

MEMBERS PRESENT

Chairman Sena
Vice Chairman Glover
Mrs. Wagner
Mr. Polish
Mrs. Hayes
Mr. Stewart
Mrs. Westall
Mr. Prengaman
Mr. FitzPatrick

GUESTS PRESENT

Neil G. Buckwald, Vets' Cab Co.
Daryl E. Capurro, Nevada Motor Transport Assn.
Bob Volin, Self
Robert A. Weissman, Self
H. K. Peterson, Public Service Commission
Ted Robey, Self
T. Portillo, Self
James R. Rice, Teamster Local #631
Eva Weissman, Self
Marie Buckwald, Self
Donal S. Walls, Whittlesea Blue Cab Co.
James Avance, Taxicab Authority
Andy Grose, Legal Counsel Bureau
Sam Mamet, Clark County
Charles Zobell, City of Las Vegas
Bob Guinn, Nevada Motor Transport Assn.

Chairman Sena called the meeting to order at 2:37 p.m. and called A.B. 662 as the first bill on the agenda.

A.B. 662 - Requires all taxicabs to have pollution control systems, and requires minimum fees of applicants for certification.

James Avance, administrator, Taxicab Authority, explained A.B. 662 is a bill introduced by the Taxicab Authority. It reflects change in fee of not less than \$200 when an application for certificate is submitted. The Authority's experience has been that it cost more than \$200 to run a check on applicants when they were not residents of Nevada. He stated the Taxicab Authority is charged with the responsibility of inspecting taxicabs for air pollution devices but did not have direct mandate. He believes they should be the agency to control that.

Mrs. Hayes inquired if there should be a limit above the \$200 fee. Mr. Avance replied the bill states also "costs incurred." He feels a ceiling of \$3,000 would be reasonable, as long as the expenses are incurred within the United States.

Mrs. Hayes asked if they get back the \$200 if it is not used. Mr. Avance replied they don't get it back; but they would be charged costs incurred above the \$200.

Mr. Avance said the Taxicab Authority makes checks for pollution control four times a year, in reply to Mr. Polish's question.

Neil Buckwald, Vets Cab Co, commented on the \$200 fee saying there should be a limit for local residents, since it does not cost that much to investigate an applicant's background.

Robert Weissman, Checker Cab Co. of Las Vegas, referred to recent articles in the Las Vegas Sun regarding the taxicab company's violation of the Pollution Control Act by using leaded gasoline and removal of emission control devices from their taxicabs. He thinks this is a disgraceful situation.

A.B. 340 - Requires certification of operators of single taxicabs and an allocation of 10 percent of taxicabs.

Assemblyman Robinson stated he introduced the bill by request of Ted Robey.

Ted Robey, Las Vegas, explained the purpose of the bill is to try for better relationship between the cab driver and the visitor. He said when the independent cab driver hits the streets there will be a big change because that man does not have to hurry to make the big book average (about \$100). The individual cab owner will pick up fares the big companies never get.

Mr. Prengaman asked why priority is being given to those applications filed before January 1, 1979. Mr. Robey replied they will be heard first because they already spent their money; and it costs money to have a hearing with the Taxicab Authority.

Mr. FitzPatrick asked how a single operator can afford extras such as a radio operator. Mr. Robey replied that if a man puts a cab on the street he must have a radio and a meter. He checked with the Central Telephone Co. and was informed each cab can have a phone in his car.

Mr. Prengaman inquired if there are other cities where this system he is proposing are operating right now. Mr. Robey replied any place in the United States except here.

Mr. Robinson pointed out there are very few people eligible who had prior applications; that the certificates are not of value they can sell or trade. If they give up the certificates it goes back to the Taxicab Authority to be re-issued to other drivers.

Neil Buckwald, Vets Cab Co., stated he believed the State has had the monopoly long enough, that the people should get their share of the profits. He suggested some changes regarding the certificate ownership and the 10-hour shift. He would like to see A.B. 340 pass, including his suggested amendments. A copy of Mr. Buckwald's testimony is attached to these minutes as Exhibit "A".

Mr. Buckwald said there are about 1,500 taxicab drivers in Clark County, in reply to Chairman Sena's question.

Replying to several questions from the Committee, Mr. Buckwald said a driver should be financially able to buy a cab and in order to qualify must be a resident and been driving in the county for a few years; and should own some property. He also said a normal shift consists of 10 hours.

