

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADVISORY COMMITTEE
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

December 2, 2019

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

1. Roll Call

Chairperson Ward called the Taxicab Advisory Committee (TAC) meeting to order at 2:06 pm. A roll call sheet listing Taxicab Advisory Committee member attendance is attached.

2. Approval of Meeting Minutes – September 11, 2019

Mr. Hueso moved for approval of the meeting minutes of the September 11, 2019 TAC Meeting, with a second by Mr. Palmeri. The vote was 10 to 0 in favor with Mr. Chasteen, Mr. Hilemon and Mr. Nichols absent.

3. Non-Agenda Public Comment

Mark McGee, Lease Driver - Mr. McGee spoke to address the current lack of taxi stands throughout Little Italy, greater San Diego and downtown areas. The areas of greatest need noted were Balboa Park, Broadway Pier and The Fish Market. He stated that this is not only a great need for the drivers themselves but for the public, particularly the disabled and elderly. There is also a great abuse of taxi stands by other non-taxi vehicles, especially on weekend evenings in the Gaslamp Area. He has pointed out the problem to San Diego Police Department and to MTS Inspectors and feels it has just fallen on deaf ears. In addition to Lyft, Uber, UPS and scooter charging vehicles, there are even downtown employees who use the spots for entire days while working.

4. Revisions to MTS Board Policy No. 34 "For-Hire Vehicle Services"

Mr. Fewell presented the proposed revisions to MTS Board Policy No. 34 and 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 the 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 noticed, 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. The proposed revisions were discussed at the November 18, 2019 Workshop on Regulatory Matters (WORM) Meeting.

Public Comment

Kamran Hamidi, SD Airport Dispatch/VIP Taxi-Mr. Hamidi like to thank the committee for the support of Agenda Item 4. He stated that currently anyone can complete a Statement of Rates of Fare with MTS to raise the rate to the maximum. The city rates and airport rates will now be aligned with the use of the CPI method and an additional 6% with POS technology. AB1069 allows drivers to charge up to the maximum rate but they may also charge a lower fare if desired.

Alum Zebu, Senate Cab-Mr. Zebu spoke in support of Agenda item 4. He likes the effort to update the technologies being used by taxi drivers.

Committee Member Comment

Mr. Tasem stated he is not in support of adding 6% for credit card machines. He doesn't think that an incentive should be given just to increase the rates, especially since credit cards are already required. Other businesses do not charge extra for use of a credit card and this is just the cost of doing business. Chair Ward said this item was already vetted at the WORM and the intent is to adopt national best practices, and the 6% is to allow some flexibility in offsetting costs. Mr. Banks said he is also not in agreement with the additional 6% charge. He thinks that there will be additional customer confusion and inconvenience. Mr. Fewell noted that it is optional to adopt the additional 6% charge, it is not mandatory. Chair Ward asked Mr. Banks for clarification on his stance on the CPI methodology; Mr. Banks noted that he is okay with a rate increase but not the additional allowance for 6%.

Mr. Nichols, San Diego County Regional Airport Authority stated that the San Diego Airport only has an airport trip fee but no other separate fees or charges. He said that he is hoping to align with whatever requirements MTS establishes. Mr. Palmeri said that the cab rates have been the same as the airport rates and wanted to know if it is, in fact, okay to have different rates. Mr. Nichols clarified that airport taxis have always been able to post, or charge, a lower rate than the maximum.

Mr. Hueso stated that a lot of time was spent on this issue but he feels that some members do still not understand. He asked for committee member clarification that all the proposed increases are options, not requirements. He feels that this has already been discussed at length and members should ask specific questions in order to move forward with a motion. Ms. Tanguay clarified that you did not used to be able to charge less than what was on the meter at the airport. Ms. Tanguay asked what would happen when passengers switch payment methods after providing service, how she would know which rate to charge. Chair Ward again clarified that the 6% is not a credit card surcharge and that the payment method doesn't determine the

rate. Ms. Cooney reiterated the 6% is not a transactional surcharge, if you have the required Point of Sale (POS) equipment, and have completed and filed a Statement of Rates of Fare with MTS Taxi Administration, you can then post and charge, the increased Maximum Rates of Fare, you **may** still charge **below** that rate if you so choose. Mr. Fewell stated that these changes were implemented for the benefit of the customer and to bring the taxi industry up to current standards.

