

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) APPLICATION NO. TR-125
Prescription of Reasonable Rates)
and Charges for Motor Carriers) GRANTED
Passengers and Property for Hire)
Subject to the provisions of) ENTERED: October 4, 2001
Neb. Rev. Stat. (Reissue 1996),)
Chapter 75, Articles 1 and 3.)

APPEARANCES:

For the Applicant:
Mark J. Breiner, Esq.
1145 North 48th Street
Lincoln, Nebraska 68504

For the Commission Staff:
Shanicee Knutson
300 The Atrium
1200 N Street
Lincoln, Nebraska 68508

BY THE COMMISSION

On June 26, 2001, Husker Cabs, Inc. (Husker Cabs or Applicant), of Lincoln, Nebraska, filed an application for authority to increase its taxi rates in Lincoln and vicinity as follows:

<u>Current Rates</u>		<u>Proposed Rates</u>	
First 1/7 Mile	\$1.80	First 1/8 mile	\$1.90
Ea. Add. 1/7 mile	.25	Ea. add. 1/8 mile	.25
Waiting time/minute	.40	Waiting time/minute	.50
Out-of-town trips/mile	1.95	Out-of-town trips/mile	2.15

Fuel surcharge to be retained

Applicant is a certificated common carrier which holds Certificate B-1273. The certificate authorizes the transportation of passengers by taxicab between points in Lincoln and vicinity over irregular routes.

Notice of the application was published in The Daily Record, Omaha, Nebraska on June 27, 2001, pursuant to the Commission's rules. Additionally, a Commission paid notice of the application was

published in the Lincoln Journal Star, Lincoln, Nebraska. Protest letters were received from Cy Miller, on July 18, 2001; Kimberly A. Pankratius, on July 20, 2001; Floriene L. VanLaningham, on July 23, 2001; and an anonymous letter, on July 27, 2001. A letter of support was received on August 13, 2001, from Patricia C. Sawyer. A hearing on this application was held on August 20, 2001, in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln, Nebraska with appearances as shown.

E V I D E N C E

Ms. Ileana Messer appeared as a public witness who stated that she had no objection to the rate increase. Ms. Messer, however, voiced a complaint over taxi service. One day, she tried calling the cab company; and for 45 minutes, all she received was a busy signal. Another time, a time call was phoned in and she was advised that the cab would be there between 6:00 and 6:15 a.m. The cab showed up at 6:40 a.m.; consequently, she was late for work.

The written comments of the those protesting the rate increase were also made a part of the record.

Applicant produced two witnesses who testified as follows:

Ms. Ann Wackel is the comptroller for Husker Cabs, Inc. The last rate increase occurred in 1997. The rate increase request was necessitated by a decline in the number of trips provided resulting in a loss of revenue. Over the last three years, expenses have increased approximately \$4,000. During the same time frame, the cost of living has increased; thus, to provide employees, especially drivers, a decent wage, a rate increase was deemed necessary. Drivers are paid a commission which is approximately 47% of the revenue they produce. The revenue loss has reduced drivers earnings.

Due to the loss in revenue, Husker Cabs has had to acquire more debt in 2000 and 2001 to maintain vehicles and satisfy business expenses. A rate increase is necessary to repay some of the debt, to compensate for the cost of living increases, and to provide a quality service to the public. The company wants to continue providing its employees with benefits such as health insurance and pension plans. The company also needs to increase employees pay to compete in the job market.

Officers salaries decreased in 1999 and 2000. In 2000, officers salaries were decreased by over \$20,000 in an effort to cut costs. Since Husker Cabs, Inc., was formed in 1989, there have been no dividends paid out. Revenues are applied to expenses, long term debt and to buy vehicles. In 1998, 16 vehicles were purchased to replace older cabs. The company wants to replace other vehicles in the fleet.

Husker Cabs, Inc., began experiencing a loss in revenue in 1998/1999 when another company was granted authority to provide service to the StarTran System, the city mass transit service. The Star Trans contract was exclusively held by Husker Cabs and from a revenue stand point, it was quite substantial. As a result of the new authority, StarTran diverted a significant amount of the traffic to the new entity thereby diluting the revenue received from StarTran. Area hotels, senior centers, retirement homes and nursing homes also have added vans to transport their own people further eroding the number of trips and revenue. In the past three years, the number of trips has declined approximately 30,000

Ms. Donna Corey is the personnel manager and responsible for the day to day operations of the company. Ms. Corey testified that drivers are required to check all fluids and clean both the inside and outside of the vehicle before starting their shift. During a shift, drivers are authorized to stop at a car wash to clean up a vehicle when it is necessary; and the company will reimburse the driver for the expense. Personnel policies such as smoking in the cab, allowable clothing, personal hygiene were discussed as were the procedures for investigating and handling consumer complaints. Dispatching procedures including prioritizing calls and time calls were reviewed. The average trip is 4.5 miles to 5 miles. In 1998, approximately 60 to 80 trips per day were handled for Star Trans. Today, the number of Star Trans trips are approximately 30 per day.

All employees, including the owners of the company, are required to complete a drug screening test. Before being hired, a prospective driver must complete a D.O.T. physical, the drug screen test, and be screened and approved by the Lincoln Police Department. Generally, there are approximately fifteen applications received for each new driver hired.

The maintenance department adheres to a maintenance schedule in which all cabs are serviced and inspected on a regular basis. Drivers are required to bring cabs into the shop whenever mechanical or

appearance repairs are necessary.

Upon questioning by Commissioners and staff, Ms. Corey testified that they do print a manual containing Husker Cabs policies and procedures. However, this manual is not distributed on an ongoing basis. Applicant has rules pertaining to general hygiene. Drivers are supposed to wear clean clothes and company hats. Applicant has dealt with personal hygiene issues on two occasions, but testified that these issues were resolved.

According to Ms. Corey, their taxi drivers are supposed to walk the elderly to their door and take their packages for them. She stated that they had a policy and a manual they provide to their drivers. Applicant generally does not remind the drivers of company policy.

O P I N I O N A N D F I N D I N G S

The issues raised by members of the public at the hearing and in letters made a part of the record collectively as Exhibit 4 have been taken under consideration by the Commission in its findings and conclusions set forth herein. Upon consideration of the application, the evidence adduced, and being fully advised in the premises, the Commission is of the opinion and finds that the application should be granted effective October 15, 2001.

While not directly attributable to the rate increase application, generally the quality of service provided by a company plays a large role in how much customers are willing to pay for a particular service. With any additional revenue produced from the rate increase granted in the present order, the Commission hopes that Applicant will consider implementing a voice activated system, using an answering service or hiring an additional operator so that it can handle the volume of incoming telephone calls it receives.

Moreover, the Commission believes that Husker Cabs needs to continually educate its employees on company policy and rules, particularly with respect to company policy on smoking and vehicle/driver appearance. The Commission requests that Applicant, where possible, provide employees with a copy of its manual and provide refresher courses on an ongoing basis to ensure that its employees are continually apprised of company rules and policy. The Commission also requests that Husker Cab adopt an approach whereby an interior inspection is made of each vehicle at the beginning of each shift, before its vehicles leave the Applicant's premises. Finally, the Commission requests that Husker Cabs file a letter or plan

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detailing what recommended improvements have been or are being made so that the Commission is prepared for any future complaints on these issues.

O R D E R

IT IS, THEREFORE, ORDERED by the Nebraska Public Service Commission that effective October 15, 2001, Husker Cabs, Incorporated, Lincoln, Nebraska, be, and it is hereby, authorized to increase its taxi rates in Lincoln and vicinity as follows:

Description	Rates
First 1/8 mile	\$1.90
Ea. add. 1/8 mile	.25
Waiting time/minute	.50
Out-of-town trips/mile	2.15
Fuel surcharge to be retained	

MADE AND ENTERED at Lincoln, Nebraska, this 4th day of October, 2001.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

James Johnson

David Lipp

Frank E. Landis

//s//Frank E. Landis

Arnold Jundt
Chairman

ATTEST:

And S. Pollack
Executive Director

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