James Avance, administrator of Taxicab Authority, stated that in 1965 the Legislature grandfathered two taxicab owners who only wanted one cab each. The Legislature granted this which resulted in many court battles. He said those two people who wanted only one cab, now have eight. He also read an opinion from the Attorney General's office dated April 1973, a copy of which is attached to these minutes as Exhibit "B". He cited a case in North Las Vegas about a man that proved his case. He concluded his statement by saying the law is working, and works well.

Robert Weissman, employee of Checker Cab Co. in Las Vegas, said this bill as it stands is basically a good bill, with the exception of Sec. 2, which should be removed.

Mr. Prengaman asked him how he would answer the charge that if permitted one cab they will be wanting more and more. Mr. Weissman replied he would be satisfied to have one taxicab.

Mr. Sena said he consulted with his committee about introducing a bill to sublease from major companies, and asked his feelings regarding this. Mr. Weissman replied by reading a mailgram sent by Checker Cab employees giving support to such legislation. He said it is not his idea of being in the taxicab industry.

Bob Volin, driver of Whittlesea Blue Taxi Cab Co. of Las Vegas, said he would like to see included in the qualifications a minimum of three years driving in Clark County. Also that the certificate be non-transferrable and non-negotiable. He felt there should be a standard maximum or minimum rate charged.

James Rice, representing Teamsters Local 631 in Las Vegas, said they took a survey of the drivers and found some being turned in for cutting in front of traffic and being fined. If the driver doesn't come up with the fine his permit is pulled out. He is opposed to the 10%; that there should be no limit on the number of people who can own their own cabs. He claimed the residents living in Las Vegas and vicinity are not being serviced by the present ownerships; that the small companies will not take phone business.

Donal Walls, Whittlesea Blue Cab Co., testified against the bill at the request of the company's president, Jim Bell. They believe authorizing more cab companies in Las Vegas would disturb the stability that has existed in the last 10 years. He said Legislature should rely on the Taxicab Authority to issue certificates and allocations.

Robert Weissman, Checker Cab Co., Las Vegas, stated if independents were allowed there would be stability and less likelihood of a bloody strike in August or September when contract negotiations begin between Local 631 and the major cab companies. He said the 10% independent drivers would serve as a buffer by continuing to operate, in the event of a strike.

Mrs. Westall said the same thing could happen in Vegas as several years ago, which was the reason the Authority was put in.

Mrs. Hayes said she attended open meetings last summer sponsored by the Chamber of Commerce and talked to several drivers who said they didn't want this. She questions whether there are enough people that want this, because they usually come out enmasse if they really want something.

A.B. 70 - Provides authority for establishment and operation of regional systems of transportation.

Andy Grose, research director for the Legal Counsel Bureau, said the Transportation Study Committee felt mass transit or public transportation should not be a matter for city or county, but an area-wide operation -- regardless of municipal boundaries. He said the committee did not want to see develop in Nevada what had happened in Salt Lake City where about a dozen bus companies operated that created problems. This forced them to create a transportation district. He explained the committee felt it made sense to expand the authority of the REgional Streets and Highways Commission, to cover public transportation and mass transit. The bill merely does two things: (1) it changes the name to Regional Transportation Commission; and (2) the commission may establish or operate a system of public transportation.

Mrs. Westall asked if this would be under the Department of Transportation that is being formed. Mr. Grose replied it doesn't relate to that, but merely takes an existing organization on the local level and changing its name and adding to its authority.

Mr. Glover asked if there was some way to pin it down to bus service, to avoid getting into chartered buses or taxicab business. Mr. Grose replied you could pin it down more if it was felt necessary.

Mrs. Hayes, replying to Mr. Prengaman's question on who would run the regional transportation committee, said the best way to go would be to formulate a plan for mass transportation. She felt copying what they did in Salt Lake City would help the situation.

Harold K. Peterson, Public Service Commission, said the only problem he had was the wording, "public transportation," which he feels should be changed in the event lack of funds in a county would affect the system.

A.B. 74 - Exempts county operating as common motor carrier from requirement of certificate of public convenience and necessity.

Daryl Capurro, Nevada Motor Transport Assn., explained the way it is presently written is the possibility of putting the city and county into private industry business. He cited the City of Reno's Junior Ski Program where they used school buses to transport students to the ski slopes, resulting in the business being taken away from private industry at a time of year when teamsters needed the business. He feels private industry did a better and safe job of transporting children than that provided by the school district. There was a lengthy discussion on what would be the best definition of common motor carrier of passengers.

