

Good Afternoon; my name is Sam Moffitt, I am chief shop steward at Yellow, Checker, Star Cab Company.

I could talk about the fuel surcharge that has been imposed on the riding public, where cabs that burn alternative fuels such as propane or natural gas have been given the fuel surcharge based on the price of gas without the knowledge of the price of the alternative fuels.

Instead I want to talk about something that hasn't been mentioned in the state audit, namely permanent allocations. There are about ten thousand cab drivers in Las Vegas that are trying to make a living driving a cab. This past year, 2015 the TA allocated 800 permanent medallions. That number is unheard of yearly allocations. The total number of cabs as of January 1 of 2016 is 3,210; if you subtract the 800 cabs from that, the number of cabs as of January 1 of 2015 was 2,410. In that same period of time the total number of rides for 2015 showed a slight decrease according to the TAs own statistics. Not only that, but the TA also lifted the restrictions off all time restricted and geo-restricted cabs. Their reason was to compete with Uber and Lyft, when in fact they are damaging the industry way more than the ride ap. companies ever thought of. These 10,000 people who are trying to make a living are struggling to make ends meet; they are just like any other people in this country trying to provide for their families. At the November TA

meeting the Taxi Authority allocated 40 medallions per company, 10 each in December, January, February, and March, which is a total of 640 new medallions. The two largest companies (Frias and YCS) opposed allocating any more medallions, they were denied. They also suggested reviewing the impact of the medallions at the January TA hearing, they were denied. The board said they would review after all medallions were allocated. I want to show you the statistics for 2015 to show what has happened.

INFORMATION ON THE TAXI INDUSTRY OF LAS VEGAS

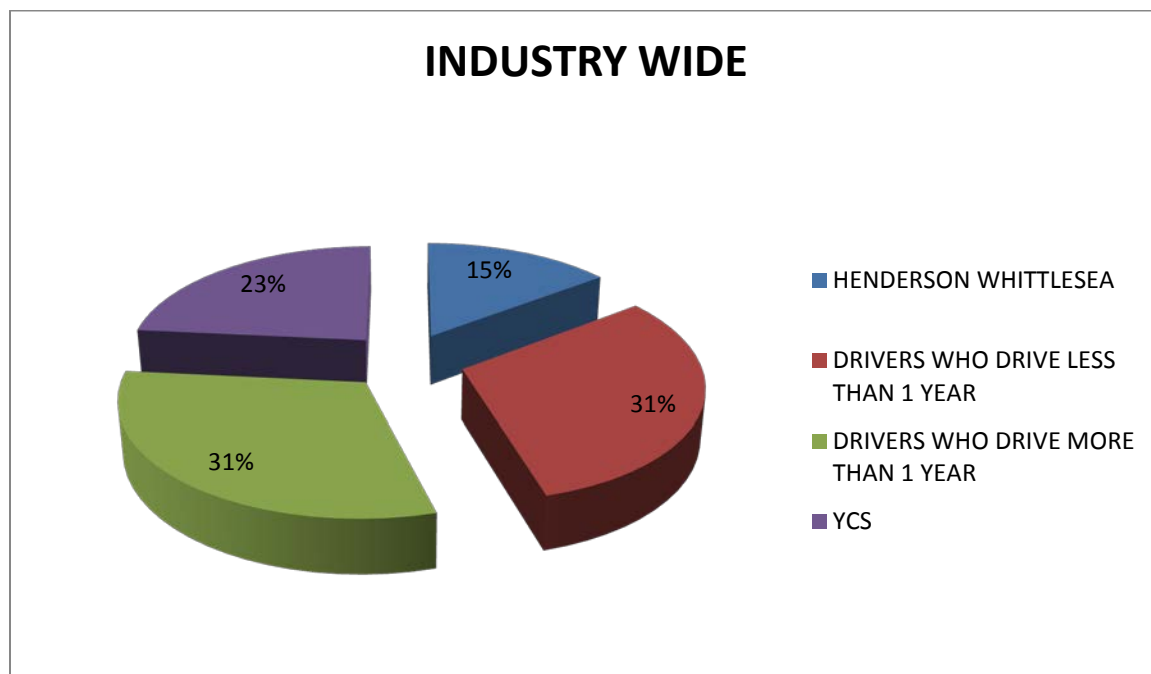
There is an audit of the Taxi Authority of Las Vegas that has just been released to the public. This audit we feel has been very well researched and investigated. Our information has to do with how this affects the riding public and the drivers of taxi cabs, also the questionable procedures to position the cab companies in an unfair advantage over the riding public and the cab drivers.