Action Taken

Mr. Hueso moved for approval to forward a recommendation to the MTS Board of Directors to approve the proposed revisions to MTS Board Policy No. 34 "For-Hire Vehicle Services", with a second by Mr. Hussein. The vote was 11 to 1 in favor, with Mr. Tasem opposing, and Mr. Chasteen, Mr. Mayekawa, Mr. Majid and Mr. Morquecho absent.

5. Revisions to MTS Ordinance No.11

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.

Action Taken

Mr. Hueso moved for approval to forward a recommendation to the MTS Board of Directors to approve the proposed revisions to MTS Ordinance No. 11 with a second by Mr. Palmeri. The vote was 12-0 in favor with Mr. Chasteen, Mr. Mayekawa, Mr. Majid and Mr. Morquecho absent.

6. 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.

Chair Ward said he hopes that the Fee Schedule changes will provide some additional relief to permit holders and operators. Mr. Banks asked if there had been any progress towards making

credit card, or online, payments. Mr. Fewell reported that MTS IT Department is still exploring possible payment options and he will provide progress updates as available.

Action Taken

None. Informational Only.

7. 2020 Taxicab Advisory Committee Meeting Schedule

The 2020 TAC Meeting Schedule was proposed as follows: Wednesday, January 15, 2020, Wednesday April 15, 2020, Wednesday, July 15, 2019, Wednesday, October 14, 2020 and a tentative of Wednesday, December 16, 2020.

Ms. Tanguay noted some meeting dates may be difficult for member attendance due to tax deadlines. Ms. Cooney said that she hopes that with a year advance notice members will be able to plan ahead.

Action Taken

None. Informational Only.

8. 2020 Regulatory Bi-Annual Payment Dates

Mr. Fewell provided the 2020 Regulatory Fee Bi-Annual Payment Dates as follows; January 13, 2020 and June 8, 2020. This option was provided for those permit holders who would like to split their Annual Regulatory Fee's in two equal payments. All Annual Fees are due by June 8, 2020.

Mr. Hussein would like to thank MTS for the continued advocacy of the drivers who before felt they could not speak, and now they are represented at the TAC. Mr. Hussein wanted to know if there was the option to pay ½ and then wait until December to make the additional payment. Mr. Tasem wanted to clarify if they don't make a payment by January, you may still pay by the final deadline. He asked what happens if someone doesn't pay by the deadline and turns in their medallion at that time. He said that essentially a person would be able to operate for six months of the year without any payment and maybe some payment before June should be required. Mr. Mr. Fewell clarified that making two payments option was not available before and is being presented as a way to help permit holders to split their payments. Currently, even without this option, a permit holder may operate without payment up to the payment due date and then return their medallion. He said just as with the current regulation, any Annual permit fees that are not paid in their entirety by June 8, 2020 will result in the permit being voided. Mr. Palmeri expressed that MTS at times does things in the interest of helping permit holders and the industry argues just for the sake of argument and perhaps they should just be thankful.

Action Taken

None. Informational Only.

9. Insurance Company Minimum Rating Standards

Mr. Fewell said that it was agreed upon in July 10, 2019 to review the insurance company minimum rating and financial size categories. The matter was to be examined by the City of San Diego in order to present the information to MTS Risk Management Department and the feasibility of removing the rating categories. Mr. Fewell stated that he would follow up the Risk Management Department and report back to the Committee at the January 15, 2020 meeting.

Public Comment

Abebe Antallo, Lease Driver/UTWSD-Mr. Antallo compared the current insurance situation to his time as a student in Russia when then President Regan said to Mr. Gorbachev "break down this wall" and the nation was united. He asked, Mr. Ward to "please break this insurance". He said he pays \$300.00 per month for insurance and he thinks that the ratings should go away to allow for more competition and insurance costs to come down. He said he has been speaking about this for matter for over four years and nothing has happened. He said that they are being exploited and keep being told that it needs to be reviewed by Risk Management. He said other states are paying much less and he doesn't understand why.

Feyissa B, Permit Holder-Mr. Feyissa said that the business is going down and that the Taxi Administration is supposed to review the policies impacting them. He said the insurance is a large burden on the business now, he has surrendered one medallion and if things continue the way they do he will surrender the other. He said insurance is one of the largest costs for them and if MTS is really concerned about the business they will help the struggling drivers and their families. He said allowing for lower rating on insurance will help this. He said that there are travelers that prefer taxis over TNC's but if business does not improve they will not survive.