Sam Mamet, representing Clark County, said mass transit needs in southern Nevada is a main concern because of the tax caps. They will be unable to provide local matching funds to federal grants. He said they don't know how they will carry out a decent mass transit system.

Charles Zobell, City of Las Vegas, testified in support of A.B. 70 and said it should be expanded to add additional definitions on what would be included in a public transit system and what it would be allowed to do. They came up with an amendment to provide for bonding of mass transportation and funding source, resulting in the Bill A.B. 554 which asks for portion of the entertainment tax. That bill has now been killed. Without a funding source there is nothing the cities and counties can do to provide mass transit, he added.

Mrs. Hayes said they are trying to lay the groundwork, even if the money is not available now.

Bob Guinn, Nevada Motor Transport Assn., felt it is an attack on people who want to provide commercial bus service. He was also worried about building bureaucracy that goes with building these departments. He thinks the taxpayers will be unhappy when they find out what it will cost.

Sam Mamet referred to Section 7 of A.B. 70, which repeals various sections in NRS 710, allowing counties to provide funds for maintenance of railroad systems. He said Senator Blakemore's bills which passed the Senate will be inconsistent with this Section 7.

Mr. Prengaman said he didn't think it was an encroachment upon private industry but rather because they couldn't make it. This was in reply to Mr. Capurro's allegation that school bus activities cut into the private industry area.

There being no further discussion, the meeting adjourned at 5:20 p.m.

Respectfully submitted,

Sylvia Mays
Sylvia Mays
Assembly Attache

ASSEMBLY
TRANSPORTATION COMMITTEE

GUEST LIST

Date: April 16-79

PLEASE PRINT YOUR NAME	PLEASE PRINT WHO YOU REPRESENT	I WISH TO SPEAK		
		FOR	AGAINST	BILL NO.
✓ Backward, Neil G.	MYSELF - VETS CAB	✓		340
Jaryl E. Capurro	NEVADA MOTOR TRANSPORT ASSN	✓		AB 70 AB 71
Bob Voud	MYSELF	✓		340
Milut J. Jussiman	MYSELF	✓		412 340
N.K. Peterson	NEV. P.S.O.			70 71
Red Robey	myself.	✓		AB 340
Tom Portello	Myself			AB 340
James R. Rice	Truckster #631	✓		
Gene J. Jussiman	myself	✓		412 340
Marie Kudrutzka	myself	✓		412 340
✓ DONALD S. WALLS	WATTLESEA BLUE CAB		✓	AB 340
✓ Jim AVANCE	Taxi Authority		✓	AB 340
" "	" "	✓		AB 662

148 NADA SIMINA
 To Committee on Transportation
 State Legislature
 Carson City, Nev.

A.B. 340

PARAGRAPH 2 of SECTION 1 should be amended to the following:

2. The certificates mentioned in subsection 1 must be limited to the operation one taxicab by the holder of each certificate and his representative.

All such certificates may be transferable after one year of ownership by the original certificate holder, upon approval of the Taxicab authority.

3. Should be deleted.

Justification:

The major cab companies are allowed to sell their ownership, so I believe the individual certificate holders should have the same opportunity and freedom. It ~~is~~ doesn't make good business sense to just operate a \$7,500. dollar ^{Taxicab} one 10 hour shift. I believe it should be operated 2- 10 hour shifts. Your insurance continues whether it is operating or not, and all other expenses. I believe the State has protected the Taxicab monopoly long enough, and it should allow qualified cab drivers to operate their own cabs. It is time the little people have a chance. I know the Taxicab Authority will be against the bill. All I can say is that they are for big business! They claim the individual cabs will be too hard to regulate. On the contrary, all the Taxicab Authority has to do is call on the radio or phone and

cont.

Exhibit A

2.

the cab will meet them where they designate. I have seen the ups and downs in the cab industry for fourteen years, and I certainly can't see where they will cause any trouble. In fact to the contrary, if one large cab company gets their insurance cancelled, then the whole industry is in trouble. Also the individual owners will create more stability in the industry. The drivers they hire will be stable long term residents, NO CONVOYS or FLOATERS! As owner operators they will buy good equipment and maintain it in good condition. The cab driver is the first and last contact with the TOURISTS, this will make for better relations with them, and give a better impression of our TOWN! REMEMBER TOURIST BUSINESS IS OUR BUSINESS! With all the friction between the Union and the Cab owners these individual cab operators will provide more stability. Numerous people have told me, "That there is too much money in the Cab Industry, to let them allow individual cab ownership." I would like to be able to go back to your CONSTITUENTS and say that we are right in the faith intrusted to you.