We are going to review three different aspects. First we will discuss the fuel surcharge, second the credit card fee, and third the allocation of permanent medallions.

THE FUEL SURCHARGE;

The name fuel surcharge would imply that this surcharge is to relieve the high cost of fuel to the party who is paying for it, that could not be further from the truth. The taxi industry has an annual turnover rate of more than fifty percent of drivers, meaning that at all times fifty percent of the drivers are employed at any given company less than one year. It is a common practice at all companies for drivers who have less than one year of employment (except Yellow, Checker, and Star) pays for one hundred percent of the fuel. On the other hand those drivers only receive fifty percent of the surcharge. After one year of employment they receive fifty percent of the surcharge and share fifty percent of the cost of the fuel, (except

Whittlesea, Henderson), they're drivers still pay seventy five percent of the cost of fuel while still receiving fifty percent of the surcharge. We haven't included Yellow, Checker, Star until now. YCS claim that the drivers don't pay for the fuel when in fact they are paid a smaller percentage of the meter, starting out at 38.5% of the meter, as compared to most all the companies 50%. For this reason they don't share any of the fuel surcharge with their drivers. As you can see in this chart the companies are receiving 69% of the fuel surcharge while only paying 31% of the cost.



We are sure that you are aware that Yellow, Checker, Star uses alternative fuel. We have brought to the attention of the Taxicab Authority that not only YCS but several other companies use alternative fuels. We have requested the

information on the amount of money they pay for those fuels per gallon several times. These requests have been ignored, our question is this. How can you impose a fuel surcharge on the riding public at \$3.25 a gallon for gas when you don't know the price of alternative fuel? We feel this is a most blatant violation of regulating the industry.

\$3.00 CREDIT CARD FEE;

The credit card fee is another way the companies have found to milk more than should be taken from the riding public. When this idea was proposed and brought before the TA the attorneys for the companies gave every reason as to why this would be a good idea. They noted the high cost of installing the credit card machines and the maintenance on them, as everyone knows the installation cost and the price of the machine is a onetime cost. At that time there was a service the smaller companies were using called Taxi Pass, which charged a pre-paid fee of three dollars. What the companies did was eliminate the middle man, which was a very good idea, how it was done was where the problem is. Instead of adding it to the meter they decided to put it on the credit card machine in order to keep all the money for their self, and not sharing this enormous profit with the drivers. We have tried to look at other taxi companies who charge rates close to those in Las Vegas; we have found none that charge a \$3.00 credit card fee.

ALLOCATION OF PERMANENT MEDALLIONS;

Last year there were over eight hundred permanent medallions allocated in Las Vegas, considerably more than any other year, along with the restrictions being lifted off all time restricted and all geo restricted cabs. At the same time ride sharing companies such as Uber and Lyft have arrived on the scene. This has created a severe negative impact on cab drivers in Las Vegas. We are talking about ten thousand people who make their living driving a cab. These allocations were made with absolutely no regard for these people. The excuse for their irresponsible actions is to compete with Uber and Lyft, to provide enough cabs so passengers won't have to wait for a cab. The manner in which the infrastructure is set up makes that goal unattainable. Three months before restrictions were taken off the geo restricted cabs there was proposed a different kind of medallion which was called a geo 2. These cabs were supposed to provide service to the outlying areas, such as Summerlin, and hotels such as Red Rock, Aliante, Boulder strip and other outlying areas. Three months later the restrictions were taken off all restricted cabs, which added to the total number of cabs. Also with the restrictions taken off simply made it unnecessary for these restricted cabs to ever go to the outlying areas., Their explanation for such irresponsible actions they were trying to compete with the ride sharing companies, when what they did was drive their employees to Uber and

Lyft. We hope you will look into these allegations and take appropriate action.

Thank You