Kamran Hamidi, SD Airport Dispatch/VIP Taxi-Mr. Hamidi said two years ago Kenn Nelson responded to the insurance crisis and an ad hoc was created and that may need to happen again He said many will be left rushing to get insurance in April if we don't plan ahead. He said that Mr. Palmeri shared that today is his last meeting and would like to thank him for his industry contributions.

Committee Member Comment

Mr. Hussein said that a lot of people have had insurance issues and that many good drivers have been lost due to just one accident. He said asked to have the rating to be removed back in January 2019. He said that we cannot continue waiting and that we should move to have the rating removed now.

10. Additional Committee Member Comment

Ms. Tanguay thanked and wished Mr. Palmeri well as his last day as a TAC Member. Mr. Fewell thanked Mr. Palmeri for all his shared experienced. Mr. Palmeri mentioned that he and Mr. Hussein are now on the same page and that there is a shared interest in helping the industry and that the industry is nothing without the drivers. He thanked Chair Ward for his participation as it is not a rewarding job being on the committee. He additionally thanks Ms. Cooney and Mr. Fewell for their help and having an open door policy. He may be leaving the committee but still plans on being an active member in helping the industry and drivers in any way he can. Chair

Ward thanked Mr. Palmeri, San Diego Traverlers Aid Society on behalf on MTS and presented with a plaque of recognition.

11. Next Meeting – January 15, 2020 at 10:00 am.

12. Adjournment

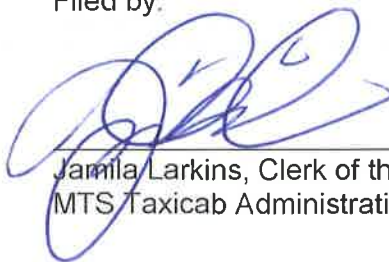
The meeting was adjourned at 3:12 pm.

Accepted:



Chris Ward
Chair of Taxicab Advisory Committee

Filed by:



Jamila Larkins, Clerk of the Committee
MTS Taxicab Administration

Attachments: Roll Call Sheet
Kamran Hamidi handout

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADVISORY COMMITTEE (TAC) MEETING
ROLL CALL

MEETING OF (DATE): December 2, 2019

CALL TO ORDER (TIME): 2:06pm

ADJOURN: 3:12pm

COMMITTEE MEMBER		(Alternate)		ORGANIZATION	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
Christopher Ward	<input checked="" type="checkbox"/>			MTS Board of Directors/SD City Council	2:00 pm	3:12 pm
George Abraham	<input checked="" type="checkbox"/>			Taxicab Owner/Eritrean Cab Co.	2:00 pm	3:12 pm
Alfred Banks	<input checked="" type="checkbox"/>			Taxicab Lease Driver	2:00 pm	3:12 pm
Ryan Chasteen	<input type="checkbox"/>			Hotel Industry		
Brian Hilemon	<input checked="" type="checkbox"/>			San Diego Tourism Authority	2:00 pm	3:12 pm
Antonio Hueso	<input checked="" type="checkbox"/>			USA Cab, LTD	2:05 pm	3:12 pm
Mikail Hussein	<input checked="" type="checkbox"/>	Abebe Antallo	<input type="checkbox"/>	United Taxi Workers Federation San Diego	2:00 pm	3:12 pm
Daryl Mayekawa	<input type="checkbox"/>			San Diego Convention Center		
Akbar Majid	<input type="checkbox"/>			Taxicab Owner/SDYC Holdings, LLC		
Guillermo Morquecho	<input type="checkbox"/>			Taxicab Lease Driver		
Houshang Nahavandian	<input checked="" type="checkbox"/>			Taxicab Owner/ESM Corporation	2:00 pm	3:12 pm
Marc Nichols	<input checked="" type="checkbox"/>	Michael Anderson	<input type="checkbox"/>	San Diego County Regional Airport Authority	2:00 pm	3:12 pm
Tony Palmeri	<input checked="" type="checkbox"/>	Michel Anderson	<input type="checkbox"/>	San Diego Travelers Aid Society	2:00 pm	3:12 pm
Margo Tanguay	<input checked="" type="checkbox"/>			Taxicab Lease Driver	2:00 pm	3:12 pm
David Tasem	<input checked="" type="checkbox"/>			Taxicab Lease Driver	2:12 pm	3:12 pm
Nasser Tehrani	<input checked="" type="checkbox"/>			Taxicab Owner/N.A.T. Cab Co.	2:00 pm	3:12 pm
Garret Cooper	<input checked="" type="checkbox"/>			San Diego Department of Agriculture, Weights and Measures	2:00pm	3:12 pm
Edna Rains	<input type="checkbox"/>			San Diego County Sheriff's Department Licensing Division		
Sharon Cooney non-voting	<input checked="" type="checkbox"/>			MTS Chief of Staff	2:03pm	3:12 pm
Leonardo Fewell non-voting	<input checked="" type="checkbox"/>			MTS Taxicab Administration Manager	2:00pm	3:12 pm
Paul Jablonski non-voting	<input type="checkbox"/>			MTS Chief Executive Officer		
Samantha Leslie non-voting	<input checked="" type="checkbox"/>			MTS Staff Attorney/Regulatory Compliance	2:00pm	3:12 pm