I have ^A list of names who are in full support of my stand on this bill. We are ~~in~~ against the Cab Lease Bill. Many of the cab drivers have been involved in this type of operation in Miami, Oakland and other cities. The cab owners will have the drivers completely at their mercey, and you would only have floaters, transients and lower class of people who would rip the tourists off and would be driving like wild men to make a buck. This cannot be allowed to happen!

Sincerely,

Neil G. Buckwald

Neil G. Buckwald

Taxi fare hike asked to offset gas price

By Jeanne M. Hall
R-J Staff Writer

The increasing cost of gasoline and its decreasing availability dominated the Thursday Taxi Authority meeting.

The three-member board agreed with taxi company owners that a rate increase appears needed to offset the soaring cost of gasoline. But they were not sure of how

to hike them. Checker Cab Co. manager Eugene Maday said gasoline prices have risen 70 percent since the last rate increase in September 1975. He asked the previous board agreed to automatically increase fares at the meter to compensate for price increases.

Mary Hyer, assistant deputy attorney general, said a public hearing was

probably necessary because the last rate increase was granted more than three years ago.

"As a state agency this board has to give the consumer a chance to respond even if it's almost a foregone conclusion what the decision will be," she said.

Hyer was instructed to research the question and determine if a public hearing was legally necessary

everytime there was a rate increase; and to see what steps are necessary to set up procedures for automatic rate increases to compensate for inflation.

Air conditioners in cabs increase fuel consumption by at least 10 percent, Maday said, in asking that the board defer the turn-on date for air conditioning systems.

The board agreed to

postpone hooking up the systems until the May 5 meeting.

Some cab owners claimed to be getting smaller fuel allocations than at this time last year.

"We may get to the point that if you operate a cab fleet you'll have to operate it without air," authority member Lloyd Bell said.

Desert Cab Co. officials

complained their operating certificate prohibits them from dropping off passengers outside their operating area and overzealous law enforcement officials are ticketing the drivers.

"Only in the last six months has it turned into a big problem," manager Ray Chenoweth said.

The board's attorney was instructed to see if the certificate permitted Desert Cab Co. to drop off passengers in areas outside of its stipulated operating area which is primarily the city and parts of Clark County. If turned down, authority member Rody Mainer said they could apply to have the certificate modified.

Authority administrator James Avance said he has received an increasing number of phone calls from individuals complaining they cannot get a taxi.

Avance said he will ask the Legislature for more money. Otherwise the charge will be passed on to

the driver. Jack Chenoweth said that a number of

Smog tests ground four cabs

Four Las Vegas taxis, being pulled off the street Thursday when a road test showed the vehicles failed to meet state and federal standards for pollution devices. Clark County Taxicab Authority Administrator James Avance said Friday.

Three of the cabs belonged to Checker Cab Co. and one to Whiteless Blue Cab.

The Taxicab Authority

testing the four cabs in the Las Vegas area to make sure they meet federal and state standards for emission control devices.

They were among the first vehicles to be re-tested.

Avance said the vehicles were taken off the street Thursday. Later that day two of the cabs owned by Checker were returned to duty.

All three Checker cabs

use natural gas rather than regular gasoline. But the state and federal government does not exempt this pollution-free fuel from standards designed for gasoline-burning vehicles.

Avance said the regular gasoline tanks were removed from the two cabs that were returned to the streets. Making it impossible for the taxis to run off fossil fuel exempted them from the law, Avance said.

Avance said Checker manager Eugene Maday is seeking to have the natural gas-burning cabs exempted from the law. About 90 percent of Checker's 112 cabs run on natural gas.

The Taxicab Authority has examined more than 250 cabs. Of this number, 61 percent were found in violation of the emission control laws, Avance said.

The cab companies must comply with state and fed-

eral laws as soon as possible, the Taxicab Authority administrator said.

CHIEF JUSTICE

LANSING, Mich. (AP) — Mary Stallings Coleman has been elected Michigan's first woman chief justice.

