

**METROPOLITAN NASHVILLE-DAVIDSON COUNTY
TRANSPORTATION LICENSING COMMISSION**

Minutes of

November 28, 2006

The Metropolitan Nashville-Davidson County Transportation Licensing Commission (the "Commission") met in regular session on this date at the Metropolitan Nashville Court facility at 501 Great Circle Road, in Metro Center. The Commissioners present were Acting Chair Holly Sharp and Commissioners Ray Dayal, Gladys Lozada, Kim Thompson, and James Utley (5). Also attending were Metro Legal advisor Jason Bergeron, Commission staff members Walter Lawhorn and Lisa Steelman, and Brian McQuiston, Director-Executive Secretary to the Commission.

Acting Chair Holly Sharp called the meeting to order and led the Pledge of Allegiance. **Acting Chair Sharp** also read the Notice of Appeal statement, advising of the right to appeal decisions of the Transportation Licensing Commission.

The minutes of the September 26, 2006 meeting were unanimously approved.

WRECKER DRIVER PERMIT APPLICATION: ENAYATULLAH BELYAD

Acting Chair Holly Sharp noted that a wrecker driver permit application from Enayatullah Belyad had been on the Commission agenda and deferred several times. Mr. Belyad appeared before the Commission with counsel Charles Walker. Mr. Walker explained that Mr. Belyad previously had been denied a permit, but that he had successfully completed his probation in the interim, and had reapplied for a permit. Mr. Walker submitted letters from the probation officer and from the owner of MIS Towing, who had agreed to employ Mr. Belyad as a driver.

Commissioner Ray Dayal moved to grant Mr. Belyad a wrecker driver permit. **Commissioner James Utley** seconded, and the motion was approved (4-0).

PUBLIC HEARING: APPLICATION FOR TRANSFER OF EMERGENCY WRECKER LICENSE AND ZONE (COTTON'S)

Darrell Read, owner of Cotton's, Inc. appeared before the Commission with Robert and Joyce Dean. The Dean's application for transfer of Cotton's emergency wrecker license and zone had been received by the Commission at the September 26 meeting. Director McQuiston reported that the application was in order, and that no other companies had applied for the zone assignment. Mr. Read stated that he and his wife wanted to sell the business; and that the Dean's had been running operations at Cotton's and were well-qualified to manage the zone.

Acting Chair Holly Sharp called the public hearing to order, and asked if there was any public comment concerning the application or the transfer of the zone. There was none, and the public hearing was closed.

Commissioner James Utley moved to approve the transfer of the emergency wrecker service license and zone assigned to Mr. and Mrs. Read and Cotton's, Inc. to Mr. and Mrs. Dean. **Commissioner Ray Dayal** seconded, and the motion was approved (4-0).

TAXI ISSUE: UNITED CAB PERMITS

Following up on conditions imposed on United Cab for the issuance of forty permits in November 2004, and the most recent deadline set at the July meeting (to have new technology fielded throughout its fleet by the October meeting), Mr. Kuldip Singh, general manager of the company, appeared before the Commission.

Director McQuiston noted that the Commission had not met in October, so this meeting was

the first opportunity to respond to the deadline. He reported that staff had verified installation of communications and digital equipment in all United Cab vehicles, had verified insurance information on all vehicles, and had verified the operational status of company dispatching and vehicle on-board systems through an on-site visit and test of their capabilities. He stated that, in the opinion of staff, the company had met all the conditions imposed by the Commission.

Mr. Singh stated that training of office personnel and drivers would be an ongoing requirement.

Commissioner Ray Dayal moved to remove conditions imposed on United Cab at the November 2004 meeting, because all conditions had been met. **Commissioner James Utley** seconded, and the motion was approved (4-0).