CLERK OF THE TAC:

TAXICAB ADMINISTRATION MANAGER:



Kauran Akundi
handout 12/22/19

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Agenda Item No. 5

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM TAXICAB ADVISORY COMMITTEE

June 21, 2018

SUBJECT:

ADOPTION OF TAXICAB RATES OF FARE-AIRPORT/CITIES

RECOMMENDATION:

That the Taxicab Advisory Committee:

1. Forward a recommendation to the MTS Board of Directors to maintain the current 2017 rates of fare for both Airport Originated Trips and Non-Airport Originated Trips for the remainder of 2018. As of January 1, 2019, AB 1069 will go into effect, which will affect rate policies.

Budget Impact:

None.

DISCUSSION:

Annually, the MTS Taxicab Administration recalculates both the maximum allowable City rates of fare and the airport taxicab rates of fare.

In accordance with *MTS Ordinance No. 11, Section 2.2 (b)*, which states, "Taxicab trips from the San Diego International Airport shall be at a uniform rate of fare," *MTS Policies and Procedures No. 34 (Attachment A)*, Section 34.5.1, provides that, "Airport rates shall be adjusted ... in accordance with the change in the Annual All Urban Western Transportation Consumer San Diego Price Index" (Attachment B).

For rates of fare for taxicab trips that do not originate at the San Diego International Airport, MTS Ordinance No. 11, Section 2.2, and Policies and Procedures No. 34, Section 34.4, provide for all MTS taxicab permit holders to file rates of fare that do not



exceed 20 percent above the average rates on file for all taxicab vehicles, except for trips originating at the San Diego International Airport, and provided that they are consistent with the rates of their dispatch service.

Both City rates and airport taxicab rates of fare are to be calculated annually. The last time airport rates of fare were calculated was in June 2017. Therefore, staff has recalculated the rates of fare for 2018.

Results of staff's calculations of rates of fare for the San Diego International Airport as follows:

	<u>Current Rates</u>	<u>Proposed 2018 Rates</u>
METHOD # 1. AIRPORT ANNUAL CPI METHOD (SINCE 1990)	\$ 2.80 flag drop 1/10 of a mile \$ 3.00 per mile \$ 24.00 per-hour waiting time	\$ 2.70 flag drop 1/14 of a mile \$ 2.90 per mile \$ 23.00 per-hour waiting time

Maximum rates of fare for trips not originating at the airport are as follows:

	<u>Current Rates</u>	<u>Proposed 2018 Rates</u>
METHOD # 2. CITY WEIGHTED AVERAGE METHOD	\$ 3.40 flag drop 1/12 of a mile \$ 3.60 per mile \$ 29.00 per-hour waiting time	\$ 3.40 flag drop 1/12 of a mile \$ 3.60 per mile \$ 29.00 per-hour waiting time

CURRENT CITY MAXIMUM RATES AS OF DECEMBER 2, 2019



Kenneth E. Nelson
Taxicab Administration Manager

Key Staff Contact: Kenneth E. Nelson, 619.595.7034, Kenneth.Nelson@sdmts.com

Attachments: A. MTS Policy 34
B. Annual All Urban Western Transportation Consumer San Diego Price Index
C. 2017-2018 San Diego Airport Rates of Fare/Maximum Allowable City Rates

AB 1069 LAW
EFFECTIVE JANUARY 1, 2019

NEW MAXIMUM RATE POLICY:
USE ANNUAL CONSUMER PRICE INDEX METHOD #1 FOR BOTH THE AIRPORT AND THE CITY