Mrs. Coleman, 64, was first elected to the seven-member court in 1972. Mrs. Coleman and her husband, Creighton Coleman, senior judge of Calhoun Circuit Court, have two daughters, both medical doctors.

Letters from our readers

'Cabs owned by fleet companies'

To the editor:

(Re: Review-Journal stories on Page 10A, Oct. 22 edition, and Page 4A, Oct. 19 issue)

Are you aware that all taxicabs in Las Vegas are owned by fleet taxicab companies?

I recently saw an interview show on a television show where a Mr. Avance of the Taxicab Authority said it was possible to obtain an independent owner's permit to operate a taxicab in Las Vegas if there should be a need for more taxis.

However, when I tried to apply for an independent owner's permit recently, I was told by a Mr. Fogerty at the Taxicab Authority that the only way an independent operator can obtain a permit or medallion in Las Vegas is to prove to the board of directors that the existing fleet operators were incompetent.

Further, I was informed it would cost me \$200 just to appear before the

board and that my chances for success were absolute zero.

More important, I was told that while there appears to be a need in the near future for more taxicabs, all permits or medallions will go to existing fleet operators with no possibility whatsoever of an independent owner receiving a permit.

I have spent most of my working life as a police officer, but if I were a reporter or newsperson of any kind, I would have a large number of penetrating questions to ask about this.

A taxicab in Las Vegas can gross \$30,000 or more per year, so why are permits only given to certain fleet operators when there are many independent persons, such as myself, who would like to go into the taxicab business?

There is only one reason I can think of. How about you?

Bob Evans

Here I Stand

HANK GREENSPUN

Teamster's Union and the Taxicab Authority because of the additional cabs that will be put on the streets during the Home Builders Convention.

The head of Local 631 told the SUN he has enough cabbies signed up to stage a walkout when the 70,000 members of the Association arrive here to start their meetings.

Seventy-two additional cabs make the difference between a successful builder's convention and crippling it. The enraged union officials intend to call all the cabs off the streets for some spurious reason, even though it may cost Las Vegas an untold amount of future conventions because of the walkout.

All the assurances that the additional cabs will be taken off after the convention has not altered the threat.

We have become a nation of threat victims. We are continually threatened in our work, play, social life and every other facet of living.

We wake up the next morning to sleep threatened. And in the morning, labor, then management threatens with their problems.

My solution is simple.

Instead of issuing medallions for additional cabs to cab companies, make bosses out of every cab driver. Give each driver a permit to operate a cab and he immediately becomes his own boss.

The medallion can be the security needed to purchase a cab because it is a thing of value; and with the burden of paying for the cab out of the daily take, no cab driver will have the luxury of taking his cab off the street if anything displeases him.

He will have to work because he is the boss, just like I'm practically the only person working at the newspaper today because I'm the boss, and I have 500 families depending on me for their salaries.

With every man a boss, we would need no middlemen like unions or management. It would remove the threats and bring prices down because there are far too many people on the streets. Three out of 100 is an overabundance. They want to work but are forced into idleness with a resultant loss to the economy and community.

The Cabbies' Side

to bring out in the open a few of our problems and give you a better picture of the situation.

theory administrator since Lowell Dean Cortez resigned as administrator we as cab drivers and the general public have been stuck with a less than good administrator. His lack of compassion for his fellow man has driven the taxi drivers to a point of rebellion and the person(s) responsible for his being in office owe us all an apology. A good husband and devoted father he probably is. An administrator, he isn't.

***Outrageous fines.** It is under the present administration's policy to fine drivers, even for first offenses of minor violations, rather than issue warnings. I'm a firm believer that rules and regulations are absolutely necessary, and most of the rules are of good cause. But the fines imposed are so outrageously unfair that it shows the people who levy them to be either stupid or masochists.

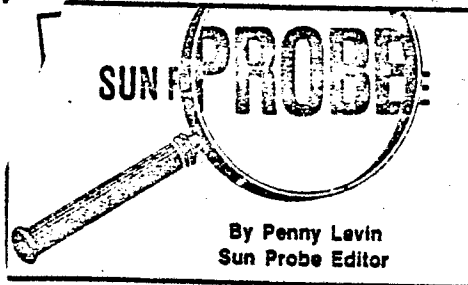
A driver cited to traffic court by a police officer for speeding is on the average fined \$15 to \$20. A driver cited into taxi court for a minor violation such as loading passengers with his bumper in the crosswalk will be fined \$25. The

rules and regulations are set up for the benefit of the passenger. The passenger's word is law. No matter what the circumstances, any complaint against the driver is handled as the driver being in the wrong and can be fined or suspended.

***Added cabs.** A driver's salary depends upon the amount of money taken in on the meter. More cabs means less trips. Less trips means less money. The cab drivers have handled large crowds in the past and will continue to do so in the future. The homebuilder's convention is no exception. We can handle it. It's just that simple.

I make a personal plea to Jim Avance, Jack James, Randall Mainer and Lloyd Bell. Allow us the benefit of the doubt, as you are speculating anyway, and let us handle the convention in January with the cabs now on the street. If we can't do a satisfactory job, I will personally kiss your butt in public and give you all the time you want to draw a crowd.

HILL KELLEY
Yellow Cab Co.



The world not treating you right? Let SUN Probe know about it. Address your letters to SUN Probe, P.O. Box 4275, Las Vegas, Nev., 89166. Include all pertinent information such as address and telephone number.

STARTING OWN CAB COMPANY

QUESTION: I am from the East coast and have fallen in love with Las Vegas. I drove a cab back there and came out here with plans of driving my own cab. No such luck. I have been blunted in my efforts to obtain a permit. I thought it was the basic right of a citizen to have his own business. Recently, 36 new medallions were issued to existing companies but I and other drivers who want to start an independent cab company could make no head-way.

Name withheld upon request

ANSWER: Probe spoke with Jim Avance, administrator for the Taxicab Authority, who said the industry is a regulated monopoly because it is a privileged industry and the state is concerned with protecting the public.

Avance said there are limited opportunities for an independent company to be established and individuals must meet stringent requirements.

Furthermore, the way the rules are set up, there must first be proof existing cab companies are not willing to meet the additional service needs. If the carriers are willing, they get the first chance.

Avance said from time to time, cab companies are for sale and you could look into that prospect. He explained the authority makes sure there is a need before additional cabs are put on the street so there is not undue competition for those cabbies presently working.

He agreed there is a philosophical conflict between the free enterprise system and control of an industry. Probe would be interested in discussing the matter further with you if you will call our office at 353-3111, ext. 77, any afternoon Monday through Friday.

EXHIBIT A

MAR 2 1979

THIS IS YOUR WARNING LETTER -----

You will be given six days off for your first offense and termination for your second offense.

Call in service before you leave the garage.

Call on all stands immediately upon arrival.

When you leave the strip and go to an area other than to another strip hotel, you are to give the dispatcher your destination immediately.

YOU CANNOT CRUISE BACK TO THE STRIP FROM ANY AREA WITHOUT GETTING PERMISSION FROM THE DISPATCHER. UNNECESSARY CRUISING MUST COME TO A COMPLETE HALT AS WE ARE NOW ON A GASOLINE ALLOCATION.

IF YOU DO NOT TAKE CARE OF OUR PHONE BUSINESS PROPERLY, THE NEXT STEP WILL BE A NEW ALLOCATION REQUEST.

YELLOW CAB COMPANY

EXHIBIT A

RECEIVED
TAXICAB AUTHORITY
STATE OF NEVADA

APR 30 1973



Exhibit "B"
Opinion read by Mr. Avance

STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL
ROOM 341, LEGISLATIVE BUILDING
CARSON CITY 89701

ROBERT LIST
ATTORNEY GENERAL

April 27, 1973

OPINION NO. 127

Taxicab Allocation--The Las Vegas Taxicab Authority must offer to all certificate holders proportionate allocations of taxicabs in keeping with existing allocations. Disproportionate allocations may be made if one or more certificate holders are unwilling or are unable to accept proportionate allocation, or when one or more certificate holders are shown to have failed the requisite standards of public convenience and necessity and have further failed an opportunity granted them to expand their services or facilities to meet such standards.

Honorable Harry M. Reid
Lieutenant Governor
State Capitol
Carson City, Nevada 89701

Dear Lieutenant Governor Reid:

You have requested an opinion on the following matter.

QUESTION

Must the Las Vegas Taxicab Authority allocate taxicabs among taxi companies on a proportionate basis in keeping with the present taxicab allocation?

RECEIVED
TAXICAB AUTHORITY
STATE OF NEVADA

EXHIBIT "B"

APR 30 1973

ANALYSIS

It is provided in Nevada Revised Statutes 706.8827 that:

A person shall not engage in the taxicab business unless he:

* * *

2. Obtains a certificate of public convenience and necessity from the taxicab authority as provided in NRS 706.386 to 706.395, inclusive, and NRS 706.406.

This term, "public convenience and necessity", places the functions of the Taxicab Authority into the realm of what is called a "regulated monopoly". Generally, the regulation of common carriers falls into the classification of a "regulated monopoly" or "regulated competition". Corporation Commission v. People's Freight Lines, Inc., 41 Ariz. 158, 16 P.2d 420 (1932).

When a statute provides that common carriers shall be regulated in the "public interest", the regulatory scheme is called "regulated competition". This means that free and open competition is permitted so long as each competitor can show that he is operating in and for the public interest. With the exception of this limitation, there is no restriction of competition. But a statute which provides for the issuance of certificates of "public convenience and necessity", creates a "regulated monopoly". In this instance, free competition is regarded by the law as a possible evil. Common carriers must show that their service is convenient and necessary, and if one company can provide most or all of the necessary service, it will be permitted to do so with little or no competition. Arrow Transportation Co. v. Hill, 387 P.2d 559 (Ore., 1963). The authority which grants certificates of public convenience and necessity must look not only to the interest of the public in immediate transportation, but to the interest of the public in continuing transportation. It does this by insuring the well-being and strength of the carrier or carriers providing the service. In this respect, NRS 706.386(2), which is incorporated by reference into the Taxicab Authority's enabling act by NRS 706.8827(2), provides that in awarding certificates of public convenience and necessity, the Authority must consider other authorized transportation facilities in the territory.

The Nevada Supreme Court in Checker, Inc. v. Public Service Commission, 84 Nev. 623, 446 P.2d 981 (1968), in construing the statutes regulating common carriers in Nevada, noted with approval the principle that:

. . . competition is not necessarily unrestrainable. It cannot be allowed to harm the very public it was designed to protect and aid. It may be restrained for the public welfare just the same as monopoly may be restrained or as competition may be left unrestrained. . . .

Therefore, in light of these principles of "regulated monopoly", it has been established that before a common carrier can compete with an established common carrier in an area, or before it can increase its service or facilities in that area, it not only has the burden of proving that it meets the standards of public convenience and necessity, but it also has the burden of proving that the established carrier is not meeting those same standards. However, the principle of a "regulated monopoly" is that competition, in the long run, may be harmful to the public by destroying the financial basis of the competitors. Therefore, it is also the rule that the established carrier, if there has been proof that it is not meeting the standards of public convenience and necessity, must be given the opportunity to expand its services or facilities to meet such standards. Only if the established carrier fails to do this, will a competitor be given the right to compete or expand its services or facilities in the territory. Tuscon Rapid Transit Co. v. Old Pueblo Transit Co., 79 Ariz. 327, 289 P.2d 406 (1955).

CONCLUSION

Keeping these principles in mind, your question is answered as follows: The Taxicab Authority, in allocating taxicabs, must always consider the continuing strength and stability of existing certificate holders. Whenever the Authority determines that the public convenience and necessity require additional taxicabs in Clark County, it must follow these rules:

1. Because it must foster the economic well-being of all taxicab companies, the Authority must offer all certificate holders a proportionate increase in the number of their taxicabs in keeping with the present taxicab allocation.

Honorable Harry M. Reid

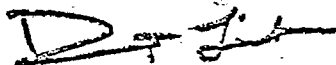
April 27, 1973

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2. An applicant or applicants for taxicab allocation may petition the Authority for a disproportionate increase in allocation, but must meet the burden of proving that one or more certificate holders are falling short of meeting the requisite standards of public convenience and necessity in the conduct of their businesses. But even if the challenging applicants can meet this burden, the Authority, in the interests of maintaining the continuing strength and stability of all certificate holders, must give the challenged company or companies the opportunity to bring, or prove that they may bring, their services or facilities up to the requisite standard. If this can be done to the satisfaction of the Authority, then, again, the Authority must offer all existing certificate holders a proportionate allocation of taxicabs in keeping with present allocations.

3. But if one or more certificate holders are unwilling or are unable to accept an increased proportionate allocation, or if one or more companies which have been successfully challenged by other applicants are unable, after due opportunity, to expand, or show that they can expand, their services or facilities to meet the requisite standards of public convenience and necessity, then the Authority may allocate taxicabs on a disproportionate basis.

Respectfully,



ROBERT LIST
Attorney General