vehicle Services)

Mr. Fewell reviewed the proposed changes to the Rates of Fare Calculation Method. It is recommended that the current weighted average of fares calculation method for city/nonairport trips be replaced with the yearly change in the Annual All Urban Western Transportation CPI for the San Diego region. With this proposed change, there would no longer be two separate rates of fare calculations for city/nonairport trips and airport trips. Regardless of where the trip originated, the maximum rate of fare would be calculated based on CPI. This method of calculation would allow the taxicab industry to better compete with TNC's and other for-hire transportation services. In addition to the annual recalculation of the Maximum Rate of Fare the allowance of an additional 6% increase, beyond the established Maximum Rate of Fare, for Taxicabs equipped with Point of Sale (POS) equipment electronically connected to the taximeter and capable of printing, or electronically conveying, passenger payment receipts is also proposed. Mr. Fewell explained this revision is being proposed to incentivize the implementation

of new technologies allowing for increased payment securities. The proposed rates of fare using the 2018 Annual CPI Rates are as follows; \$2.90 flag drop 1/10 of a mile, \$3.10 per mile and \$25.00 per-hour waiting time. For those taxicabs utilizing POS equipment the proposed maximum rates of fare are as follows: \$3.10 flag drop 1/10 of a mile, \$3.30 per mile and \$27.00 per-hour waiting time.

Mr. Fewell noted that the Maximum Rates of Fare are calculated annually and presented at a notice, public meeting of the TAC, with the rates becoming effective immediately; no approval by the TAC or MTS Board of Directors is necessary.

The additional proposed revision to MTS Board Policy No. 34 is the update of MTS taxicab and for-hire vehicle regulated cities to reflect the inclusion of Chula Vista and National City.

Mr. Hueso inquired as to why such a rigid change would be imposed when the industry is still in continuous change and that there should be more flexibility and ability to elect leaving the rate as is. Mr. Fewell reported that the rates were last stabilized in 2015 and that the CPI Method is much more concise particularly with continued taxicab permit attrition. Mr. Fewell explained, and reiterated, that the establishment of the Maximum Rate sets a "cap"; it does not mean that the maximum rate *must* be charged. Mr. Palmeri asked how this change would impact the airport rates. Mr. Fewell reported that an approval to recalculate the Rates of Fare would mean there would no longer be uniformity of rates between the City of San Diego and the San Diego Airport. Mr. Banks stated that he thinks that having the difference in rates will lead to a lot of customer confusion. He also shared that the Ride Share Companies are now using a queue system much like taxi's and he feels that the increase in rates with further impact that ability to remain competitive. Mr. Antallo agreed that it is difficult to remain competitive and that it is important to be flexible and adjust rates as the market indicates. Mr. Antallo agrees with utilizing the CPI Method of Calculation. Mr. Palmeri asked if all subscribing vehicles under the same radio service must have the same rate. Mr. Fewell clarified that there is nothing in Ordinance 11 that mandates charging the same rate. Mr. Tasem said that he feels utilizing the CPI method is going to make the rates too high and is going to continue to impact the ability to remain competitive negatively. Mr. Abraham said that he thinks the issue presented is very clear and does not require so much discussion, those who choose to charge the maximum rate should, and those who opt to charge lower may also do so. Ms. Tanguay said that she is also against any increase in rates due to the increased confusion between airport and city rates.

Public Comment

Kamran Hamidi, Permit Holder/Aiport Dispatch – Mr. Hamidi said that AB1069 states that you can no longer stabilize rates. The recalculation is required to be conducted annually and is merely establishing a maximum rate of fare. Mr. Hamidid stated that it's been 7 years since drivers have had a "raise" and allowing for a increase in rates will effectively allow for a raise for those who so choose. Mr. Hamidi also thanks and supports Mr. Fewell for the review and simplification of the Maximum Rates, Ordinance and Policy revisions.

Action Taken

Mr. Majid moved to forward a recommendation to the TAC to approve the proposed revisions to MTS Board Policy No. 34. Mr. Abraham seconded the motion, and the vote was 7 to 1 in favor

with Mr. Tasem opposing, Mr. Palmeri and Ms. Tanguay abstaining and Mr. Nahavandian, Mr. Nichols and Mr. Tehrani absent.

6. Revision to MTS Ordinance No. 11 Sections 2.2(a), 2.2(j) and 2.3(h)

Mr. Fewell provided a verbal report of the proposed revisions to MTS Ordinance No. 11 as follows: Section 2.2(a): proposed revision to reflect the calculation of maximum rates of fare for both trips originating from the airport and city/non airport, Section 2.2(j): proposed revisions would expressly allow up front trip pricing for dispatch services in addition to permit holders and drivers as long as equal to, or less than, the maximum rates of fare. For purposes of passenger fare verification the revision would also require the taximeter flag to remain recording at the end of every trip and Section 2.3(h): to be revised to additionally allow the licensed lease driver operating the taxicab to be listed as the merchant of record associate with the POS device.

Mr. Fewell stated that a critical reason for the change is for ease of investigations of Customer Feedback cases involving Square payment processing. Additionally, most drivers are no longer paid through the dispatch service but through their own credit card processing accounts. Mr. Tasem said that he believes that this change was already implemented 3 years ago and that MTS would only deal with owners, not lease drivers, in regards to disputes, he thinks this is a change back to an old system. Mr. Fewell stated that there was never an official change to the Ordinance and this revision proposal will update the language to reflect the current operating practices. He clarified that this change does not mean that the permit holder is not also involved in complaint resolution but allows for a more streamlined process when following up on cases. Mr. Banks agreed that it is important for Lease Drivers to be their own merchant of record for payment processing and record keeping. Ms. Tanguay provided some historical reference dating back to 1981 on the airport rate issue and also stated that she is in agreeance with aligning the current Square practice to the Ordinance.