ANNUAL TAXICAB PUBLIC HEARING

Acting Chair Holly Sharp advised that each company applying for a new Certificate of Public Convenience and Necessity or applying for additional permits would be allowed five minutes for formal presentation, followed by questions from Commission members. She stated that Director McQuiston would then provide a commission staff view on the current state of taxi services, and the potential impact – positive or negative – of additional permits and drivers. **Acting Chair Sharp** then opened the annual taxicab public hearing.

Five Star Taxi, Inc.: Russell Willis, representing Five-Star Taxi, appeared before the Commission. He introduced company owners Roger Baker, Joe Davis, and Benny Judkins, Mrs. Baker, Mrs. Judkins, and Sevada Badalian, President of Unified Software. Mr. Willis stated that the company was applying for a new Certificate with sixty permits, and provided Commissioners with supplementary materials on the findings of recent research on the travel and hospitality industry in Nashville. Referring to these, he noted recent increases in hotel occupancy rates, growth in demand for hotel rooms throughout the county, and national comparisons. He underscored increases in hotel room construction; and emphasized that the majority of units currently planned or under construction were high-cost rooms, the occupants of which were most likely to use taxicabs. He also highlighted that occupancy over the next two years was projected to continue to increase. He provided Commissioners with a new resolution from the Greater Nashville Hotel and Lodging Association, stating that the transportation needs of its customers were not being met by the current taxi industry, and stressing the need for strict enforcement of laws and regulations related to vehicles and drivers.

Mr. Davis stated that he had long been involved with nonprofit organizations to improve opportunities for people in the community, and that Five Star Taxi would further that end by improving the quality of transportation services to the community. Mr. Baker emphasized the experience of Five Star management, and stated that Five Star Taxi would provide better service to customers, including those with disabilities. He informed Commissioners that the company would invest in advertisement. Mr. Badalian stated that the dispatch system for Five Star Taxi would be a cellular communications/GPS-based technology system, available and operational in 180 days.

Commissioner Ray Dayal asked how the proposed technology would compare to that being fielded by Nashville Cab or United Cab. Mr. Badalian stated that he could not make comparisons, because he was not aware of the capabilities of the other companies' systems; but he noted that his system was already working, was not proprietary, and would be supported locally. **Commissioner Dayal** noted that the technology would therefore be available for the benefit of any company. Mr. Willis added that it would be functional in six months, not two years. He closed by stating that improvement in the taxi industry could only be achieved if a new company, with new ideas and new capital, would be allowed to set a higher standard.

Shanti Cab, Inc. Evan Nahmias, attorney representing Rajinder Kumar and Jaswinder Singh, owners of Shanti Cab, appeared before the Commission. Mr. Kumar and Mr. Singh had submitted an application for a new Certificate with sixty permits. Mr. Nahmias introduced Mr. Kumar as a former taxicab driver who had successfully turned a small, average-quality taxi company – City-Wide Taxi, in Memphis – into a first-class company with 80 vehicles. He stressed that Mr. Kumar's model of success had been based on improving customer service, especially to average citizens in under-served areas. As to technology, he noted that Mr. Kumar had an existing relationship with Easy Dispatch; but was also interested in exploring new technologies. He cited MTA programs intended to provide service to employees working

late or to passengers with disabilities; these had gaps in service, which created opportunities for service to be filled by Shanti Cab, Inc., which would operate as City-Wide Taxi. He added that the company would have a competitive lick to attract the best, experienced drivers, committed to taking short-haul fares.

Commissioner Ray Dayal asked if the owners had considered buying an existing taxicab company, instead of starting a new company. Mr. Nahmias responded that taking over an existing company would necessitate trying to change old procedures, equipment, and personnel; and that it was preferable to start with a clean slate.

Commissioner Gladys Lozada asked why the company did not consider starting with fewer permits in their request. Mr. Kumar responded that the computer dispatching system would handle up to sixty taxicabs. This and other company costs would be fixed, regardless of the number of taxicabs; therefore, a successful business plan required that the company optimize the financial benefit to be achieved.

Checker Cab: Mulugeta Abebe and Girma Ejigu, company owners, appeared before the Commission. The owners had applied for thirty additional permits. Mr. Abebe provided updated financial statements, business plans, and proof of a bank line of credit for \$500,000. Mr. Abebe emphasized Checker's commitment to safety and customer service; and stated that the primary reason for requesting the additional permits was to enable the company to better meet the transportation needs of residents in under-served areas, passengers with disabilities, and senior citizens. As an example of this commitment, he pointed out that the company would offer a ten percent discount on fares to seniors. He informed Commissioners that the company had contacted Digital Dispatch Systems, and intended to implement the new dispatching technology. Mr. Abebe stated that the company had a vehicle repair facility, and a gas station which would provide fuel discounts to drivers. In all, he reported that the company had twenty employees; including mechanics, dispatchers and customer service representatives. The company had new management, had purchased a new facility with a large parking lot and gas station, and would be moving within a few weeks. He added that the company intended to institute a dress code.

Mr. Ejigu stated that Checker was having to refer calls to other companies; and was unable to meet the needs for even the traditional downtown area. He stated that the company had over one hundred drivers on a waiting list.

Commissioner Gladys Lozada asked for specific information on the under-served market. Mr. Abebe cited the need for expanded service to seniors and passengers with disabilities; adding that, by fielding five ADA-Accessible taxicabs and implementing the ten percent fare discount, the company expected this market to increase.

Commissioner Ray Dayal asked how many ADA-Accessible taxicabs were already in service at Checker; Mr. Abebe responded that the company was in the process of fielding four or five. **Commissioner Dayal** noted that other companies had already fielded accessible vehicles. Mr. Abebe stated that the new owners had taken over Checker only sixty days before, and that the company had already made great strides. **Commissioner Dayal** asked why the owners were pushing forward on expansion, with so little experience; Mr. Abebe responded that he was not new to the business, and cited his experience with transportation in Atlanta.

Acting Chair Holly Sharp asked how the company would ensure compliance with proposed higher standards for driver conduct. Mr. Abebe responded that the first step was to establish clear standards. He stated that Checker was unique, in that the company had a board of drivers; this board would play a key role in implementation.

Commissioner Ray Dayal asked why Checker had a waiting list of one hundred drivers. Mr. Ejigu responded that the history and reputation of Checker Cab, and its high number of calls for service made it attractive to drivers. **Commissioner Dayal** asked if there was an existing training program for drivers. Mr. Ejigu responded that the first step was to develop a manual; this had been initiated. In the meantime, he said, the company was training drivers on safety, quality, traffic, and customer service. Mr. Abebe added that the pending relocation of the company would enable Checker to have an appropriate training facility.

Diamond Taxi: Roy Gillespie, company owner, appeared before the Commission. Mr. Gillespie had applied for fifty-five additional permits. Mr. Gillespie stated that he had been driving a taxicab for thirty-two years, had been owner of Diamond Taxi for ten years, and did eighty percent of dispatching for his company. He explained that larger taxicab companies were not providing quality service, but that his company was too small to compete for contracts: citing possibilities with Vanderbilt, the NAACP, MTA, and Meharry. Because he had only fifteen permits, he was unable to meet requirements, and was forced to turn down thirty calls per day. Mr. Gillespie also noted that customer dissatisfaction with larger taxicab

companies was contributing to the shift of business to unregulated transportation providers. He stated that he hired a number of students, and charged a lower lick than other companies. **Commissioner Ray Dayal** asked what the Diamond lick was; Mr. Gillespie responded that it was sixty dollars per week. He stated that it might go up to ninety dollars, but that would still be low, compared to the licks charged by other companies. **Commissioner Dayal** asked how many vehicles were currently at Diamond; Mr. Gillespie replied that he had fifteen. **Commissioner Dayal** expressed concern about the company's ability to expand quickly, and the financial investment that would require. Mr. Gillespie responded that he had applied years before for forty additional permits. He stated that he had been turned down then, but only one month later the Commission had approved two hundred more cab permits.

Commissioner Gladys Lozada asked if Diamond Taxi had the infrastructure necessary to handle an additional fifty-five taxicabs. Mr. Gillespie stated that he had years of experience in the industry. **Commissioner Lozada** advised him that her question was related to the company's financial ability to resource a large operation. Mr. Gillespie restated that he knew the cab business.

Nashville Cab: William Bodenhamer, partner in Taxi USA of Tennessee, LLC, appeared before the Commission, with attorney Guilford Thornton. Taxi USA had applied for forty additional permits for Nashville Cab. Mr. Bodenhamer provided Commissioners with a chart depicting annual population figures for Nashville – Davidson County from 2000 to 2005, and the growth of taxicab permits during the same period. He stated that he had surprised to find that there had been almost no population growth during the period. Mr. Bodenhamer stated that he did not believe there was a need for any more permits; but added that, if the Commission were to approve any more permits, then he believed that Nashville Cab was the only company that could demonstrate need and necessity, and should be given first priority.

Acting Chair Sharp asked for clarification on the source of the population data; Mr. Bodenhamer responded that these were figures from the U.S. Census Bureau.

Mr. Bodenhamer stated that Taxi USA of Tennessee had made significant investment and improvements since taking over Nashville Cab in February 2006. He cited relocation to a new facility, fielding of smart meters, establishment of a training school for drivers, fielding of ADA-Accessible taxicabs, and ongoing installation of GPS dispatch system. He stated that company call sheets, now in use at Nashville Cab, could objectively demonstrate demand, and enable the company to determine which zones required additional service. He stated that improved marketing, contracts recently signed with Vanderbilt and the Veterans Administration, increasing calls from MTA, and website development would enable drivers to make a living.

Acting Chair Holly Sharp asked if Nashville Cab was receiving calls from customers who were unable to get service from other companies. Mr. Bodenhamer replied that this was not the case; the company was generating new business.

Commissioner Ray Dayal noted that Taxi USA of Tennessee had made significant strides since acquiring Allied, Nashville and Kennedy Cab companies, and asked if the company had been considering adding more taxicabs. Mr. Bodenhamer reiterated that he did not believe there was a need for more taxicabs; the only reason he had submitted an application was because, if the Commission were to decide to grant additional permits, then Nashville Cab could demonstrate the need better than other companies, and should be considered a higher priority.

Commissioner James Utley asked Mr. Bodenhamer about the challenges faced by a new company. Mr. Bodenhamer stated that drivers will go to the companies with the most business. He explained that Taxi USA has acquired an existing company; and he viewed that as the best approach to entering the market, although it requires significant investment.

United Cab: Kuldip Singh, general manager of United Cab, appeared before the Commission. The company had applied for forty additional permits. Mr. Singh stated that he was opposed to more taxicabs; however, if any company should be considered for additional permits, then these should be awarded to United Cab for voluntarily taking on great financial risk to improve the taxi system and successfully delivering on its promise. He added that, instead of increasing competition within the taxicab industry and among drivers, emphasis should be given to improving business and service, to successfully compete with unlicensed and unregulated transportation companies.

Acting Chair Holly Sharp opened the hearing for public comment, stating that persons desiring to speak would be allowed one minute for their comments. Sixteen taxicab drivers spoke in opposition to the issuance of any additional permits; three taxicab drivers' comments were limited to direct appeals for more driver input to the Commission, problems with

unregulated vehicles, and bribes to doormen. Management representatives of American Music City Taxi and Yellow Cab – the only companies not applying for additional permits – spoke in opposition to additional permits.

Mr. Willis rebutted that he had not seen any change to the process for consideration of additional permits; the only voices heard were those of the companies and drivers. He stated that only Five Star Taxi had presented the views of the customers; and the hotel and lodging industry was not satisfied with the quality of service provided.

Acting Chair Sharp closed the hearing for public comment, and asked Director McQuiston to provide an overview of the taxi industry.

Director McQuiston stated that a concern voiced repeatedly at annual taxi public hearings in recent years was whether the Commission was taking population growth into consideration: that granting of a Certificate of Public Convenience and Necessity or of additional permits should be based on data other than simple anecdotal evidence or arguments. He noted that, because the combined number of additional permits requested in applications submitted for this hearing was so significant, the requirement for objective analysis was even more pronounced. He explained that, because Nashville is a destination for visitors, any growth of demand should consider both the growth of residential population and the growth of visitors using taxicabs. He cited Metro Planning Department data, used by departments throughout Metro Government, as the source he had used for determining residential population growth figures; and he noted that this rate – roughly one percent growth per year – was similar to figures provided by Mr. Bodenhamer in his presentation and figures provided by Ms. Tracy Perger during public comment. In obtaining data for the growth in visitors, Director McQuiston stated that the use of hotel figures or Convention and Visitors Bureau figures was problematic, because these do not differentiate clearly between visitors who use taxicabs and those who do not. He stated that he had used figures provided by the airport ground transportation coordinator instead, because these were actual counts taken of taxicabs departing from the airport, and year-to-year comparisons could be made to determine growth percentages and patterns; analysis of the airport-provided figures indicated that the number of taxicab departures for 2006 was flat or declining, compared to 2005 levels. Based on the figures for residential population growth and the use of taxicabs by visitors, he stated that there did not appear to be an increased demand or need for more taxicab permits.

Director McQuiston added that the capabilities and limitations of commission staff to support additional permits had been a concern raised by Commissioners at the 2005 taxi public hearing. He noted that staffing levels had not increased in nine years, and that the number of inspectors had not increased in at least fifty years. In the same period, the number of regulated vehicles and drivers, and the requirements for permitting and enforcement, had multiplied many times. He acknowledged that staffing levels should not be the only reason for approval or disapproval of permits, because resources might be increased if additional taxicabs became a Metro priority; but he stated that staffing levels should be considered for their potential impact on public safety and enforcement. Director McQuiston agreed that financial issues addressed by companies and drivers were valid, but he pointed out that the primary focus of the work of the Commission was public safety.

Acting Chair Holly Sharp asked if there was a motion from the Commission. **Commissioner Ray Dayal** moved to disapprove the applications for Certificates of Public Convenience and Necessity from Five Star Taxi and Shanti Cab, and to disapprove the applications for additional permits from Checker Cab, Diamond Taxi, Nashville Cab, and United Cab. **Commissioner Gladys Lozada** seconded, and the motion passed (3-1) (For: Dayal, Lozada, Thompson. Against: Utley).

Acting Chair Holly Sharp closed the annual taxicab public hearing.

ELECTION OF OFFICERS

Acting Chair Holly Sharp noted that the departures of former Chair Cynthia Odle and Vice-Chair Roger Abramson had resulted in two vacancies on the Commission. She recommended cancellation of the December meeting and postponement of elections until the January 23, 2007 meeting, to enable these vacancies to be filled.

Commissioner Ray Dayal moved to cancel the December meeting, and to postpone elections until January. **Commissioner Gladys Lozada** seconded, and the motion was approved (4-0).

OTHER BUSINESS

The Commission noted the passing of Larry Ennis on November 4. Mr. Ennis had served as Commissioner from December 1976 until December 1979, and as Inspector from December 1979 until his retirement in July 2006. His integrity, expertise, and years of selfless dedication to the work of the Commission and to the community represented the highest traditions of public service.

There was no further business, and the meeting was adjourned.

ATTEST:

APPROVED:

Brian E. McQuiston
Director-Executive Secretary

Holland Conner Sharp
Acting Chair