Action Taken

Mr. Majid moved to forward a recommendation to the TAC to approve the proposed revisions to MTS Ordinance No. 11 Sections 2.2(a), 2.2(j) and 2.3(h). Ms. Tanguay seconded the motion, and the vote was 8 to 0 in favor with Mr. Palmeri abstaining, Mr. Nahavandian, Mr. Nichols and Mr. Tehrani absent.

7. Revisions to MTS Taxicab Administration Fee Schedule for 2020

Mr. Fewell provided a verbal report of the proposed 2020 Administrative Fee schedule as follows: Section 2.1: Proposed removal of the experience distinction and unification of the prorated fee of 100% for all applicants, regardless of years of experience, Section 2.2: the proposed language change clarifies that all additional permits, regardless of permit type, are charged at the same fee as taxicabs, Section 3: the proposed addition of fee charge for Replacement certificates for completion of Drivers Training, Section 4.5: the proposed reduction of dispatch service change fee from \$100.00 to \$50.00, Section 4.6: the proposed reduction of rate of fare filing per company fee from \$100.00 to \$50.00 and Section 4.9: the proposed reduction of the fee when adding, deleting or changing stockholder from \$250.00 to \$100.00

He noted that the Administrative Regulatory Fee will remain at \$600.00 for the year 2020. He stated that the Taxicab Administration mid-year budget will be presented at the January 2020 TAC meeting.

Action Taken

Informational item only.

8. Committee Member Communications

Mr. Abraham stated that he feels many of the agenda items being reviewed are self-explanatory and not so much time should need to be spent reviewing items that are not ultimately under the control of MTS. Mr. Majid asked that in consideration of length of meetings that Committee Members take the time to review the Agenda and Materials before the meetings. Mr. Antallo asked that the current MTS insurance requirements be reviewed at the next meeting.

9. Additional Non-Agenda Public Comment

There were no additional Non-Agenda Public Comments.

10. Next Meeting – TBD

11. Adjournment

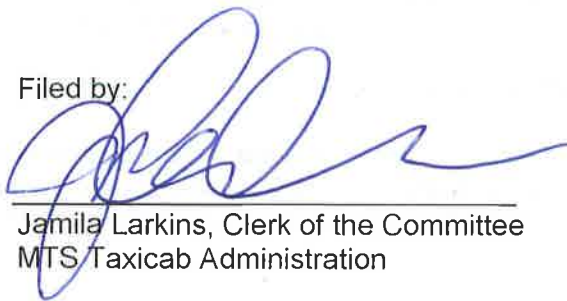
The meeting was adjourned at 3:40 pm.

Accepted:



Leonardo Fewell
Taxicab Administration Manager

Filed by:



Jamila Larkins, Clerk of the Committee
MTS Taxicab Administration

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
WORKSHOP ON REGULATORY MATTERS (WORM) MEETING
ROLL CALL

MEETING OF (DATE): November 18, 2019

CALL TO ORDER (TIME): 2:05 pm

ADJOURN: 3:40 pm

COMMITTEE MEMBER (Alternate)				ORGANIZATION	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
George Abraham	<input checked="" type="checkbox"/>			Taxicab Owner/Eritrean Cab Co.	2:00 pm	3:40 pm
Alfred Banks	<input checked="" type="checkbox"/>			Taxicab Lease Driver	2:00 pm	3:40 pm
Garret Cooper	<input checked="" type="checkbox"/>			San Diego County Weights & Measures	2:00 pm	3:40 pm
Antonio Hueso	<input checked="" type="checkbox"/>			USA Cab, LTD	2:00 pm	3:40 pm
Mikail Hussein	<input type="checkbox"/>	Abebe Antallo	<input checked="" type="checkbox"/>	United Taxi Workers Federation San Diego	2:00 pm	3:40 pm
Akbar Majid	<input checked="" type="checkbox"/>			Taxicab Owner/SDYC Holdings, LLC	2:00 pm	3:40 pm
Guillermo Morquecho	<input checked="" type="checkbox"/>			Taxicab Lease Driver	2:00 pm	3:40 pm
Houshang Nahavandian	<input type="checkbox"/>			Taxicab Owner/ESM Corporation		
Marc Nichols	<input type="checkbox"/>	Michael Anderson	<input type="checkbox"/>	San Diego County Regional Airport Authority		
Tony Palmeri	<input checked="" type="checkbox"/>	Michel Anderson	<input type="checkbox"/>	San Diego Travelers Aid Society	2:00 pm	3:28 pm
Margo Tanguay	<input checked="" type="checkbox"/>			Taxicab Lease Driver	2:00 pm	3:40 pm
David Tasem	<input checked="" type="checkbox"/>			Taxicab Lease Driver	2:41 pm	3:40 pm
Nasser Tehrani	<input type="checkbox"/>			Taxicab Owner/N.A.T. Cab Co.		
Sharon Cooney non-voting	<input type="checkbox"/>			MTS Chief of Staff		
Leonardo Fewell non-voting	<input checked="" type="checkbox"/>			MTS Taxicab Administration Manager	2:00 pm	3:40 pm
Samantha Leslie non-voting	<input type="checkbox"/>			MTS Staff Attorney/Regulatory Compliance		

CLERK OF THE TAC:

TAXICAB ADMINISTRATION MANAGER: