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2 MANITOBA PUBLIC UTILITIES BOARD

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6 RE:

7 APPLICATION FOR AN AIRPORT SHUTTLE SERVICE

8 BY AVION SERVICES CORPORATION

9

10

11

12 Before Board Panel:

13 Graham Lane - Board Chairman

14 Susan Proven - Board Member

15

16

17

18 HELD AT:

19 Public Utilities Board

20 400, 330 Portage Avenue

21 Winnipeg, Manitoba

22 July 15th, 2009

23

24 Pages 619 to 800

25

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7
8 Sidney Soronow) Unicity Taxi Ltd. and
9) Duffy's Taxi (1996) Ltd.
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1 --- Upon commencing at 6:41 p.m.

2

3 THE CHAIRPERSON: Okay, good evening
4 everyone. Try and work through this as expeditiously as
5 we can. To begin with, I believe there is some
6 outstanding filings by Unicity/Duffy's. Mr. Soronow...?

7 MR. SIDNEY SORONOW: Thank you, Mr.
8 Chairman. We have provided to the Board, as requested, a
9 copy of the current agreement with WAA and if we might
10 now mark that as an exhibit, and Mr. Saranchuk has
11 indicated to me that I think it is Exhibit 5.

12 THE CHAIRPERSON: That's correct.

13 Unicity/Duffy's 5.

14

15 --- EXHIBIT NO. U/D-5: Current agreement with WAA.

16

17 THE CHAIRPERSON: Thank you, Mr. Soronow.
18 There was one other Undertaking which
19 Unicity/Duffy's, I believe, has declined to submit and
20 that was the -- we provided you with a table indicating
21 how -- basic earnings of taxicab drivers. And your
22 condition for filing it was that it remain confidential,
23 and the Board is not prepared to receive it in that form,
24 just for the record. So it will not be distributed and
25 will be returned to you.

1 MR. SIDNEY SORONOW: That's totally fine,
2 Mr. Chairman. I hope we made our position clear that we
3 consider the information confidential in character.

7 MR. SIDNEY SORONOW: As far as I'm aware,
8 Mr. Chairman.

9 THE CHAIRPERSON: My memory is faulty
10 from time to time, but I believe that is correct.

11 So our next up is welcome back Mr. Kozubal
12 from the Taxicab Board. Appreciate it. You are still --
13 sorry, Mr. Saranchuk...?

14 MR. WALTER SARANCHUK: Yes. Just for the
15 record, Mr. Chairman, before we proceed with Mr. Kozubal,
16 there are two (2) additional pub -- exhibits to be filed
17 in respect of the Public Utility Board's position, and
18 that would be Exhibit 12 which is a copy of the Manitoba
19 Taxicab Meter Fare Increase Application for 1997.

20 THE CHAIRPERSON: PUB-12.

21 MR. WALTER SARANCHUK: Yes.

22

23 --- EXHIBIT NO. PUB-12: Copy of the Manitoba Taxicab
24 Meter Fare Increase
25 Application for 1997.

1 MR. WALTER SARANCHUK: And then also
2 there's an extract of the Manitoba Job Futures website
3 relative to taxi and limousine drivers and chauffeurs,
4 and that is to be entered as PUB Exhibit Number 13.

5 THE CHAIRPERSON: Yes, sir.

6

7 --- EXHIBIT NO. PUB-13: Extract of the Manitoba
8 Futures website relative to
9 taxi and limousine drivers
10 and chauffeurs.

11

12 MR. WALTER SARANCHUK: And I believe
13 copies have been provided to all the parties and their
14 counsel. So now we can proceed with the swearing in of
15 the next witness and it's Mr. Kozubal who is being
16 recalled to testify and so he will have to be sworn in.

17 THE CHAIRPERSON: We've already sworn Mr.
18 Kozubal. I think that should be sufficient.

19 MR. WALTER SARANCHUK: But there's been a
20 little bit of time that's elapsed, sir, and I think out
21 of an abundance of caution we should just proceed that
22 way, and I will attend to that then.

23 THE CHAIRPERSON: Very good, sir.

24

25 JERRY KOZUBAL (Recalled), Resworn

1

2 MR. WALTER SARANCHUK: Let the record
3 show that the witness has been sworn in.

4 THE CHAIRPERSON: Thank you.

5 So, Mr. Saranchuk, do you want to begin
6 your examination of Mr. Kozubal?

7 MR. WALTER SARANCHUK: Yes, sir.

8

9 RE-EXAMINATION-IN-CHIEF BY MR. WALTER SARANCHUK:

10 MR. WALTER SARANCHUK: Now, Mr. Kozubal,
11 there's been some question raised about the fares that
12 have been regulated for taxicabs over the last number of
13 years and I wonder if you could confirm the Board's
14 understanding that since November of 2000 the overall
15 accumulated increase in the initial fare has been 22
16 percent.

17 MR. JERRY KOZUBAL: That's correct,
18 actually, it's 22.8 percent.

19 MR. WALTER SARANCHUK: And as well, can
20 you confirm that the distance travelled before additional
21 cost accrue to the passenger has been reduced by 17
22 percent over that period time?

23 MR. JERRY KOZUBAL: I'm not familiar with
24 the way you're describing it. What I can do is give you
25 an example and show you the increase that took place.

1 For example, in 2000, the drop-charge, which is the
2 initial charge on the metre, was two dollars and seventy
3 cents (\$2.70) and that included the first eighty-seven
4 (87) metres and then any additional distance would be ten
5 (10) cents for every additional eighty-seven (87) metres.
6 And there's also a time charge as well for waiting.

7 MR. WALTER SARANCHUK: In November 2008
8 then?

9 MR. JERRY KOZUBAL: In November 2008 the
10 drop-charge was three dollars and thirty cents (\$3.30)
11 and the distance charge was ten (10) cents for every
12 seventy-two point five (72.5) metres, so the three thirty
13 (3.30) included the first seventy-two point five (72.5)
14 metres, then after that it's ten (10) cents for every
15 additional seventy-two point five (72.5).

16 MR. WALTER SARANCHUK: So just for
17 example, for a trip of some seven (7) kil -- kilometres,
18 taking into account the increase in the initial fare,
19 plus the reduction in distance travelled before those
20 additional fares accrue, and we're talking over that
21 period of time of eight (8) years.

22 Can you give us some idea as to the cost
23 of such a trip?

24 MR. JERRY KOZUBAL: Yeah, a seven (7)
25 kilometre trip charging only the distance in -- in 2000

1 the fare would've been ten dollars and thirteen cents
2 (\$10.13). Normally it'd be rounded up to the nearest --
3 cause they go up in ten (10) cent increments. So let's
4 say it's ten dollars and ten cents (\$10.10), a similar
5 set -- ten dollars and ten cents (\$10.10). And a similar
6 trip of seven (7) kilometres in 2008 would be twelve
7 dollars and eighty-five cents (\$12.85).

8 So, an increase of 26.8 percent as far as
9 the distance.

10 MR. WALTER SARANCHUK: Thank you, sir.
11 And I take it that, to your knowledge, no other fare
12 increase, direct or indirect, has occurred?

13 MR. JERRY KOZUBAL: I'm not again quite
14 sure what you mean by that question. We've had quite a
15 number of increases. They're always based on an
16 application from either a taxicab operator or dispatch
17 company, and then when the changes are made they're
18 basically made on the drop- charge, the distance and the
19 time.

20 MR. WALTER SARANCHUK: But during that
21 period from November 2000 to November 2008, were there
22 any other increases that would apply to the entire
23 category of taxicabs, generally?

24 MR. JERRY KOZUBAL: Well, I could just do
25 a quick count here...one (1), two (2), three (3), four

1 (4), five (5), six (6). There were six (6) increases
2 between 2000 and 2008.

3 MR. WALTER SARANCHUK: But the final
4 result was as you described that --

5 MR. JERRY KOZUBAL: Right.

6 MR. WALTER SARANCHUK: -- would show the
7 difference.

8 MR. JERRY KOZUBAL: Right.

9 MR. WALTER SARANCHUK: I see. Okay,
10 thank you.

Now, with respect to the 2008 taxi fare increase, do you have an application that was submitted by the taxicab firms relative to that? Because I note, for example, or at least the -- the Board notes that the material was posted on the internet site with regard to the 1979 rate application.

19 MR. JERRY KOZUBAL: Yes, I do.

20 MR. WALTER SARANCHUK: And could you
21 produce that, please, sir?

22

23 (BRIEF PAUSE)

24

25 MR. WALTER SARANCHUK: And just for the

1 record, the witness is producing, in chronological order,
2 a letter to the Manitoba Taxicab Board dated May 30th,
3 2008 from Unicity Taxi, a letter dated June 10th, 2008
4 from Duffy's Taxi to the Manitoba Taxicab Board, a letter
5 dated June 12, 2008 to the Manitoba Taxicab Board from
6 Unicity Taxi again, and also, a letter dated June 20th,
7 2008 from Duffy's Taxi to the Manitoba Taxicab Board.

8 And perhaps we can have these marked as
9 the next exhibit, as PUB number 14-A, B, and C, and D.
10 And copies will be made shortly, as soon as Mr. Singh
11 returns to the room.

12 THE CHAIRPERSON: Very good, Sir.

13 MR. WALTER SARANCHUK: Is that
14 satisfactory?

15 THE CHAIRPERSON: Yes.

16 MR. WALTER SARANCHUK: Thank you.

17

18 --- EXHIBIT PUB-14A: Letter to the Manitoba
19 Taxicab Board dated May 30th,
20 2008 from Unicity Taxi

21

22 --- EXHIBIT PUB-14B: Letter dated June 10th, 2008
23 from Duffy's Taxi to the
24 Manitoba Taxicab Board

25

1 --- EXHIBIT PUB-14C: Letter dated June 12, 2008 to
2 the Manitoba Taxicab Board
3 from Unicity Taxi
4

5 --- EXHIBIT PUB-14D: Letter dated June 20th, 2008
6 from Duffy's Taxi to the
7 Manitoba Taxicab Board
8

9 CONTINUED BY MR. WALTER SARANCHUK:

10 MR. WALTER SARANCHUK: And, as I
11 understand, sir, on a quick review of these letters,
12 having just seen them for the first time, correct me if
13 I'm wrong, but it would appear that the first two (2)
14 letters, one (1) from Unicity dated May 30th, 2008 and
15 the other from Duffy's Taxi dated June 10th, 2008, are
16 relative to a rate increase being sought in the order of
17 8 percent. And -- and --

18 MR. JERRY KOZUBAL: That's right.

19 MR. WALTER SARANCHUK: Is that correct?

20 MR. JERRY KOZUBAL: Right.

21 MR. WALTER SARANCHUK: And the second two
22 (2) letters, which will be PUB Exhibit 14C and D, the
23 letter dated June 12th from Unicity Taxi and the June
24 20th letter, 2008, from Duffy's Taxi, are now indicating,
25 essentially, that, rather than the 8 percent initially

1 being addressed or sought, there is an -- a request that
2 a 15 percent increase be considered.

3 Is that correct?

4 MR. JERRY KOZUBAL: That's correct.

5 MR. WALTER SARANCHUK: And to cut to the
6 chase, if we can, what was the ultimate result of these
7 applications, sir?

8 MR. JERRY KOZUBAL: In the end, the Board
9 approved a 10 percent increase. Two percent had already
10 been allocated over the previous two (2) years as a
11 result of the GST being reduced from 7 percent to 5
12 percent, so the owners were allowed to keep that, even
13 though the fare didn't change so that, in effect,
14 resulted in a 2 percent increase.

15 And then the Board awarded an additional 8
16 percent on the basis of the application.

17 MR. WALTER SARANCHUK: Thank you, sir.

18 And in terms of the time span that we
19 talked about earlier, over the last eight (8) years --
20 well, sorry, not the last eight (8) years, but from
21 November 2000 to November 2008, can you give us any idea
22 of the overall increase from the beginning of that period
23 to the end for executive cars and limousines?

24 MR. JERRY KOZUBAL: Yes, I will. Okay,
25 executive car rates -- they're -- in the category of

1 limousines and executive cars, they have a minimum and a
2 maximum rate.

3 In 2000 the minimum for an executive car
4 was forty two dollars and seventy-five cents (\$42.75) per
5 hour to a maximum of sixty-nine dollars and fifty cents
6 (\$69.50) per hour.

7 In 2008 an executive car minimum rate was
8 fifty-one dollars and thirty cents (\$51.30) and the
9 maximum for an executive car was eighty-three dollars and
10 forty cents (\$83.40).

11 MR. WALTER SARANCHUK: Yes, thank you,
12 and what about limousines?

13 MR. JERRY KOZUBAL: Okay, in the case of
14 limousines, for a standard limousine first hour was
15 thirty-seven dollars and twenty-five cents (\$37.25) in
16 2000 and in 2008 forty-four dollars and seventy-cents
17 (\$44.70) and a maximum of seventy-six dollars and eighty
18 cents (\$76.80).

19 THE CHAIRPERSON: Sir, just before you go
20 on and then go back to Mr. Saranchuk, with respect to the
21 2008 taxi fare increase, did the Taxicab Board receive
22 any analysis of the applications from any other party
23 other than the Taxicab Board itself?

24 MR. JERRY KOZUBAL: Yes, we receive an
25 analysis from our policy branch in Infrastructure and

1 Transportation.

2 THE CHAIRPERSON: Could you file that
3 analysis?

4 MR. JERRY KOZUBAL: I didn't bring it
5 with me because that's an internal document with is dealt
6 with in-camera by the Board.

7 THE CHAIRPERSON: I think it is of the
8 same nature as the PUB Exhibit Number 12 in which an
9 analysis was posted to the Internet.

10 Is it of that same nature?

11 MR. JERRY KOZUBAL: I haven't looked at
12 it. We haven't posted anything to the -- our Internet
13 site other than general information and statistics. We
14 don't publish any applications or analysis.

15 Just allow me a moment to examine this
16 document.

17 THE CHAIRPERSON: Please.

18

19 (BRIEF PAUSE)

20

21 THE CHAIRPERSON: If you go to page 11 of
22 22, I think you will see the start of the analysis there.

23

24 (BRIEF PAUSE)

25

1 MR. JERRY KOZUBAL: In many ways, the
2 analysis is similar to the analysis we received in 2008.
3 There -- there'd be additional information as well on
4 various options.

5 THE CHAIRPERSON: Okay, we will ponder it
6 in the back of our mind then and Mr. Saranchuk can carry
7 on with his questions for now.

8

9 CONTINUED BY MR. WALTER SARANCHUK:

10 MR. WALTER SARANCHUK: Thank you, sir.
11 Mr. Kozubal, can you advise as to whether
12 fare increases, generally, can be expected to reduce the
13 volume of taxi trips in your experience as Chair of the
14 Board?

15 MR. JERRY KOZUBAL: We've had analysis
16 which indicates that the tariffs tend to be inelastic.
17 What happens often is that when there is a fare increase,
18 demand for taxis may -- especially for customers who use
19 their discretion may reduce the trips but, eventually,
20 the number of trips do pick up and get back to the same
21 volume.

22 MR. WALTER SARANCHUK: Can you give us
23 some idea of the timeframe when that will occur?

24 MR. JERRY KOZUBAL: Unfortunately, I
25 don't have any detailed analysis on that.

1 MR. WALTER SARANCHUK: Are we looking at
2 a couple of years before that occurs or -- for the
3 transition basically to fall out.

10 MR. WALTER SARANCHUK: Can you provide
11 your understanding, based on your experience as Chair of
12 the Taxicab Board, of the effect on taxi owners of the
13 increased number of executive cars provided for and now
14 serving the airport?

15 MR. JERRY KOZUBAL: The only indicator
16 that I have, which is data which the Taxicab Board
17 recently produced, is the taxi industry data report,
18 where we show the number of trips originating at the
19 airport and, again, information provided by the Winnipeg
20 Airports Authority based on taxicabs and limousines, and
21 I can share that information with the Board.

22 MR. WALTER SARANCHUK: Yes, can you tell
23 us, generally, what conclusions you draw from the
24 information you have?

25 MR. JERRY KOZUBAL: For the first six (6)

1 months of 2009, taxi trips, which would be the concession
2 that Unicity Taxi has at the Winnipeg Airport, taxis had
3 one hundred and nineteen thousand nine hundred and forty-
4 seven (119,947) trips.

5 For the same six (6) month period, from
6 January 1st to June 30th of 2009, limousines took eleven
7 thousand three hundred and seven (11,307) trips. And
8 just for a bit of analysis, taxi trips were down 7
9 percent over the previous years, limo trips were down 4
10 percent over the previous same period, in 2008.

11 MR. WALTER SARANCHUK: Can you indicate
12 whether sale transfer values for limousine licences have
13 fallen since the Airport Authority's decision to bar
14 limousines from airport curb pickups?

15 MR. JERRY KOZUBAL: I will provide you
16 with that information momentarily.

17 THE CHAIRPERSON: By the way, with
18 respect to the other information on the volumes, if we
19 could get that as an exhibit too, and maybe Mr. Singh
20 would be so kind as to copy it.

21 MR. WALTER SARANCHUK: Thank you, sir.
22 Perhaps we can have this marked as Exhibit PUB-15. This
23 is called monthly vehicle trips.

24 MR. JERRY KOZUBAL: That's the report I
25 just gave you with number of trips originating at the

1 airport for taxis and limousines.

2 THE CHAIRPERSON: For '09 as compared to
3 '08.

4 MR. JERRY KOZUBAL: Right, it goes right
5 back to, I believe, 2000.

6 MR. WALTER SARANCHUK: Thank you, sir.

9 MR. WALTER SARANCHUK: Yes, Sir.

10

11 --- EXHIBIT PUB-15: Monthly vehicle trips
12 originating at airport for
13 2009 for taxis and
14 limousines.

15

16 MR. WALTER SARANCHUK: There -- there
17 seems -- I'm advised there seems to be a difficult
18 problem that has arisen relative to our -- or the Board's
19 Xerox machine, so we'll have to deal with that.

20 THE CHAIRPERSON: This is the same day
21 that the Endeavour lifted off to the space station,
22 seemingly without a hitch. Mr. Kozubal ruining his nails
23 taking that out, and now the Xerox machine is broken, so
24 it's quite a whirl.

25 MR. WALTER SARANCHUK: Well, they say

1 things happen in threes, let's hope they don't.

2 THE CHAIRPERSON: Well, we'll see. We'll
3 get it copied when we can.

4

5 CONTINUED BY MR. WALTER SARANCHUK:

6 MR. WALTER SARANCHUK: Can you indicate,
7 sir, if standard taxi sale transfer values have fallen
8 since the Airport Authority's implementation of the ban
9 of airport curbside limousine pickups and the issuance of
10 30 new executive car licences?

11 MR. SIDNEY SORONOW: Excuse me, Mr.
12 Chairman. It seems to me that there was an unanswered
13 question that Mr. Saranchuk had asked before that, which
14 he seemed to have asked whether there had been a change
15 in the value of limousines since the -- or the -- not the
16 executive cars, the limousines, or transfer value of
17 them, since the Airport Authority changed their ability
18 to service the airport.

19 THE CHAIRPERSON: That's my recollection
20 as well.

21

22 CONTINUED BY MR. WALTER SARANCHUK:

23 MR. WALTER SARANCHUK: Yes, yes, that's
24 correct. I'm sorry. I didn't give you an opportunity to
25 answer that question, sir.

1 MR. JERRY KOZUBAL: Yeah, as far as the
2 limousines, there haven't been any sale transfers of
3 limousines in the last three (3) months, so, there's no
4 indication as to whether they've changed.

5 MR. WALTER SARANCHUK: And what about the
6 standard taxi fare -- taxi sale transfer values since the
7 Airport Authority's implementation of a ban of the
8 limousine pickups and issuance of the thirty (30) new
9 executive car licences?

10 MR. JERRY KOZUBAL: As far as the
11 standard taxicabs, the sale transfer values have
12 continued to increase, and I have a month-by-month
13 change, if the Board is interested.

14 MR. WALTER SARANCHUK: Yes, if you could
15 produce that please, sir.

16 MR. JERRY KOZUBAL: Okay.

17 MR. WALTER SARANCHUK: And this document
18 is essentially what, if you would just for the record?

19 MR. JERRY KOZUBAL: It's the sale
20 transfer value. It shows the highest value for each
21 month from January of 2009 to June of 2009.

22 And if I can just give you a brief
23 description. In January 2009 the highest value was two
24 thousand -- or two hundred and sixty thousand dollars
25 (\$262,000) for a Unicity Taxi licence being transferred.

1 In June it was at three hundred and forty thousand
2 dollars (\$340,000) for a Unicity license.

For a Duffy's license, January 2009 the sale transfer value was two hundred and eighty-eight thousand (288,000). In June 2009 it had risen to four hundred and ten thousand (410,000) and for the three (3) months in particular since April to June there's also been an increase.

12 MR. JERRY KOZUBAL: No, we're -- I don't
13 have the exact number but we're generally talking three
14 (3) or four (4) every two (2) weeks or maybe say half a
15 dozen per month.

16 THE CHAIRPERSON: Thank you.

17 MR. WALTER SARANCHUK: Perhaps we can
18 have this document just described by Mr. Kozubal marked
19 as Exhibit PUB-16.

20 THE CHAIRPERSON: Yes, sir.

21

22 --- EXHIBIT NO. PUB-16: Sale transfer value document
23 showing the highest value for
24 each month from January of
25 2009 to June of 2009.

1

2 CONTINUED BY MR. WALTER SARANCHUK:

3 MR. WALTER SARANCHUK: And, Mr. Kozubal,
4 just a couple of more questions here, or actually I have
5 three (3).

6 Can you indicate if Spring Taxi has over
7 the last three (3) years sold medallion licenses held by
8 Spring? And if so, what the transfer values of those
9 license averages -- or averaged?

10 MR. JERRY KOZUBAL: Okay. Spring Taxi as
11 a company was sold in February of 2008 so since then
12 other than -- or actually what I could do is indicate
13 that prior to that from 2003 to 2008 prior to the sale of
14 the shares of the corporation, there had been a number of
15 sales -- I believe there's, 1, 2, 3 -- fourteen (14)
16 sales that are averaging about 80 to 85 thousand dollars
17 (\$80,000/\$85,000).

18 And the shares of the corporation were
19 bought by Mr. Paul Atwell (phonetic) who continues to run
20 Spring Taxi and he is a shareholder of Star Taxi Limited
21 and A&N Enterprises Limited which own the taxicab
22 business licenses.

23 MR. WALTER SARANCHUK: And can you
24 indicate, sir, for the record whether the Taxicab Board
25 has considered either as a result of the Application from

1 the taxicab industry or as a result of a decision by the
2 Taxicab Board a fare increase for taxis as a result of
3 the increase in executive cars serving the airport?

4 MR. JERRY KOZUBAL: The Taxicab Board
5 responds to applications for fare increases so we did not
6 -- do not initiate application increases.

7 MR. WALTER SARANCHUK: Were there any
8 increases sought?

9 MR. JERRY KOZUBAL: Nothing since 2008.

10 MR. WALTER SARANCHUK: And let me ask
11 you, sir, one final question and that is, whether the
12 Taxicab Board would consider a fare increase for taxis if
13 Avion commenced an airport/downtown shuttle service and
14 that service was anticipated to reduce overall annual
15 taxi revenues and the average net income of a taxi owner?

16 MR. JERRY KOZUBAL: Again, the taxi
17 industry would have to make application to the board and
18 provide rationale as to why they're seeking an
19 application.

20 MR. WALTER SARANCHUK: Sorry, I did
21 indicate that I had just three (3) more questions. I
22 have a few more though.

23 Can you indicate whether the Taxicab Board
24 accepts separately the findings and recommendations of
25 the Winnipeg taxi study that was recently concluded?

1 MR. JERRY KOZUBAL: The board has
2 accepted the report as presented by the consultant. The
3 board is currently dealing with specific recommendations
4 of that report.

5 MR. WALTER SARANCHUK: And in particular,
6 does the Taxicab Board accept the taxi study findings
7 that indicate that the average full-time taxi
8 owner/operator works an average of sixty (60) to eighty-
9 four (84) hours per week and has no company benefit plan?

10 MR. JERRY KOZUBAL: Yes, the board
11 accepts that as we have also seen that in other studies
12 as well.

13 MR. WALTER SARANCHUK: And does the board
14 accept the study findings that taxi sale transfer values
15 reflect non-taxi industry factors particularly
16 immigration- related objectives?

17 MR. JERRY KOZUBAL: Yes, it does.

18 MR. WALTER SARANCHUK: Do you have any
19 idea, sir, what the Winnipeg Transit standard bus fare
20 was in November 2000?

21 MR. JERRY KOZUBAL: Yes, I do. I have a
22 schedule here of their fares.

23 MR. WALTER SARANCHUK: And what was it,
24 sir, November of 2000?

25 MR. JERRY KOZUBAL: Okay, actually the

1 fare was adjusted in September 1st of 2000. The adult
2 cash fair was one dollar and sixty cents (\$1.60), a
3 ticket was a dollar fifty-five (\$1.55) and do you want me
4 to go through the whole list?

5 MR. WALTER SARANCHUK: No, that's good
6 enough.

7 MR. JERRY KOZUBAL: Okay.

8 MR. WALTER SARANCHUK: That's good
9 enough, sir, but -- and now how does that compare to what
10 the fare is now?

11 MR. JERRY KOZUBAL: In January 1st, 2009
12 an adult fare is two dollars and thirty cents (\$2.30) and
13 a -- that's for the cash fare -- and a ticket is two
14 dollars (\$2) for an adult.

15 MR. WALTER SARANCHUK: And can you
16 indicate whether the transfer fee for a licence -- taxi
17 licence -- includes the taxi itself or just includes the
18 licence and a share in the co-op?

19 MR. JERRY KOZUBAL: The transfer fee is
20 under the Taxicab Regulation which is a fee for
21 processing the Application, so it's four hundred dollars
22 (\$400). The -- the actual transfer value -- the amount
23 paid between buyer and seller -- is not regulated by the
24 Board.

25 MR. WALTER SARANCHUK: Thank you, sir.

1 THE CHAIRPERSON: The transfer values
2 that you report when you were talking about them rising
3 so much, for example, in 2009, does the Taxicab Board
4 know whether those values reflect just the licence and
5 the ability to hook into the dispatch service, or do they
6 include the cab itself?

7 MR. JERRY KOZUBAL: They include the cab,
8 the equipment, the ability -- or the franchise -- the
9 affiliation with whatever company that does the dispatch.

10 THE CHAIRPERSON: Thank you.

11

12 CONTINUED BY MR. WALTER SARANCHUK:

13 MR. WALTER SARANCHUK: Can you indicate,
14 sir, if a taxi owner or an owner of an executive car or
15 limousine can amortize the transfer fee for a medallion
16 licence as a deduction for tax purposes?

17 MR. JERRY KOZUBAL: If you're referring
18 to the four hundred dollar (\$400) transfer fee, it is a
19 deductible expense.

20 MR. WALTER SARANCHUK: And so, is that
21 transfer fee, do you know, is considered as a non-
22 depreciable capital asset --

23 THE CHAIRPERSON: You're talking about
24 now perhaps as high as four hundred thousand dollars
25 (\$400,000).

1 MR. WALTER SARANCHUK: Yes.

2 MR. JERRY KOZUBAL: Now, again, we're
3 getting into here accounting so we don't deal with that,
4 but I would assume that it would be a depreciable
5 expense.

6

7 CONTINUED BY MR. WALTER SARANCHUK:

8 MR. WALTER SARANCHUK: And can you
9 indicate what the Taxicab Board's rationale is for
10 indicating its view that Avion's application to the
11 Taxicab Board did not meet a public need?

12 MR. JERRY KOZUBAL: The Taxicab Board did
13 not provide reasons for its decision. Basically through
14 assessment of the information, determined whether or not
15 there was need for an additional licence.

16 MR. WALTER SARANCHUK: So are you saying
17 that that was not the criterion that was applied, or it
18 was?

19 MR. JERRY KOZUBAL: It was one (1) of the
20 criteria -- public meeting convenience -- but, again, the
21 Board did not provide any written reasons or rationale.

22 MR. WALTER SARANCHUK: Does the Taxicab
23 Board have an economic model that provides for an
24 understanding of the average annual gross and net income
25 with respect to each of the average taxi, limousine and

1 executive car?

2 MR. JERRY KOZUBAL: Again, as I mentioned
3 earlier, our policy branch does an analysis of the
4 application. They look at various data and statistics.
5 I believe in 1989 they actually did develop a model and
6 then since then have updated based on cost of living and
7 other indexes.

8 MR. WALTER SARANCHUK: And in particular,
9 does the Taxicab Board take into account concession fees
10 paid by the taxi industry participants to the Airport
11 Authority and hotels in est -- and does the Board take
12 those into account in establishing varying taxi fares?

13 MR. JERRY KOZUBAL: Where we have
14 information that the amount is known, such as the airport
15 assessment, we include that in our assessment of any fare
16 increases.

17 MR. WALTER SARANCHUK: Now, I have a list
18 here of factors -- and perhaps we can go through this
19 rather quickly -- as to whether or not the Taxicab Board
20 takes them into account when a fare increase is under
21 consideration. And this would be when there's a -- this
22 is with respect to taxis, executive cars and limousines.

23 Firstly, fuel, oil and maintenance cost
24 indices -- you can just say "yes" or "no".

25 MR. JERRY KOZUBAL: Yes.

1 MR. WALTER SARANCHUK: Insurance premium
2 increases or decreases?

3 MR. JERRY KOZUBAL: Yes.

4 MR. WALTER SARANCHUK: Vehicle
5 acquisition cost and/or capital cost allowances on taxis?

6 MR. JERRY KOZUBAL: Yes.

7 MR. WALTER SARANCHUK: The average
8 transfer fee experienced over the past year or such other
9 period as the Board may want to take into account.

10 THE CHAIRPERSON: We're not talking then
11 about the four hundred dollars (\$400), we are talking
12 about the overall transfer fee.

13 MR. JERRY KOZUBAL: Oh, yeah. We do
14 consider, although that again is weighted, depending on,
15 you know, a number of other factors, the other ones being
16 operating expenses.

17

18 CONTINUED BY MR. WALTER SARANCHUK:

19 MR. WALTER SARANCHUK: And does the Board
20 take into account changes in interest rates?

21 MR. JERRY KOZUBAL: Yes.

22 MR. WALTER SARANCHUK: And what about
23 general increases in the CPI?

24 MR. JERRY KOZUBAL: Right, yes.

25 MR. WALTER SARANCHUK: That being the

1 consumer price index, of course?

2 MR. JERRY KOZUBAL: Exactly.

3 MR. WALTER SARANCHUK: Do you take into
4 account concession fees to the airport and hotels?

5 MR. JERRY KOZUBAL: Yes.

6 MR. WALTER SARANCHUK: Do you take into
7 account dispatch and other fees and charges whether
8 levied by a co-op or experienced by a taxicab company
9 otherwise?

10 MR. JERRY KOZUBAL: Yes.

11 MR. WALTER SARANCHUK: Do you take into
12 account training costs?

13 MR. JERRY KOZUBAL: Yes.

14 MR. WALTER SARANCHUK: And are there any
15 other costs that you take into account, sir?

16 MR. JERRY KOZUBAL: Again, I think most
17 of them have been covered. So anything related to
18 operating a taxicab would be considered.

19 MR. WALTER SARANCHUK: Do you take into
20 account the estimated net income before taxes for a
21 quote, "average" end of quote, taxi?

22 MR. JERRY KOZUBAL: Yes.

23 MR. WALTER SARANCHUK: And do you take
24 into account estimated annual trips for an quote,
25 "average" end of quote, taxi?

1 MR. JERRY KOZUBAL: Yes. Again, as you
2 indicate, they're all estimated information.

3 MR. WALTER SARANCHUK: Do you take into
4 account the estimated average annual hours of work of a
5 taxi driver or owner?

6 MR. JERRY KOZUBAL: Yes.

7 MR. WALTER SARANCHUK: And do you take
8 into account increases in the provincial minimum wage?

9 MR. JERRY KOZUBAL: That does not apply
10 to taxicab drivers because quite often they work on a
11 percentage of the fares or revenue they receive in a
12 shift.

13 MR. WALTER SARANCHUK: Are there any
14 factors that I haven't addressed that come to mind, sir,
15 that the Board takes into account?

16 MR. JERRY KOZUBAL: I believe these are
17 all the major factors that are given consideration.

18 MR. WALTER SARANCHUK: Those are all the
19 questions I have of this witness, Mr. Chairman. Whether
20 the Board has any, we'll find out.

21 THE CHAIRPERSON: Are we having -- I take
22 it by Mr. Singh's absence that he's trying to get the
23 Xerox machine to work?

24 MR. WALTER SARANCHUK: That's my
25 understanding, sir. If I could --

1 THE CHAIRPERSON: Well, we'll just --
2 we'll just carry on then.

3 MR. WALTER SARANCHUK: With -- with the
4 cross-examination?

5 THE CHAIRPERSON: Mr. Edwards, do you
6 have any questions for Mr. Kozubal?

7 MR. PAUL EDWARDS: I do. I'm hesitant to
8 ask them and certainly complete my cross-examination
9 without access to those documents that Mr. Singh is --

10 THE CHAIRPERSON: Okay, we will take a
11 short pause and we will see what is coming.

12 MR. WALTER SARANCHUK: Thank you.

13

14 --- Upon recessing at 7:17 p.m.

15 --- Upon resuming at 7:23 p.m.

16

17 THE CHAIRPERSON: Apparently we are
18 making progress on our copies machine. Oddly enough, at
19 least in my tenure, this has never happened before but we
20 get used to just circumstances changing from time to
21 time. We will get it fixed as quickly as we can.

22 Mr. Kozubal, with respect to the thing we
23 took under advisement earlier, and I realize the delicacy
24 of it, the fact that you are indicating that the Taxicab
25 Board reviews the analysis and I take it you're -- the

1 Board is still using, to some degree, this model that was
2 created earlier and then probably updates it as it goes
3 along over time, is that correct?

4 MR. JERRY KOZUBAL: That's right.

10 MR. JERRY KOZUBAL: Okay.

11 THE CHAIRPERSON: Sir, are you prepared
12 to supply that under those conditions?

19 THE CHAIRPERSON: Yes, we wrestled with
20 that, but we have come to the conclusion that we have to
21 see that analysis because it is going to give us an
22 insight into the taxi industry that we will lack, other
23 than that.

24 We note that in 1997 the analysis was
25 actually posted on the web, and it is still there. The

1 best that we can do is to charge all parties to the
2 Hearing - because we will definitely have to share it
3 with the other parties - but the information will be held
4 confidential and not used for any other purpose, or
5 copied, or reproduced, or shared in any form.

6 MR. JERRY KOZUBAL: I guess I'd still
7 have a concern because there are certain recommendations
8 there which, again, the parties that we have here are the
9 ones that applied to the Board for fare increases, and
10 certain information there I still would feel
11 uncomfortable sharing.

12 THE CHAIRPERSON: Mr. Kozubal, I'm going
13 to get some advice from our counsel here.
14

15 (BRIEF PAUSE)

16
17 THE CHAIRPERSON: Could you file it
18 exclusive of the deliberations of the Taxicab Board
19 itself?

20 MR. JERRY KOZUBAL: I will look into it,
21 sir.

22 MR. WALTER SARANCHUK: Perhaps, just for
23 clarification for the witness, to assist. Mr. Kozubal,
24 the -- the Board is interested in the analysis. Whatever
25 there were in a way of considerations, or deliberations,

1 or notes, or comments, or whatever by the members of the
2 Board relative to the analysis is not what the Chairman
3 is requesting.

4 The Chairman is just looking for the
5 analysis as appears with the 1997 application. And to
6 try to make it easier for you, the understanding would be
7 that it would be filed exclusive of all those points that
8 you were concerned about, in terms of the deliberations,
9 et cetera, and it would also be filed on an extremely
10 confidential basis, where it would be taken into account
11 by the Board on the understanding that there would be an
12 undertaking by the parties themselves that that document
13 would not be used in any way, shape, or form, except
14 relative to the application at hand and to comment on it
15 if they see so fit in the -- in their presentation of
16 their positions, that's all.

17 MR. JERRY KOZUBAL: No, that I
18 understand. It's just that the format has changed with
19 different analysts, and some of them like, in particular,
20 with the 2008, we have the analysis, which I have no
21 problem sharing, but it also includes recommendations
22 which are basically sort of providing options to the
23 Board, saying if you choose to do nothing, this is the
24 impact, if you choose to provide an increase, this is the
25 impact, so...

1 MR. WALTER SARANCHUK: What if you have
2 those deleted?

3 MR. JERRY KOZUBAL: That's what I'm
4 prepared to do, if that's acceptable.

5 THE CHAIRPERSON: We will have to make
6 that determination after we receive it, but on the
7 surface of it, that probably will do it, Mr. Kozubal.

8 MR. JERRY KOZUBAL: Okay, thank you.
9 We'll provide it to you.

10 THE CHAIRPERSON: Now the terms will
11 remain the same. The document you provide to us will be,
12 as Mr. Saranchuk put it, will be held confidential to
13 this process itself.

14 It obviously has to be shared with the
15 other parties, but they're held in the same confidence as
16 the Board is with respect to the document.

17 MR. JERRY KOZUBAL: Understood.

18

19 --- UNDERTAKING NO. 6: For the Taxicab Board to
20 provide the analysis from
21 their policy branch in
22 Infrastructure and
23 Transportation re 2008 taxi
24 fare increase (HELD
25 CONFIDENTIAL)

1 THE CHAIRPERSON: Now, I am not quite
2 sure whether we have the material from Mr. Singh yet so
3 that we can move on to Mr. Edwards.

4 MR. WALTER SARANCHUK: Mr. Edwards has
5 been provided with the exhibits that were filed.

6 THE CHAIRPERSON: Oh, very good, okay.

7 MR. PAUL EDWARDS: Yes, I do have those.

8 And -- and, as I'm sure with Mr. Soronow, I'm just --

9 MR. SIDNEY SORONOW: One second. He's
10 got something I don't?

11 MR. WALTER SARANCHUK: Well, he's had an
12 opportunity to look at something that you haven't yet
13 seen, but --

14 THE CHAIRPERSON: But you will soon see
15 because you are up next.

16 MR. PAUL EDWARDS: I'm going to pass it
17 around to you, Mr. Soronow, before --

18 MR. SIDNEY SORONOW: Is that due to the
19 problem with the photocopy?

20 THE CHAIRPERSON: Yes. Mr. Singh is
21 working diligently but, unfortunately, he's not a
22 technician.

23 MR. SIDNEY SORONOW: Maybe the -- the
24 Board should look at something other than a Xerox, maybe
25 a Cannon or something else.

1 MR. WALTER SARANCHUK: We'll take that
2 under advisement. Thank you, Mr. Soronow.

3 THE CHAIRPERSON: Mr. Edwards...?

4 MR. PAUL EDWARDS: Sure. And -- and I
5 just want to say at the outset, I -- I'm not sure what
6 this additional document, which I think is obviously
7 important, does to our proceedings this evening in terms
8 of Mr. Kozubal.

9 I certainly have some questions by cross-
10 examination if -- if a further document is going to be
11 produced. You've indicated, Mr. Chair, the parties would
12 obviously be interested to see it.

13 Is the Board contemplating we would have
14 Mr. Kozubal back at that time?

15 THE CHAIRPERSON: Can't really answer
16 that question, Mr. Edwards. I think we have to see the
17 document. I think we would hope that with the document
18 there would be sufficient information for people to move
19 on to closing argument, but we are going to have to see
20 it.

21 MR. PAUL EDWARDS: Fair enough, and I
22 just note that for the record, Mr. Chair, and, of course,
23 the parties would want to reserve the opportunity to
24 question Mr. Kozubal, as -- as would the Board, no doubt,
25 so...

1 THE CHAIRPERSON: Yes, we will make the
2 call after we have everything. We don't -- there may be
3 other documents produced this evening that may raise the
4 same concern that you have with this one (1).

5 MR. PAUL EDWARDS: Fair enough.

6 THE CHAIRPERSON: So, Mr. Edwards, do you
7 want to...?

8

9 RE-CROSS-EXAMINATION BY MR. PAUL EDWARDS:

10 MR. PAUL EDWARDS: Yeah, I do have a few
11 questions for Mr. Kozubal. Just get to the right...

12 Mr. Saranchuk spoke, Mr. Kozubal, about a
13 decision by the Winnipeg Airports Authority respecting
14 stretch limos and what are known as "executive cars" and
15 we're sort of using terminology here which I just want to
16 get clear.

17 The -- there are stretch limousines and
18 then there are executive cars. Is there a third type of
19 vehicle? To my knowledge, those are -- those are sort of
20 the two (2) terms that are used for options for
21 passengers at the airport.?

22 MR. JERRY KOZUBAL: You have the standard
23 taxicab which Unicity operates the concession. As far as
24 the limousine, you have the standard stretch limousine.
25 There's another category called "premium" which are

1 limousines that are less than five (5) years of age can
2 charge a additional higher tariff.

3 MR. PAUL EDWARDS: Are those stretch
4 limousines?

5 MR. JERRY KOZUBAL: Yeah, they can be
6 stretch, yeah.

7 MR. PAUL EDWARDS: Okay, or not.

8 MR. JERRY KOZUBAL: Okay, right, and
9 there's also specialty vehicles which include things like
10 the SUV which have been stretched as well, so they do
11 operate at the airport.

12 MR. PAUL EDWARDS: Okay. And so when we
13 say "executive cars" which of those categories are you --
14 are you -- are those?

15 MR. JERRY KOZUBAL: An executive car is
16 part of the limousine category, so there are, in total,
17 five (5) different categories of limousine.

18 MR. PAUL EDWARDS: Okay. And my
19 understanding is that the decision of the airport was not
20 to ban or bar -- using Mr. Saranchuk's terms -- stretch
21 limousines. Rather it was to -- to allow the customer,
22 the passenger, to choose to have an executive car or
23 regular higher-end car or a stretch limousine, and based
24 on that choice, one (1) would -- one (1) would be
25 provided.

1 My understanding is that that was the
2 change that was made, whereas previously, in the higher-
3 end car category, you just sort of took what was there
4 and if it was a stretch limo, that was -- that was what
5 you were required to take.

6 Is that -- do you have any knowledge about
7 that?

8 MR. JERRY KOZUBAL: I understand that the
9 Airport Authority did change their policy with respect to
10 the limousines queueing up and that priority would be
11 given to executive cars so they would have more executive
12 cars at the curb and reduce the number of stretch
13 limousines.

14 MR. PAUL EDWARDS: Right, but you
15 understand that if the customer asks for a stretch limo
16 and there is one (1) available, it is still provided and,
17 in fact, there is a parking space for a stretch limo on
18 the -- the, what I'll call, the "ramp outside the
19 airport."

20 You -- you understand -- understand that
21 to still be the case?

22 MR. JERRY KOZUBAL: That's right, there
23 is.

24 MR. PAUL EDWARDS: Okay. So there's been
25 no banning or barring of stretch limos, it simply is

1 allowing the customer to choose, correct?

2 MR. JERRY KOZUBAL: Right. Just that
3 they would have more executive cars available, so they'd
4 be --

5 MR. PAUL EDWARDS: Right and of course --

6 MR. JERRY KOZUBAL: -- providing service.

7 MR. PAUL EDWARDS: -- of course, if -- if
8 the cus -- if more customers choose executive cars, you
9 need more executive cars available, correct?

10 MR. JERRY KOZUBAL: That's right.

11 MR. PAUL EDWARDS: Right. And just on
12 that topic, I notice from the figures which are now the
13 Exhibit PUB-15 which are slightly different and I also
14 recently got some -- some updated figures which are
15 similar to these but not interestingly not -- not
16 identical.

17 Mr. Marohn is here and may have some
18 explanation for that a little later but very close in
19 terms of the six (6) months of 2009.

20 I do notice that as you pointed out, the
21 reduction in limo and -- and use which is primarily
22 executive cars, has been far less than -- than for taxis
23 in the first six (6) months of '09?

24 MR. JERRY KOZUBAL: I don't have that
25 piece of information in front of me now.

1 MR. PAUL EDWARDS: Yeah well I -- and --
2 and I think you actually mentioned that.

3 THE CHAIRPERSON: I recall him saying
4 that the taxis were off seven (7) and the limos were off
5 four (4) or something like that.

6

7 CONTINUED BY MR. PAUL EDWARDS:

8 MR. PAUL EDWARDS: Right so there's less
9 of a reduction. My understanding is that in the -- in
10 combined -- and of course there are far fewer people take
11 limos or executive cars than regular cabs, but combined
12 the overall reduction in the number of people taking
13 taxis and/or limos is approximately 6 percent.

14 Does that coincide with your
15 understanding?

16 MR. JERRY KOZUBAL: Based on the data
17 that we've received, yes.

18 MR. PAUL EDWARDS: Right. And my
19 understanding is as well from -- and I don't know if you
20 have any knowledge about this or can confirm this that
21 overall passenger numbers in the first six (6) months
22 going through the Winnipeg airport is down approximately
23 5 percent.

24 Do -- do you have any knowledge about
25 that?

1 MR. JERRY KOZUBAL: No, I don't.

2 MR. PAUL EDWARDS: Okay. Similarly do
3 you have any knowledge as to whether or not predominantly
4 it would be business travellers as opposed to pleasure
5 travellers that would -- would use cabs?

6 Do you have any information on that?

7 MR. JERRY KOZUBAL: No, I don't.

8 MR. PAUL EDWARDS: Okay.

9 THE CHAIRPERSON: Mr. Edwards, just for a
10 second.

11 MR. PAUL EDWARDS: Sure.

12 THE CHAIRPERSON: I hate -- it's
13 troubling me that we have Mr. Singh working away with a
14 machine that he probably will be unable to fix and we
15 seem to be managing with passing the exhibits around.

16 So far I'm wondering whether we could
17 relieve Mr. Singh of his efforts. Mr. Saranchuk, do you
18 want to just check with him? See how he's making out? I
19 hate to leave someone with a task that they can't
20 complete.

21

22 (BRIEF PAUSE)

23

24 THE CHAIRPERSON: It appears Mr. Singh
25 agrees. Okay, Mr. Edwards...

1

2 CONTINUED BY MR. PAUL EDWARDS:

3 MR. PAUL EDWARDS: Thank -- thank you
4 very much. Does the Taxicab Board have any information
5 or any -- does any tracking of the -- the -- the amount
6 of the average tip on top of a cab fare?

7 MR. JERRY KOZUBAL: We do not track that
8 information.

9 MR. PAUL EDWARDS: Okay. What about --
10 and I think this has already been made clear. The -- the
11 Taxicab Board has no information and has provided no
12 information by the taxicab companies and I think you
13 indicated it doesn't have the authority to collect the
14 information with respect to non-dispatched or dispatched
15 calls other than what they get from the Airport
16 Authority.

17 MR. SIDNEY SORONOW: Mr. -- Mr. Chairman,
18 I -- I have a query here. Mr. Kozubal has been called
19 back by the Board for a specific purpose. It seems to me
20 that My Friend should confine his questions to the
21 information that came up new now and not engage in a re-
22 examination of matters covered by Mr. Kozubul in the
23 earlier proceeding.

24 Otherwise he's taking two (2) kicks at the
25 same cat which seems quite inappropriate when he was

1 called back for a specific purpose and I'm submitting
2 that he ought to direct his questions to the matters that
3 have come out from the new evidence.

4 THE CHAIRPERSON: Well I think we'll give
5 Mr. Edwards a little bit more leeway first. Mr.
6 Edwards...?

7

8 CONTINUED BY MR. PAUL EDWARDS:

9 MR. PAUL EDWARDS: Yes, thank you and I
10 won't belabour this. I'm just wanting to clarify and --
11 do you want me to repeat the question?

12 MR. JERRY KOZBAL: Yes, please.

13 MR. PAUL EDWARDS: Thank you, Mr.

14 Kozubal. That the only information that the Taxicab
15 Board has with respect to the volume of business in the
16 taxicab industry is -- appears to be the dispatched
17 information provided by the Winnipeg airport's authority.

18 Is that correct?

19 MR. PAUL EDWARDS: That's right. That's
20 the only specific information we have.

21 MR. PAUL EDWARDS: I mean the rest is --
22 is really, as -- as you said in your letter to the Board,
23 pretty much guess work, you're just trying to extrapolate
24 based on the information you have?

25 MR. JERRY KOZUBAL: That's right, because

1 we do not regulate dispatch companies, so we do not
2 receive any information from them.

3 MR. PAUL EDWARDS: Right. Would you
4 have any information on what percentage of -- of trips
5 are -- have two (2) passengers or more, any information
6 on that, on -- on how many people ride in cabs on
7 average?

8 MR. JERRY KOZUBAL: No, we don't.

9 MR. PAUL EDWARDS: And just on this issue
10 of the seasonal cabs for a moment, we had some discussion
11 earlier, and thank you for your prompt email in the
12 course of our last Hearing.

13 We understand the Board is now considering
14 adding an additional ten (10) seasonal cabs for the '09
15 winter season, which would -- added to the prior seventy
16 (70), would -- would take it to eighty (80).

17 Is that what's under consideration now?

18 MR. JERRY KOZUBAL: That's right, that
19 was the recommendation in the study, and the board is, I
20 essentially believe, prepared to go in that direction,
21 we're just assessing more information right now.

22 MR. PAUL EDWARDS: Right, and -- and we -
23 - just to be clear, in terms of whether to extend that to
24 five (5) months, has that decision been made in terms of
25 the season?

1 MR. JERRY KOZUBAL: No, the board's still
2 considering that.

3 MR. PAUL EDWARDS: Okay. And -- and in
4 terms of an additional forty (40), as recommended for
5 future years, if -- if the eighty (80) is -- is
6 acceptable, I take it that would be considered next year?

7 MR. JERRY KOZUBAL: That would be looked
8 at once we receive the information on what happened in
9 the coming winter season.

10 MR. PAUL EDWARDS: Right. Now, in terms
11 of your answers to Mr. Saranchuk tonight, Mr. Saranchuk
12 asked you about the Taxicab Board's decision in the early
13 part of '0... I'm getting confused because it's been so
14 many years, I believe '07 -- '06, I'm sorry, thank you,
15 and he referenced the issue of public need, and you
16 indicated there was no -- no reasons given by the Taxicab
17 Board.

18 You will confirm that, in the letter the
19 Taxicab Board sent, authored by you to the City of
20 Winnipeg Standing Committee, the Taxicab Board
21 specifically indicated that they did not object to the
22 application put before that committee by Avion?

23 MR. JERRY KOZUBAL: That's right.

24 MR. PAUL EDWARDS: Okay. You also
25 indicated in respect of income models for cab drivers

1 that there was one (1) done quite a while ago and that it
2 is updated from time to time, and I see from PUB-12
3 there's some information on that.

4 Have we got some updated figures as to net
5 income for the average taxi driver?

6 MR. JERRY KOZUBAL: No. In the study
7 that was done last year, the Winnipeg Taxi Study, the
8 consultant comes to a conclusion that gross income would
9 be in the area of a hundred and forty-five thousand
10 dollars (\$145,000) per taxicab.

11 MR. PAUL EDWARDS: Is there a net income
12 figure?

13 MR. JERRY KOZUBAL: No. Again, that --
14 it depends on financial information provided, and we have
15 had difficulty obtaining that from taxicab licence
16 holders.

17 MR. PAUL EDWARDS: Right, so if I look at
18 this -- what you're saying is, and I'm looking at page 9
19 of -- of the PUB-12 -- no, I'm sorry, not page 9. I'm
20 looking at page 7.

21 And -- and I see there that you've broken
22 out gross earnings, and then there's a cost of sales.
23 So, as I understand it, what you're saying is, current
24 information is gross earnings is approximately a hundred
25 and forty-five thousand (145,000).

1 Would that be as -- as of '08?

2 MR. JERRY KOZUBAL: Well, that is based
3 on what the consultant is saying, based on information
4 that I see coming through the sale transfers. Many
5 applicants are saying that their gross income is in the
6 sixty (60) to sixty-five thousand (65,000) range, which
7 is still the -- below the 1991 estimate.

8 MR. PAUL EDWARDS: Right. So where does
9 the hundred and forty-five thousand (145,000) gross
10 earnings come from?

11 MR. JERRY KOZUBAL: That's based on the
12 consultant looking at the number of trips and average
13 costs and based on information he assessed during his
14 research last year.

15 MR. PAUL EDWARDS: Are you talking about
16 Mr. Mundy and the Tennessee Report?

17 MR. JERRY KOZUBAL: That's right.

18 MR. PAUL EDWARDS: Okay. So when you say
19 -- so you have that report, that's current obviously to
20 '08 because that report was published just a few months
21 ago, correct?

22 MR. JERRY KOZUBAL: That's right.

23 MR. PAUL EDWARDS: Right. Cost of sales
24 and -- and -- and the resulting calculation of net
25 earnings, that information -- is that information the

1 Board has asked the taxicab companies to provide but --
2 and -- and -- and they've declined?

3 MR. JERRY KOZUBAL: We have under a
4 number of occasions asked for financial information. We
5 have a regulation called Section 55 which the Board can
6 exercise, requesting financial information on income and
7 expenses and we are hoping to use that information to
8 update the model that was developed in 1989. But we have
9 run into obstacles in obtaining information from the
10 industry.

11 MR. PAUL EDWARDS: By "obstacles," do you
12 mean the companies involved have declined to provide it?

13 MR. JERRY KOZUBAL: They've declined and
14 they've also declined to provide the information for each
15 taxicab license holder.

16 MR. PAUL EDWARDS: Okay.

17 MR. JERRY KOZUBAL: Which again, I mean,
18 we need information to be able to establish a base.

19 MR. PAUL EDWARDS: Have -- has the
20 Taxicab Board asked the -- the -- the taxicab companies
21 for information regarding volume of business dispatches
22 and -- and -- and rides and that type of information as
23 well?

24 MR. JERRY KOZUBAL: That's come up in a
25 number of Hearings and we've had undertakings where

1 companies have indicated they would provide that and we
2 have not received information from them.

3 MR. PAUL EDWARDS: Okay. Do the
4 companies that have declined to provide the financial
5 information and that information with respect to volume
6 of traffic, do those companies include the two (2) here,
7 Duffy's and Unicity?

8 MR. JERRY KOZUBAL: Yes, they do.

9

10 (BRIEF PAUSE)

11

12 MR. PAUL EDWARDS: Mr. Kozubal, as I was
13 reviewing this matter over the last couple of days, I
14 happened to take a look at the Taxicab Act again and --
15 and sort of tried to relate that to this City of Winnipeg
16 Charter and Section 163, which leads us to this Board.

17 And what's clear to me is that if
18 vehicles' businesses are taxicabs under the definition in
19 your Act, the Taxicab Act, the Taxicab Board has
20 exclusive jurisdiction to set the rates, require
21 licensing, and the various powers which go with
22 regulating that industry.

23 Is that your understanding as well?

24 MR. JERRY KOZUBAL: Yes, it is.

25 MR. PAUL EDWARDS: Yeah. And if a

1 vehicle or a business is not a taxicab then the Taxicab
2 Board does not have jurisdiction, period?

3 MR. JERRY KOZUBAL: That's right.

4 MR. PAUL EDWARDS: Yeah. Subject only to
5 my initial comments, Mr. Chair, those are my further
6 questions.

7 THE CHAIRPERSON: Thank you, Mr. Edwards.

8

9 (BRIEF PAUSE)

10

11 THE CHAIRPERSON: Okay. I believe Mr.
12 Soronow now has the moving exhibits.

13 MR. WALTER SARANCHUK: He does, sir.

14 THE CHAIRPERSON: Okay.

15 MR. SIDNEY SORONOW: Yes, and --

16 THE CHAIRPERSON: Just --

17 MR. SIDNEY SORONOW: -- 1

18 minutes with my client to review them.

19

20

21

22

23 do not want to rush you. Do you want five (5) or ten
24 (10) minutes or...

25 MR. SIDNEY SORONOW: Yes.

1 THE CHAIRPERSON: Okay. We'll come back
2 at eight o'clock.

3

4 --- Upon recessing at 7:50 p.m.

5 --- Upon resuming at 8:05 p.m.

6

7 THE CHAIRPERSON: Okay. Mr. Soronow, are
8 you ready?

9

10 RE-CROSS-EXAMINATION BY MR. SIDNEY SORONOW:

11 MR. SIDNEY SORONOW: Yes, thank you, Mr.
12 Chairman. A few questions for Mr. Kozubul.

13 In the course of your evidence you
14 referenced some -- something in the Winnipeg Taxi Study
15 about gross revenue of a hundred and forty or a hundred
16 and forty-five thousand (140/145,000).

17 Is that correct?

18 MR. JERRY KOZUBAL: That's right.

19 MR. SIDNEY SORONOW: And -- and that was
20 basically a hypothesis by Dr. Mundy rather than based on
21 any real information?

22 MR. JERRY KOZUBAL: I assume it was based
23 on information that he gathered while assessing the
24 number of trips the taxicabs take throughout the city.

25

1 (BRIEF PAUSE)

2

3 MR. SIDNEY SORONOW: First off, was that
4 referable to Spring Taxi?

5 Do you recall that?

6 MR. JERRY KOZUBAL: No, not specifically.

7 MR. SIDNEY SORONOW: Okay. I invite the
8 Board to review the Winnipeg Study and they'll find that
9 that was referable to Spring Taxi.

15 Is that a hypothesis? And it was
16 referable to Spring Taxi.

17 Do you recall that or you don't?

18 MR. JERRY KOZUBAL: Well basically use
19 that information as it's presented in the report so you'd
20 have to read that paragraph in its full context to
21 understand why he makes that particular --

22 MR. SIDNEY SORONOW: Mm-hm. Okay. We'll
23 let the Board draw its conclusions reading -- reviewing
24 the report. You indicated that you -- you process many
25 transfer applications at the Taxicab Board.

1 Is that correct?

2 MR. JERRY KOZUBAL: That's right.

3 MR. SIDNEY SORONOW: Okay. And in --

4 part of the obligations of the filing associated with a
5 transfer application are some level of -- of financial
6 analysis on the operation of the taxicab.

7 Is that correct?

8 MR. JERRY KOZUBAL: That's right. We
9 require the person that's selling to provide a financial
10 statement for the past year and we also require that the
11 applicant provide projections for the next two (2) years.

12 MR. SIDNEY SORONOW: And would it be fair
13 to say drawing on your experience that if it's Unicity or
14 whether it's Unicity or Duffy's, that the revenue figures
15 derived from that process per annum are in the sixty-five
16 thousand dollar (\$65,000) range?

17 MR. JERRY KOZUBAL: That's right.

18 MR. SIDNEY SORONOW: Okay. Now you
19 indicated that your Board does not have a mandate or
20 legislative platform to require dispatch companies to
21 provide you with information.

22 Is that correct?

23 MR. JERRY KOZUBAL: That's right.

24 MR. SIDNEY SORONOW: Yeah. And in fact
25 as it relates to financial information of the individual

1 cabs, you recognize that that's not even information
2 quote:

3 "Owned by the dispatch companies that
4 belong to the individual operators."

5 MR. JERRY KOZUBAL: That's right. And as
6 I referenced earlier, that's why we can use Section 55 of
7 the Taxicab Regulation to have the license holder provide
8 that information to the Board.

9 MR. SIDNEY SORONOW: Okay. And isn't it
10 the case that notwithstanding that you don't have that
11 regulatory authority over the dispatch companies that in
12 and around 2005 or 2006, at your request, Unicity
13 voluntarily provided a profile on sixty (60) vehicles
14 with the consent of the individual owners?

15 MR. JERRY KOZUBAL: That's right.

16 MR. SIDNEY SORONOW: Now with respect --
17 let's just talk for a moment about transfer values. I --
18 I think you indicated that the transfer includes the
19 vehicle itself, correct?

20 MR. JERRY KOZUBAL: That's right.

21 MR. SIDNEY SORONOW: Yeah. And it also
22 carries with it, at least as it -- I -- I'm not going to
23 talk about other taxicab companies, but as it relates to
24 Unicity and Duffy's, it carries with it a shareholding,
25 therefore, a proportionate interest, if you will, in the

1 whole of Unicity or Duffy's, as the case may be.

2 MR. JERRY KOZUBAL: That's right, it's --
3 the vehicle is affiliated with the dispatch company.

4 MR. SIDNEY SORONOW: Yes. Yeah. And --
5 and in the case of Spring Taxi, that is a company owned
6 as opposed to a co-op method of carrying on business,
7 correct?

8 MR. JERRY KOZUBAL: Well, they have both.
9 The company owns, I believe, about twenty (20) or twenty-
10 two (22) licences itself, and then they also have
11 affiliated owner/operators.

12 MR. SIDNEY SORONOW: Right, but the
13 affiliated owner/operators do not own a proportionate
14 interest in the company?

15 MR. JERRY KOZUBAL: No, I do not believe
16 they do. They just pay a management fee.

17 MR. SIDNEY SORONOW: Yes. And -- and so
18 -- and you are aware that both Unicity -- that Unicity
19 owns its own physical facilities, and computerized
20 equipment, and everything that goes into creating and
21 sustaining that dispatch company?

22 MR. JERRY KOZUBAL: Unicity is a dispatch
23 company.

24 MR. SIDNEY SORONOW: Right, yeah.

25 MR. JERRY KOZUBAL: They are not a

1 licence holder.

2 MR. SIDNEY SORONOW: Right. And -- and
3 Unicity, as a corporate entity with which each of these
4 people acquire with the cab a proportionate interest,
5 Unicity has its own physical premises, correct?

6 MR. JERRY KOZUBAL: That's right.

7 MR. SIDNEY SORONOW: And you are aware
8 that they own the underlying real estate?

9 MR. JERRY KOZUBAL: Right.

10 MR. SIDNEY SORONOW: And same with
11 Duffy's, they -- sorry, back to Unicity. And they have
12 their own computer equipment and all that goes into
13 making a dispatch company, or comprising a dispatch
14 company?

15 MR. JERRY KOZUBAL: Correct.

16 MR. SIDNEY SORONOW: And the same answers
17 would be applicable to Duffy's, they own their real
18 estate, they have their technological equipment, et
19 cetera?

20 MR. JERRY KOZUBAL: That's right.

21 MR. SIDNEY SORONOW: Okay. And so --
22 okay. And -- and when you were talking and Mr. Edwards
23 was asking you some questions, he seemed to suggest to
24 you that if a individual were to pay, for argument sake,
25 three and thirty thousand dollars (\$330,000) for a

1 taxicab, that he would be able to depreciate that for tax
2 purposes.

3 And I'm suggesting to you that the only
4 thing he can depreciate is the actual value of the
5 physical car, and not the goodwill component associated
6 with other aspects of his purchase price.

7 Are you aware of that?

8 MR. JERRY KOZUBAL: Again, I'm not an
9 accountant, so I'm not familiar with the -- the technical
10 taxable items.

11 MR. SIDNEY SORONOW: Okay. So you
12 couldn't dispute that that was the case, that what I
13 stated was the case, you have no knowledge to dispute it?

14 MR. JERRY KOZUBAL: Other than I agree
15 that equipment, the vehicle, any equipment in there would
16 be a deduction and could be depreciated, but the vehicle
17 -- the purchase, the goodwill, would probably be a
18 capital item.

19 MR. SIDNEY SORONOW: Would probably be a
20 which?

21 MR. JERRY KOZUBAL: A capital item.

22 MR. SIDNEY SORONOW: Non-depreciable?

23 MR. JERRY KOZUBAL: Right.

24 MR. SIDNEY SORONOW: Okay. And in terms
25 of looking at costs that are associated with a taxicab

1 and the fare increases, you indicated that -- you gave
2 the numbers for a typical trip and the increase that has
3 occurred, I believe, since 2002 through November 2008,
4 was it?

5 MR. JERRY KOZUBAL: That's right.

6 MR. SIDNEY SORONOW: Yeah. And -- and
7 since November 2008, there's been no increase?

8 MR. JERRY KOZUBAL: That's right.

9 MR. SIDNEY SORONOW: So the figures from
10 November 2002 to July 15th, 2008 -- 2009, today's date,
11 would be that percentage increase that you referenced?

12 MR. JERRY KOZUBAL: That's right.

13 MR. SIDNEY SORONOW: Was that 22.8
14 percent?

15 MR. JERRY KOZUBAL: I believe so.

16 MR. SIDNEY SORONOW: Okay. And -- and
17 just from a math --

18 THE CHAIRPERSON: Mr. Soronow, you meant
19 from the year 2000, correct, not --

20

21 CONTINUED BY MR. SIDNEY SORONOW:

22 MR. SIDNEY SORONOW: November 2002 to
23 July 15th, 2009, yeah. And -- and it would be fair to
24 say that's, what, a little bit over 3 percent per annum
25 approximately?

1 MR. JERRY KOZUBAL: Approximately.

2 MR. SIDNEY SORONOW: Yeah, and now tell
3 me something, sir. Is it -- am I correct that
4 essentially the increases are an attempt to catch up for
5 increased costs that have occurred since the last
6 increase?

7 MR. JERRY KOZUBAL: Right. It's
8 basically the -- the industry or the individual licence
9 holders will apply to the Board and quite often they
10 apply at -- at random periods, so it isn't an annual
11 application, it's just whenever they feel that they are
12 getting behind and need to increase their revenues.

13 MR. SIDNEY SORONOW: Right. So any crea
14 -- increases that have been granted, essentially only --
15 the only result of all of that is that they more or less
16 stand still?

17 MR. JERRY KOZUBAL: I'm not sure how you
18 would come to that conclusion, but --

19 MR. SIDNEY SORONOW: Well, because the --
20 the increase in the rates they can charge, as you
21 acknowledged, are an attempt to catch up for the
22 increased costs.

23 MR. JERRY KOZUBAL: Well, but that's only
24 part of the formula. I mean there's also going to be
25 profits, so the question is: Is there a reasonable

1 profit margin being maintained?

2 MR. SIDNEY SORONOW: And -- and, for
3 example, some of these costs, if you went back to, for
4 example, 2000, would it -- could I help you out here a
5 little bit?

6 Would you agree that, for example,
7 gasoline, which is a huge component, would have been
8 about sixty (60) to sixty-two (62) cents a litre back in
9 2000?

10 MR. JERRY KOZUBAL: That may be true and
11 fuel represents 20 percent of the operating costs.

12 MR. SIDNEY SORONOW: Which is -- which is
13 a big part of it, correct?

14 MR. JERRY KOZUBAL: Correct.

15 MR. SIDNEY SORONOW: Okay, and -- and
16 fuel at the present time, right now about one-0-one (101)
17 to one-0-three (103).

18 I assume you fill up now and then?

19 MR. JERRY KOZUBAL: Yeah, I do, once a
20 week.

21 MR. SIDNEY SORONOW: That's ab -- about
22 the right price, isn't it?

23 MR. JERRY KOZUBAL: Yeah.

24 MR. SIDNEY SORONOW: I mean, I don't say
25 it's the right price, it's the price being charged?

1 MR. JERRY KOZUBAL: Right, plus then you
2 get the discounts, so it will be --

3 MR. SIDNEY SORONOW: Yeah.

4 MR. JERRY KOZUBAL: -- around the dollar,
5 under a dollar.

6 MR. SIDNEY SORONOW: Yeah, okay. And,
7 so, in relation, for example, to the item of gas, prices
8 will, you know, have gone up since 2000, I think -- my
9 mathematics isn't what it once was, but that looks to me
10 about forty (40) cents on sixty-two (62) cents. That's
11 about 80 percent, more or less.

12 MR. JERRY KOZUBAL: Right. Fuel prices
13 have gone up, but also in the industry, there's been a
14 dynamic shift where they've changed to hybrids as well.

15 MR. SIDNEY SORONOW: Yes. Well, talking
16 of that, do you take -- I mean, isn't it the case that
17 one (1) of the costs that operators today in Duffy's and
18 Unicity, because I won't speak for others, is that there
19 has been a -- a movement to significantly more expensive
20 and newer cars -- particularly by Unicity and -- and
21 Duffy's. That is -- let me backtrack.

22 Historically, there may have been a time
23 where people put on the road older vehicles, and the
24 trend within Unicity and Duffy's has been to a
25 significant upgrade to newer and better cars, correct?

1 MR. JERRY KOZUBAL: Correct. Over the
2 last four (4) years we have seen a dramatic increase in
3 newer vehicles and, like I say, most of them are hybrids
4 now, so they're definitely reducing their daily operating
5 costs.

6 MR. SIDNEY SORONOW: And is it fair to
7 say that, of course, the increased cost of these type of
8 vehicles will increase the overall cost picture for an
9 operator?

10 MR. JERRY KOZUBAL: It will if you look
11 at the cost of buying a new vehicle.

12 MR. SIDNEY SORONOW: Yeah, okay, and no
13 doubt you would be familiar with the fact that parts and
14 labour for repairs have increased significantly since
15 2000?

16 MR. JERRY KOZUBAL: Yes, they have, but
17 also I think what we've seen and some of the information
18 is with the newer vehicles there's less maintenance, less
19 downtime --

20 MR. SIDNEY SORONOW: Yeah, fair --

21 MR. JERRY KOZUBAL: -- so operators are--

22 MR. SIDNEY SORONOW: -- fair. How about
23 MPI? Hasn't MPI's cost, to your knowledge -- thee --
24 these -- let me backtrack.

25 Are you aware that at the present time

1 insuring one (1) taxicab runs an operator around sixty-
2 two hundred dollars (\$6200)?

3 MR. JERRY KOZUBAL: Right.

4 MR. SIDNEY SORONOW: And -- and that that
5 is a very significant increase over what it might have
6 been in 2000?

7 MR. JERRY KOZUBAL: That's right.

8 MR. SIDNEY SORONOW: Okay. Okay. Give
9 me a moment.

10

11 (BRIEF PAUSE)

12

13 MR. SIDNEY SORONOW: And you talked about
14 -- you were asked about limousines and whether -- and it
15 might have been a question from the Chair, but it was
16 from somebody about the -- oh, it was from Mr. Saranchuk
17 I believe, from the value of limousines in the transfer
18 market since the influx of the executive cars.

19 And after consulting some paperwork that
20 you had with you, you indicated that there has not been
21 any recent transactions in transfers of limousines.

22 Is that correct?

23 MR. JERRY KOZUBAL: That's right.

24 MR. SIDNEY SORONOW: Okay. And I suggest
25 to you, sir, that in fact the -- wouldn't it be fair to

1 reasonably conclude that the reason that there's no
2 transactions in limousines is really there's no market
3 anymore for limousines to the extent there was when they
4 plied the airport.

5 Wouldn't you agree that's probable?

6 MR. JERRY KOZUBAL: No. I mean I think
7 some of the changes we've seen as I've indicated
8 previously to this Board is that we've approved thirty-
9 eight (38) executive cars so that means the people in the
10 business now are trying to make a go of their business.

11 MR. SIDNEY SORONOW: Yeah. We had a
12 representative from the limousine industry who indicated
13 that he had paid a hundred forty thousand dollars
14 (\$140,000) for his limousine and in light of the changes
15 at the airport it basically is parked most of the week
16 but not on the weekends.

17 MR. JERRY KOZUBAL: Again, it could be
18 any number of reasons. As far as the hundred and forty
19 (140) I agree. Last year and probably up until the start
20 of this year, I mean limousines were selling for about a
21 hundred and fifty thousand dollars (\$150,000) between
22 buyer and seller.

23 MR. SIDNEY SORONOW: And now you're not
24 seeing any transactions?

25 MR. JERRY KOZUBAL: No.

1 MR. SIDNEY SORONOW: Okay. Tell me
2 something. Mr. Edwards was trying to address with you
3 something related to the limousines and I'm also going to
4 test your knowledge because my understanding is that what
5 changed with respect to the limousines as of around April
6 15th of 2009 is that they were banished to virtually an
7 invisible position at the airport such that people
8 exiting after coming off their plane, essentially they
9 are invisible to the customers.

10 Do you have knowledge of that?

11 MR. JERRY KOZUBAL: I understand the
12 Airport Authority changed their policy and encouraged
13 more executive cars and reduced the number of stretches
14 at the Terminal.

15 MR. SIDNEY SORONOW: Yeah. And -- and as
16 part of that they wrote to the taxicab board and/or
17 provided all the limo operators letters that --
18 indicating that if the person could get an executive car,
19 they could ply the airport.

20 MR. JERRY KOZUBAL: That's right.

21 MR. SIDNEY SORONOW: And just to be
22 certain because Mr. Edwards, you had referenced the 2009
23 first six (6) month figures for taxis and for limos and
24 then Mr. Edwards in his questions sort of combined them
25 as -- as -- as if they were 1 percentage.

1 But just as I have noted it down, you
2 indicated that taxi trips in the first six (6) months
3 were down 7 percent, limo trips down 4 percent.

4 Did I mark it down correctly?

5 MR. JERRY KOZUBAL: That's right.

6 MR. SIDNEY SORONOW: Okay.

7 THE CHAIRPERSON: When you say limos are
8 down 4 percent, you're including the executive cars too?

9 MR. JERRY KOZUBAL: That's right. All
10 stretch and executive cars.

11

12 (BRIEF PAUSE)

13

14 CONTINUED BY MR. SIDNEY SORONOW:

15 MR. SIDNEY SORONOW: And -- and I'm
16 sorry, just so that I make sure that my notes are
17 correct, you had been asked at some juncture about
18 transfer prices associated with Spring Taxi, whom as we
19 know, don't have a share in the Spring Taxi operation,
20 they're only affiliated or company-owned, and I think you
21 said they varied from -- on average, from eighty (80) to
22 eighty-eight thousand (88,000) in that time frame?

23 MR. JERRY KOZUBAL: That's right. I was
24 up to 2008 up to --

25 MR. SIDNEY SORONOW: Yeah.

1 MR. JERRY KOZUBAL: -- February.

2 MR. SIDNEY SORONOW: Okay.

3

4 (BRIEF PAUSE)

5

6 THE CHAIRPERSON: When a Spring Taxicab
7 is sold and the transfer value, and if I recall properly
8 from the evidence of another day, I believe it was some
9 of their cars ended up moving over to Duffy's?

10 MR. SIDNEY SORONOW: That's -- that's
11 correct, Mr. Chairman. I -- I believe it's about ten
12 (10) of the Spring Taxis have in the last short while,
13 and I'm talking months, moved from Spring Taxi to Duffy's
14 Taxi.

15 THE CHAIRPERSON: When they -- when they
16 put in the application to sell and there's a purchaser on
17 the other end, as part of the transaction is it evident
18 that the taxi is now going to be associated with the co-
19 op rather than Spring?

20 MR. JERRY KOZUBAL: Right. What happened
21 was these were independent owner/operators who were
22 affiliated with Spring and I guess with negotiations,
23 they had negotiated successfully to now move over to
24 Duffy's. They had to pay a share or initiation fee.
25 But, again, the only -- it wasn't a sale transfer, it was

1 just a change of affiliation.

2 THE CHAIRPERSON: So it's the same owner
3 then?

4 MR. JERRY KOZUBAL: That's right, the
5 same owner now. That owner who was previously affiliated
6 for dispatch purposes with Spring is now a shareholder
7 and affiliated with Duffy, so that --

8 THE CHAIRPERSON: But --

9 MR. JERRY KOZUBAL: -- the value of the
10 vehicle would definitely go up as being a franchisee of
11 Duffy's as opposed to Spring.

12 THE CHAIRPERSON: I understand.

13

14 CONTINUED BY MR. SIDNEY SORONOW:

15 MR. SIDNEY SORONOW: I noticed you
16 qualified your answer with respect to Spring, indicating
17 that was the average through 2008.

18 Have there been transactions subsequent to
19 that that give you any indication of dollar value?

20 MR. JERRY KOZUBAL: I'm not aware of any.

21 MR. SIDNEY SORONOW: Okay.

22

23 (BRIEF PAUSE)

24

25 MR. SIDNEY SORONOW: Mr. Edwards had

1 queried you based on his review of he -- as he qualified
2 his question, saying that he had spent some time going
3 through the Taxicab Act and trying to familiarize himself
4 better with it.

5 And he proposed to you that if a vehicle
6 is a taxi, then you have exclusive jurisdiction, correct?

7 MR. JERRY KOZUBAL: That's right.

8 MR. SIDNEY SORONOW: Yeah. And he then
9 said if a vehicle is not a taxi then you don't have
10 jurisdiction.

11 MR. JERRY KOZUBAL: That's right.

12 MR. SIDNEY SORONOW: But that doesn't
13 answer the question of what constitutes a taxi, does it?

14 MR. JERRY KOZUBAL: No, not -- that's
15 what really is germane, is the definition of --

16 MR. SIDNEY SORONOW: Yeah.

17 MR. JERRY KOZUBAL: -- what is a taxi.

18 MR. SIDNEY SORONOW: Okay. And -- and
19 tell me something, Aside from the Taxicab Board is there
20 another Board known as the Motor Transport Board that has
21 a regulatory function in relation to vehicles of certain
22 size or character?

23 MR. JERRY KOZUBAL: That's right. Motor
24 Transport Board does regulate buses and taxicabs
25 throughout Manitoba.

1 MR. SIDNEY SORONOW: Okay.

2

3 (BRIEF PAUSE)

4

5 THE CHAIRPERSON: While Mr. Soronow is
6 conferring, Mr. Kozubal, if I could just make that sure
7 that we understand something.

8 And I hope I have this straight, but I
9 think Mr. Soronow was suggesting that the information
10 that the Taxicab Board gets from purchasers and vendors
11 when the licence transfer occurs, when they put in their
12 perspective income statements and their actual income
13 statements, was he suggesting that the revenue line was
14 something like sixty-five thousand (65,000) that you were
15 seeing, did I get that straight?

16 MR. JERRY KOZUBAL: That's right. In
17 many applications I've looked at, it's almost a standard
18 copy. They go to one (1) lawyer, and he just includes a
19 standard bill of sale with an income -- projected income
20 saying sixty-five thousand dollars (\$65,000), and then
21 the expense are itemized under that.

22 THE CHAIRPERSON: So, but when we are
23 talking about income, we are talking about gross income,
24 not net income here.

25 MR. JERRY KOZUBAL: No, this is gross

1 income. This is why I feel sometimes those figures are
2 somewhat suspect because in 1989 they were earning sixty
3 thousand (60,000), and now they're still claiming sixty
4 thousand (60,000).

5 THE CHAIRPERSON: Thank you. Mr.
6 Soronow....?

7

8 CONTINUED BY MR. SIDNEY SORONOW:

9 MR. SIDNEY SORONOW: And the Taxicab
10 Board regulates, and you had mentioned at some juncture
11 earlier in describing the different kinds of vehi --
12 limousines, one (1) of which is a SUV stretch limousine.

13 MR. JERRY KOZUBAL: It's called a
14 specialty vehicle limousine.

15 MR. SIDNEY SORONOW: Oh, a specialty
16 vehicle limousine. And -- and is that, for example, SUV
17 limo -- stretch limousines fall in that category?

18 MR. JERRY KOZUBAL: Yes, they would.

19 MR. SIDNEY SORONOW: And that's one (1)
20 of the types of vehicles that you regulate?

21 MR. JERRY KOZUBAL: That's right.

22 MR. SIDNEY SORONOW: And am I correct
23 that SUV stretch limos may seat twenty (20) or more
24 people?

25 MR. JERRY KOZUBAL: That's right. Quite

1 often, they do seat twenty (20), twenty-four (24),
2 sometimes even larger.

3 MR. SIDNEY SORONOW: Okay.

4

5 (BRIEF PAUSE)

6

7 MR. SIDNEY SORONOW: I wanted to just
8 clarify something. At one (1) point, you indicated that
9 hotel concession fees are not accounted for in the
10 financial model of an individual cab, correct?

11 MR. JERRY KOZUBAL: I indicated, where we
12 have the information, most often, we don't.

13 MR. SIDNEY SORONOW: Are you saying, if
14 you have it, it's imputed, if you don't have it, it's not
15 imputed; most often, you don't have it?

16 MR. JERRY KOZUBAL: That's right.

17 MR. SIDNEY SORONOW: Oh.

18

19 (BRIEF PAUSE)

20

21 MR. SIDNEY SORONOW: Maybe I can ask Mr.
22 Saranchuk: Are there other exhibits that I haven't seen
23 yet now? I mean, I know we're trying to pass stuff
24 around, that is, that have been entered already, or is
25 the only one at issue the potential report that Mr.

1 Kozubal may tender, pursuant to the Board's request?

2 MR. WALTER SARANCHUK: Well, that's my
3 understanding.

4 MR. SIDNEY SORONOW: Okay, I just -- I --
5 I haven't been tracking what you gave me. I just want to
6 make sure this is all the known exhibits.

7 Those are my questions but subject to
8 anything that may arise out of the further filing by the
9 Taxicab Board.

10 THE CHAIRPERSON: Fair enough, Mr.
11 Soronow. Thank you.

12 Mr. Saranchuk, do you have any re-direct?

13 MR. WALTER SARANCHUK: No, I don't, Mr.
14 Chairman.

15 THE CHAIRPERSON: Okay, we just have a
16 couple more for Mr. Kozubal and I appreciate your
17 patience, sir.

18

19 (BRIEF PAUSE)

20

21 THE CHAIRPERSON: Just a couple more
22 questions just to clarify.

23 I think I understand, these transfer
24 requests that come in between the purchaser and vendor
25 when they just write in amounts and you were indicating a

1 degree of repetitiveness, it's suggestive of a less than
2 complete care being put to represent the reality of the
3 situation.

4 There is no affidavit or any other
5 evidence that is required to come along with them then?

6 MR. JERRY KOZUBAL: No, it varies in the
7 type of information that -- for example, if you want last
8 year's financial, some sellers will provide their tax
9 assessment notice showing their income and what was
10 assessed; others will provide a handwritten estimate.

11 And quite often, as I've indicated, I've
12 seen basically what appears to be just a copied document
13 which is identical in dozens of cases.

14 THE CHAIRPERSON: But from the vendors,
15 some of them are actually their income tax statement
16 basically.

17 MR. JERRY KOZUBAL: Some of them do, yes.

18 THE CHAIRPERSON: And there's --

19 MR. JERRY KOZUBAL: And we want that
20 basically for disclosure to the buyer so he understands
21 what was last year's potential income and expenses.

22 THE CHAIRPERSON: And that, I imagine,
23 from your perspective, is actually more pertinent than
24 the projections by the buyer.

25 MR. JERRY KOZUBAL: That's right, because

1 the buyer, unless he's already an experienced taxicab
2 operator, may not understand or realize what the actual
3 expenses and income will be.

4 THE CHAIRPERSON: But the Taxicab Board
5 doesn't give any advice to the purchaser as to whether or
6 not it's economic to proceed.

7 MR. JERRY KOZUBAL: No, we don't. That's
8 strictly a negotiation between buyer and seller.

9 THE CHAIRPERSON: Just a couple of
10 standard questions so I am sure that we understand
11 everything.

12 Other than this document that we basically
13 found on the Internet, the Hearing records of an
14 application for a fare increase, are they available for
15 public review?

16 MR. JERRY KOZUBAL: The public portion of
17 the Hearing is. I mean, that -- we do tape the Hearings
18 and so they are available if somebody requests them.

19 THE CHAIRPERSON: But you wouldn't
20 normally provide the analysis that we've solicited from
21 you tonight.

22 MR. JERRY KOZUBAL: No, that would be
23 dealt with in-camera between the policy analyst and the
24 Board itself.

25 THE CHAIRPERSON: The part on the public

1 record, does it include if there were letters of support
2 or opposition from various groups or parties like we have
3 presenters, for example?

4 MR. JERRY KOZUBAL: That's right.

5 Anything that would be filed would be presented and I've
6 provided you with the information.

7 THE CHAIRPERSON: Is it just sort of a
8 historical precedent that leads the Taxicab Board not to
9 provide full rationale for its decisions?

10 MR. JERRY KOZUBAL: I'm not sure as to --
11 yeah, it's historical. I've been there eight (8) years
12 and that has been the practice. The Board does not
13 provide reasons. We do not generally publish our
14 information unless requested through Access To
15 Information.

16 THE CHAIRPERSON: Well, thank you very
17 much, sir. You've been very --

18 MR. SIDNEY SORONOW: Mr. Chairman, I have
19 a question as followup though from -- from that and
20 something I should have covered when I -- if I might just
21 for a moment.

22

23 RE-RE-EXAMINATION BY MR. SIDNEY SORONOW:

24 MR. SIDNEY SORONOW: The Chairman asked
25 you about the fact that some of the people in connection

1 with the sale transaction actually filed material from
2 their income tax. Correct?

3 MR. JERRY KOZUBAL: That's right.

4 MR. SIDNEY SORONOW: And -- and I had
5 asked you that voluntarily Unicity had provided
6 approximately sixty (60) individual -- in -- in response
7 to a request for information, profiles of the operation
8 of sixty (60) cabs with the consent of the owners, you
9 indicated that was true.

10 MR. JERRY KOZBAL: Right.

11 MR. SIDNEY SORONOW: Is -- would you
12 agree that both -- both the information that the Chairman
13 brought to our attention and the information in the --
14 the sixty (60) profiles you got, would show revenue up or
15 down somewhat but in the sixty-five (65), seventy (70),
16 fifty-five (55), sixty thousand dollar (\$60,000) range?

17 MR. JERRY KOZUBAL: It ranged anywhere
18 from about nineteen thousand (19,000) to ninety-two
19 thousand (92,000) and this again would be for Duffy's or
20 Unicity operators. So completely, you know, a wide range
21 of income for a taxicab.

22 MR. SIDNEY SORONOW: Average somewhere in
23 the sixty-five thousand (65,000), approximately.

24 MR. JERRY KOZUBAL: It probably would be
25 that, yeah.

1 MR. SIDNEY SORONOW: Okay.

2 THE CHAIRPERSON: And again we're talking
3 about gross revenue, correct?

4 MR. JERRY KOZUBAL: That's right.

5 MS. SUSAN PROVEN: I have a quick
6 question. When you mentioned that you take
7 representations from the public, I noticed that Theresa
8 Ducharme at one point was expressing a -- an agreement
9 that the taxicab drivers needed an increase.

10 And she was supporting it publicly. And I
11 gather that must have been at a public hearing of some
12 sort, was it?

13 MR. JERRY KOZUBAL: That's right. She
14 quite often came to Hearings particularly where they
15 involved the wheelchair taxis, the accessibles and the
16 handicap vans.

17 MS. SUSAN PROVEN: Right. So in these
18 public Hearings where people have the opportunity to
19 question or I would imagine to make statements either for
20 or against the increases that are being sought by the
21 taxicab drivers, is there an opportunity then for a two-
22 way communication?

23 In other words these members of the
24 public, for example, Theresa Ducharme or others to learn
25 about why -- why the increase is being sought. And here

1 I'm talking about specific -- well, I guess specific
2 figures.

3 And that's all really I -- I think the
4 Board is seeking because it seems to me -- I'm very
5 naive. But, I would think that those increases that are
6 approved be based on something.

7 And it would be a calculation of the
8 increased costs, all the costs. And -- and a recognizing
9 of the actual income that -- the -- the average income,
10 not the income of independent operators but the average
11 income overall to make sure that what we pay as a public
12 when we pay these
13 taxidrivers is actually covering their costs.

14 And I guess I was naive. I thought this
15 all -- this was all public information. So --

16 MR. JERRY KOZUBAL: What -- as I've
17 presented to you this evening, the application quite
18 often is a form of a letter, as you've seen. I mean one
19 (1) or two (2) paragraphs saying, you know, the primary
20 reason for an application is the increase in fuel cost.

21 And quite often it is. Once we do the
22 analysis it's fuel, maintenance, you know, insurance, so
23 mainly the operating costs are the ones that tend to
24 affect the -- the income of the owner/operators.

25 And as you indicated too, I mean the late

1 Theresa Ducharme and other agencies have on occasions
2 come to the board either in support or in opposition to
3 an application where it affects a particular group.

4 But when it comes to the standard taxicabs
5 we -- in my time that I've been with the board, I -- we
6 haven't had any public opposition or representation.

7 MS. SUSAN PROVEN: We're all aware of some
8 increases in costs, you know, the gas and the insurance
9 those kind of things. But I think what surprised me is
10 the increase in the actual transfer fees.

11 The -- the bidding up of the value of
12 those licenses has really driven up the cost of running a
13 cab, or so it appears to me that it has, and I'm not so
14 sure that they -- the drivers are receiving compensation
15 for that.

16 In other words, they're having to work
17 longer hours, and their hourly wage appears -- I haven't
18 calculated it yet, but I'm wondering if it's even minimum
19 wage; would it be?

20 MR. JERRY KOZUBAL: Again, that's an
21 issue the board has addressed recently with the industry
22 committee and identifying the need of drivers because,
23 again, you have drivers who strictly drive, they offer
24 their services as a driver; you have others that actually
25 own the taxicab, which also drive, which probably would

1 be a large majority, or owner/operators, or either one
2 (1) or two (2) individuals will own a cab and they will
3 drive different shifts. They will also hire an
4 additional driver for other periods.

5 When it comes to income, it varies,
6 because, depending on which shifts you drive. If you're
7 driving Sunday through to Thursday or Sunday to
8 Wednesday, those tend to be slower days.

9 You drive the weekend, Friday, Saturday,
10 you're going to be generally making a lot more money, so
11 it depends on the arrangement.

12 MS. SUSAN PROVEN: Thanks.

13 THE CHAIRPERSON: That was quite
14 illustrative, thank you. Thank you very much, Mr.
15 Kozubal, you've been a forthcoming witness. We
16 appreciate your attendance on a couple of occasions now,
17 and we look forward to the submission of that analysis,
18 absent the notes of the Taxicab Board itself, and
19 options, and things of that nature.

20 And we will review it with the other
21 parties and determine if we need any further questions or
22 not. Thank you.

23 MR. JERRY KOZUBAL: You're welcome.

24

25 (WITNESS STANDS DOWN)

1 THE CHAIRPERSON: So, Mr. Edwards, we are
2 over to you now, sir, and you were going to call, I
3 believe, a witness from the Winnipeg Airport Authority.

4 MR. PAUL EDWARDS: That's correct, Mr.
5 Scott Marohn, who is here with us, and I'll call him at
6 this time.

7 THE CHAIRPERSON: Very good.

8 MR. SIDNEY SORONOW: Mr. Chairman, I
9 might indicate to the tribunal that, as a result of the
10 request by Unicity -- sorry, by this tribunal, for a copy
11 of the current WAA and Unicity agreement, which we have
12 supplied to the Board, Joan Wilson discovered and has
13 brought with her, and I've seen it just when we convened
14 today, a copy of what amounts to the negotiating sheet
15 with WAA, meaning it was their proposals with her
16 handwritten notations on the proposals of items she
17 intended to raise and discuss during that negotiation.

18 And I wish to give notice that I will be
19 seeking to introduce that as an exhibit at these
20 proceedings, so I'm -- I'm giving notice of that. And --
21 and I'm happy to --

22 THE CHAIRPERSON: We will have to call
23 her back then.

24 MR. SIDNEY SORONOW: That's fine.

25 MR. PAUL EDWARDS: And, additionally, I

1 might ask to see that document before I examine Mr.
2 Marohn, it's obviously relevant to the issue.

3 THE CHAIRPERSON: That sounds fair to me.
4 I am wondering, do we have that document? Has it been
5 marked yet?

6 MR. SIDNEY SORONOW: No.

7 THE CHAIRPERSON: Oh, you have it there,
8 I see.

9 MR. SIDNEY SORONOW: No. Would you like
10 it to be marked at this juncture?

11 THE CHAIRPERSON: Yes.

12 MR. SIDNEY SORONOW: Okay. Appreciate
13 one (1) of the difficulties that -- I saw it now, so the
14 copies have been made by the Board, what you will be
15 lacking, other than in the original, and I guess I can
16 give them the original -- I'll leave you the original,
17 but you don't have colour copy capabilities, and so you
18 will be losing the -- the colour that distinguishes, I
19 think, what are their proposals.

20

21 (BRIEF PAUSE)

22

23 THE CHAIRPERSON: Do you have a version
24 that you can give to Mr. Edwards that he can clearly
25 identify?

1 MR. SIDNEY SORONOW: Yeah, I mean this is
2 the one (1) that the Board should be marking, but then we
3 can lend it to Mr. Edwards, yes. So maybe --

4 THE CHAIRPERSON: Yes, he should see it.
5 I think perhaps maybe we, as much as --

6 MR. SIDNEY SORONOW: Yeah, maybe -- maybe
7 --

8 THE CHAIRPERSON: -- I hate to delay all
9 this, I think we should give you at least fifteen (15) --

10 MR. SIDNEY SORONOW: Maybe to start with,
11 we --

12 THE CHAIRPERSON: -- minutes to look at
13 it.

14 MR. SIDNEY SORONOW: Maybe to start with,
15 we can have it marked as an exhibit, and I'll give him
16 two (2) copies. Once it's marked, he can see the
17 original, and then have this photocopy to compare it to.

18 THE CHAIRPERSON: Okay, well, this will
19 be Unicity/Duffy's 6, by my count. And I would suggest
20 we give Mr. Edwards a bit of time to have a look at this
21 document before he calls his witness.

22 MR. PAUL EDWARDS: I don't think I need
23 fifteen (15) minutes, but certainly ten (10) would be
24 appreciated.

25 THE CHAIRPERSON: You've got it.

1 MR. PAUL EDWARDS: Great.

2 THE CHAIRPERSON: So we will come back
3 nine o'clock, just so you know.

4

5 --- Upon recessing at 8:50 p.m.

6 --- Upon resuming at 9:03 p.m.

7

8 THE CHAIRPERSON: Okay, so this will be
9 Unicity/Duffy's 6. Is that correct, Mr. Saranchuk?

10 MR. WALTER SARANCHUK: Yes, sir.

11

12 --- EXHIBIT NO. U/D-6: Negotiating sheet with WAA

13

14 THE CHAIRPERSON: We are going to have to
15 introduce this, so Mr. Singh, would you mind swearing in
16 Ms. Wilson again?

17

18 Unicity and Duffy's Panel Resumed:

19 JOAN WILSON, Re-sworn

20

21 RE-EXAMINATION BY MR. SIDNEY SORONOW:

22 MR. SIDNEY SORONOW: Ms. Wilson, I'm
23 showing you an exhibit that has been marked as Exhibit 6,
24 and before we go through what this is, I note that
25 although there is a typewritten portion, there is a

1 handwritten portion.

2 You see that?

3 MS. JOAN WILSON: Yes, I do.

4 MR. SIDNEY SORONOW: And is that your
5 handwriting?

6 MS. JOAN WILSON: Yes, it is.

7 MR. SIDNEY SORONOW: Mr. Chairman, I see
8 that the gentleman who was going to be called by Mr.
9 Edwards continues to be in the room.

10 Is that the practice here, rather than
11 excluding him since he is going to be called next as a
12 witness? It seems to me he should be excluded.

13 THE CHAIRPERSON: I guess, with Mr.
14 Saranchuk's professional advice, we'll exclude him for
15 now if it's all right with you, Mr. Edwards.

16 MR. PAUL EDWARDS: Yes, we will --

17 THE CHAIRPERSON: Is there a room there?
18 Thank you, Mr. Soronow. Mr. Singh will make sure he's
19 got -- he's doing double, triple duty here. Okay, we're
20 fine. Okay, Mr. Soronow...?

21

22 CONTINUED BY MR. SIDNEY SORONOW:

23 MR. SIDNEY SORONOW: Ms. Wilson, just so
24 we get an overview, what is this document? I'm not now
25 going to ask you about your handwritten notes, but I do

1 note that some is in black ink, some is in red ink.

2 Can you give us a flavour for what was
3 this document, excluding your handwritten portions?

4 MS. JOAN WILSON: It's a copy of a
5 contract that was written by the Winnipeg Airport
6 Authority. The black signifies that that's already in
7 the contract, the wording. The red signifies that it's a
8 change in the contract or the wording.

9 MR. SIDNEY SORONOW: And when you say the
10 red is a change, that was the proposal of WAA into the
11 negotiations?

12 MS. JOAN WILSON: Yes, the proposal.

13 MR. SIDNEY SORONOW: Okay. And so you
14 received this document and did your analysis of that
15 document.

16 MS. JOAN WILSON: Yes, myself and the
17 President of the company at the time, Mr. Mangat.

18 MR. SIDNEY SORONOW: Okay. And --

19 MR. WALTER SARANCHUK: Mr. who? I'm
20 sorry, could you spell that name?

21 MS. JOAN WILSON: M-A-N-G-A-T.

22

23

24 CONTINUED BY MR. SIDNEY SORONOW:

25 MR. SIDNEY SORONOW: And the -- and just

1 when you -- I'm just trying to put the negotiation that
2 took place into a timeframe that the Board can
3 understand, if we will. You were making these notes in
4 the context of what timeframe, and now I'll ask you
5 questions about it.

6 At the time you were making the notes, had
7 Avion gone through its proceedings at the City of
8 Winnipeg?

9 MS. JOAN WILSON: Yes, they had.

10 MR. SIDNEY SORONOW: Okay. And had they
11 filed an application to move it forward to the Public
12 Utilities Board at that time?

13 MS. JOAN WILSON: Yes, they did.

14 MR. SIDNEY SORONOW: And had they -- I
15 don't want to get into a semantic argument, but they had
16 abeyanced it, pulled it, withdrawn it, whatever words you
17 want to use -- had that occurred by the time this
18 negotiation was commencing?

19 MS. JOAN WILSON: Yes, they had.

20 MR. SIDNEY SORONOW: Okay. So that
21 application was pulled, abeyanced, you get this document
22 as a negotiation footprint, and you made your notes of
23 comments.

24 MS. JOAN WILSON: Correct.

25 MR. SIDNEY SORONOW: This was your own

1 internal document for negotiation purposes?

2 MS. JOAN WILSON: Correct.

3 MR. SIDNEY SORONOW: Okay. Now, I'd like
4 to direct your specific attention to a few of the entries
5 that appear in handwriting. I'm directing the witness --
6 Mr. Chairman, do you have copies, albeit, I understand
7 they're not colour coded, but...?

8 THE CHAIRPERSON: Yes.

9

10 CONTINUED BY MR. SIDNEY SORONOW:

11 MR. SIDNEY SORONOW: Okay. If -- I'm
12 looking in that upper box on the first page, and at the
13 bottom of the upper box I see the words

14 "five (5) years/sole contractor and
15 passenger ground transportation,"
16 as best I can read it.

17 And then, before asking you about that, I
18 see at the bottom is also a note,

19 "sole service provider two (2) term,
20 two (2) years, eight (8) months, five
21 (5) years."

22 What can you tell us about the notations
23 referring to the idea of sole ground transportation
24 provider?

25 MS. JOAN WILSON: When Avion originally

1 went to the City of Winnipeg, we went back to the
2 Winnipeg Airport Authority because we felt that it
3 violated our contract to have Avion at the airport.

4 We were told by the airport that we were
5 not the sole contractor, so, in that regard, it wasn't
6 violating our contract. At that time, we went to the
7 Taxicab Board, and we also asked their opinion, and their
8 opinion was the same.

9 We then realized, when we were negotiating
10 our new contract, that it might be important that the
11 sole contractor was put in there. As far as the term of
12 two (2) years, eight (8) months, that is what the
13 Winnipeg Airport Authority was offering us at the time,
14 and we were asking for a five (5) year term.

15 MR. SIDNEY SORONOW: Okay. And if this
16 was, we'll call it the footprint of the items you
17 intended to discuss, then did you raise with the -- in
18 those negotiations, the issue of being the sole provider?

19 MS. JOAN WILSON: Yes, we did. We
20 brought this particular document with us, and as we went
21 through the contract, we brought up all of the written
22 comments that were made.

23 MR. SIDNEY SORONOW: And just to be
24 clear, did the issue of the sole provider, although
25 raised by you, did it find its way into the new contract

1 as part of the written document?

2 MS. JOAN WILSON: No, it did not.

3 MR. SIDNEY SORONOW: And can you give us
4 or assist us to understand what happened that resulted in
5 your not further pursuing its inclusion in the written
6 contract?

7 MS. JOAN WILSON: When we brought it up
8 with the Winnipeg Airport Authority, they told us that
9 Avion had withdrawn from the Public Utilities Board and
10 they felt it was no longer an issue.

11 MR. SIDNEY SORONOW: And did you act upon
12 that, I don't know if I'll call it advice, but that
13 commentary by not further pursuing your request?

14 MS. JOAN WILSON: We had no reason not to
15 believe them at that point.

16 MR. SIDNEY SORONOW: And, in consequence,
17 you did not pursue that negotiating position?

18 MS. JOAN WILSON: No.

19 MR. SIDNEY SORONOW: In consequence, you
20 didn't. Are -- are you saying "no," or are you saying
21 "yes," that you did not further pursue it?

22 MS. JOAN WILSON: We didn't pursue it
23 after that point because the Airport Authority said that
24 we didn't need to.

25 MR. SIDNEY SORONOW: Didn't need to

1 because it was withdrawn, yeah.

2 MS. JOAN WILSON: Correct.

3 MR. SIDNEY SORONOW: And consequently,
4 you subsequently entered into, I think it's called
5 Exhibit number 5 now, as a result of the negotiations
6 that you were referencing, they culminated in the
7 execution of the agreement with WAA, which, I'm sorry,
8 Mr. Chairman, I -- I don't seem to a cop -- oh, Exhibit
9 5.

10 That's now marked Exhibit 5, is that
11 correct?

12 MS. JOAN WILSON: Correct.

13 MR. SIDNEY SORONOW: Mr. Chairman, it's
14 not my wish to re-hash all the old evidence. It's -- we
15 were calling Ms. Wilson for this specific purpose and --
16 and hopefully if anyone has any questions of her, this is
17 not, you know, to be an invitation because she's re-sworn
18 to canvas all of her evidence.

19 But we felt it important to the Board
20 since the Board seem to attach a lot of significance to
21 what transpired in those negotiations that when it was
22 found and I only knew of this at 6:30 today that -- that
23 it should be available to the Board.

24 THE CHAIRPERSON: Okay. Mr. Saranchuk,
25 do you have any questions with Ms. Wilson?

1 MR. WALTER SARANCHUK: I do but I will
2 probably follow Mr. Edwards.

3 THE CHAIRPERSON: Okay, very good. Mr.
4 Edwards?

5

6 RE-CROSS-EXAMINATION BY MR. PAUL EDWARDS:

7 MR. PAUL EDWARDS: Thank you, Ms. Wilson.
8 This document which is now Unicity-6, I've taken a brief
9 read through. I don't see the word "Avion" anywhere in
10 this document in your handwriting.

11 Can you confirm that?

12 MS. JOAN WILSON: Correct.

13 MR. PAUL EDWARDS: And I'm curious --
14 well let me just start. You, I think testified that when
15 Avion first made the application to the City of Winnipeg,
16 you went to the Winnipeg Airport's Authority and
17 confronted them about that and had the belief at that
18 time that your license agreement protected you from --
19 from Avion initiating a shuttle service.

20 And I think you then said you learned
21 differently from your own legal advice and also from the
22 Taxicab Board, is that correct?

23 MS. JOAN WILSON: No, we weren't sure how
24 our contract protected us from Avion that's why we went
25 to the Airport Authority.

1 MR. PAUL EDWARDS: Right and they advised
2 you that their view was it did not protect Unicity from
3 Avion starting a shuttle, right?

4 MS. JOAN WILSON: From anyone starting a
5 shuttle, correct.

6 MR. PAUL EDWARDS: Right. And I think --
7 and I think you said you got the same advice from the
8 Taxicab Board.

9 MS. JOAN WILSON: Correct.

10 MR. PAUL EDWARDS: And that would have
11 been back -- well, the City proceedings were the end of
12 '06 and early '07.

13 So would that have been around that time?

14 MS. JOAN WILSON: I can't remember
15 exactly but it sounds right.

16 MR. PAUL EDWARDS: Okay. So I also
17 understand that in the latter part of last year, '08, I
18 think your evidence was Unicity learned that the Avion
19 application had -- was back on.

20 Is that correct?

21 MS. JOAN WILSON: Correct. November '08.

22 MR. PAUL EDWARDS: Right. And so between
23 November of '08 and until whatever, I guess a week ago
24 when you testified here as to this alleged discussion in
25 the negotiations of this contract, you did not raise this

1 with the WAA or Avion, correct?

2 MS. JOAN WILSON: No, that's not correct.

3 As I testified before, my Board of Directors did ask the
4 Winnipeg Airport Authority about the Avion application at
5 which time the Airport Authority told us that they did
6 not know anything about it.

7 MR. PAUL EDWARDS: Okay. Sorry, is that
8 some time between November '08 and when you testified
9 whatever it was, July 3rd? You're saying that that
10 discussion between your Board and the WA happened some
11 time in that timeframe?

12 MS. JOAN WILSON: Correct.

13 MR. PAUL EDWARDS: Okay. When?

14 MS. JOAN WILSON: I'm not sure of the
15 exact date.

16 MR. PAUL EDWARDS: Who -- who, Ms.
17 Wilson?

18 MS. JOAN WILSON: It would have been our
19 president, Mr. Gill and our chairman, Mr. Randhawa and it
20 would have been -- I believe it would have been Mr.
21 Marohn.

22 MR. PAUL EDWARDS: And so they -- those
23 two (2) gentlemen have told you that they had a
24 discussion -- I just want to have your evidence clear,
25 with Mr. Marohn and raised the Avion application again?

1 MS. JOAN WILSON: They asked the question
2 about Avion. I don't know what the discussion was.

3 MR. PAUL EDWARDS: Right. Were you
4 present at that discussion?

5 MS. JOAN WILSON: No, I was not.

6 MR. PAUL EDWARDS: So you're hearing this
7 from whom, Mr. Gill?

8 MS. JOAN WILSON: The president of
9 Unicity.

10 MR. PAUL EDWARDS: Is Mr. Gill. He spoke
11 of this?

12 MS. JOAN WILSON: He was -- he was the
13 president, yes.

14 MR. PAUL EDWARDS: Okay and he's told you
15 this about this conversation with Mr. Marohn?

16 MS. JOAN WILSON: Correct.

17 MR. PAUL EDWARDS: But you really don't
18 know anything that was said, you just understand it had
19 something to do with Avion?

20 MS. JOAN WILSON: I can't testify to what
21 was said at that meeting.

22 MR. PAUL EDWARDS: Right. In fact you
23 can't even testify as to whether or not Avion was ever
24 raised by Mr. Gill and Mr. Marohn between November of '08
25 and when you testified on July 2nd.

1 You can't say that can you, Ms. Wilson?

2 MR. SIDNEY SORONOW: In fairness to the
3 witness, she has testified on this exact same subject at
4 the last Hearings, indicated the same thing that she
5 understood that there was this conversation by Paul, I'm
6 sorry, I can't pronounce his last name, with Unicity, one
7 (1) of the directors or chairmen, and -- and Mr. Gill,
8 with the WAA, --

9 MR. PAUL EDWARDS: Mm-hm.

10 MR. SIDNEY SORONOW: -- just asking about
11 Avion and in which they sort of simply said, we don't
12 know anything. That's all she can tell you. I mean, you
13 can ask her fifty (50) times, it's not going to change
14 the evidence she gave last time or this time.

15

16 CONTINUED BY MR. PAUL EDWARDS:

17 MR. PAUL EDWARDS: Ms. Wilson, who --
18 who's Paul? Is that Mr. Gill?

19 Is that -- is that the same person?

20 MS. JOAN WILSON: No, that's Mr.
21 Randhawa. He was the chairman of the --

22 MR. PAUL EDWARDS: Okay.

23 MS. JOAN WILSON: -- of the Board.

24 MR. PAUL EDWARDS: So I want to have your
25 evidence clear. These two (2) gentleman, Mr. Randhawa

1 and Mr. Gill have told you second hand that they had a
2 conversation with Mr. Marohn, at which they raised
3 something about Avion.

4 Is that your evidence?

5 MS. JOAN WILSON: Yes.

6 MR. PAUL EDWARDS: Mr. Gill and Mr.
7 Marohn are resident in the City of Winnipeg, are they?

8 MS. JOAN WILSON: They are.

9 MR. PAUL EDWARDS: They're present and
10 able to -- to testify, there's no reason that they
11 couldn't testify at this Hearing as to this, Ms. Wilson?

12 MS. JOAN WILSON: Correct.

13 MR. PAUL EDWARDS: Okay.

14 MR. SIDNEY SORONOW: And in fact, Mr.
15 Edwards, we're happy to have them because we can go down
16 a million more pathways and -- and tangential aspects of
17 this matter. And, you know, those questions you asked
18 last time have been asked and answered. Please don't be
19 asking those again.

20 But if you wish us to, we're more than
21 happy to expand this proceeding and we'll call both Mr.
22 Gill and Paul as well.

23 MR. PAUL EDWARDS: I'm -- I'm going to
24 ask Mr. Soronow to just let me cross-examine without too
25 much editorial comment. And I promise I will get done

1 quicker, Mr. Soronow, if you'll do that.

2 MR. SIDNEY SORONOW: Look, if you didn't
3 keep asking the same questions, I wouldn't have to raise
4 these issues.

5

6 CONTINUED BY MR. PAUL EDWARDS:

7 MR. PAUL EDWARDS: Yeah, I -- I'm not
8 going to respond. The fact is, Ms. Wilson, that you're
9 saying that conversation happened with Mr. Marohn,
10 correct?

11 MS. JOAN WILSON: Correct.

12 MR. PAUL EDWARDS: Okay. And you don't
13 know when, is that correct?

14 MS. JOAN WILSON: I'm not sure of the
15 exact date.

16 MR. PAUL EDWARDS: Well, when did Mr.
17 Randhawa -- I'm sorry, Mr. Gill tell you about it? You
18 don't know that either?

19 MS. JOAN WILSON: I'm not sure.

20 MR. PAUL EDWARDS: So you don't even know
21 if it was before or after November '08, is that correct?

22 MS. JOAN WILSON: It would not be before
23 November '08, Mr. Edwards. This was a great concern to
24 Unicity Taxi and it wasn't something that they would've
25 taken lightly and not talked to the WAA about.

1 MR. PAUL EDWARDS: Okay. And I'm
2 advising you that Mr. Marohn will testify that no such
3 conversation happened. Your counsel will give you advice
4 on whether he feels a need to ask to call more witnesses
5 or not, that's not for me to say, but I am, in fairness
6 to you, saying that Mr. Marohn will testify that no such
7 conversation occurred.

8 So, is it possible that you may wish to
9 reconsider that testimony, Ms. Wilson?

10 MS. JOAN WILSON: Absolutely not.

11 MR. PAUL EDWARDS: And in terms of this
12 document, which is number 6, it says, and I -- I -- I'm
13 just -- I'm curious, there appears quite clearly to be
14 two (2) types of handwriting here, so was there someone
15 else who also wrote on this document?

16 MS. JOAN WILSON: No. That is my writing
17 and my -- and my printing.

18 MR. PAUL EDWARDS: Okay. And so some of
19 it is black and some of it is blue.

20 Did you do it at different times?

21 MS. JOAN WILSON: Yes, some of it was
22 done during the negotiations, some of it was done in my
23 office.

24 MR. PAUL EDWARDS: Okay. Which -- which
25 is which, the blue and the black? Which is at the

1 negotiations, which is before --

2 MR. SIDNEY SORONOW: Just give us a
3 moment because so far I've only seen -- whoop -- just
4 give us a moment because I've so far only seen one (1) --
5 one (1) black. But give us a moment.

6 MR. PAUL EDWARDS: Well, you have the
7 only coloured copy but I can tell --

8 MR. SIDNEY SORONOW: No, I understand.

9 MR. PAUL EDWARDS: -- you, there's
10 certainly black in it.

11 MR. SIDNEY SORONOW: I understand you
12 must've looked at it and I --

13 MR. PAUL EDWARDS: The witness --

14 MR. SIDNEY SORONOW: -- have not.

15 MR. PAUL EDWARDS: -- confirmed it.

16

17 (BRIEF PAUSE)

18

19 MR. SIDNEY SORONOW: Because the Board --
20 because the Board does not have a colour copy at the
21 moment, I will identify for them that I have been through
22 the body of the agreement as distinguished from the
23 appendixes, and find that there is one (1) black entry.
24 It's on page 1 and it's that word that kind of goes
25 sideways and I believe it reads "wording."

1 And then there are a few black pen entries
2 in the appendix.

3

4 CONTINUED BY MR. PAUL EDWARDS:

5 MR. PAUL EDWARDS: Right, so thank you
6 for confirming what your witness already has.

7 What -- what is the distinction between
8 the blue and the black, Ms. Wilson?

9 MS. JOAN WILSON: When we were in my
10 office at Unicity Taxi we went through the agreement and
11 we wrote down in blue what we felt were the difficulties
12 or problems or whether they were acceptable or
13 unacceptable to Unicity.

14 When we were in the actual negotiation we
15 had this particular document with us and when it was
16 being explained, certain areas of it, I made notes on the
17 side so that we would be able to go back and talk about
18 them, whether they be acceptable or -- or not acceptable
19 to us.

20 MR. PAUL EDWARDS: Right, and what I take
21 from the -- the black writing then, done at the time,
22 those were notes taken actually during the negotiation
23 meetings?

24 MS. JOAN WILSON: Correct.

25 MR. PAUL EDWARDS: Okay. And so the

1 purpose of the black notes would have been to write down
2 the more important comments, either or -- thoughts you
3 had or -- or comments made by the WAA Representative?

4 MS. JOAN WILSON: Not necessarily. They
5 were notes for myself, for instance, to get a copy of the
6 rules and regulations before we could even answer to the
7 penalties.

8 We discovered that Manitoba Tourism was
9 going to be doing the National Occupational Standards
10 which we did not know before that.

11 We were talking about a phone outside.
12 There were various things, and they were basically notes
13 for us to take back to the office.

14 MR. PAUL EDWARDS: Right, and you would
15 have noted in writing what you felt to be important
16 things to remember, correct? That's why you note them.

17 MS. JOAN WILSON: Correct.

18 MR. PAUL EDWARDS: Okay. And there's no
19 note in black or otherwise of any of these alleged
20 comments by WAA that you didn't need to worry about the
21 Avion because -- and I think you said, They felt it was
22 no longer an issue.

23 There's -- there's certainly no note of
24 that, is there?

25 MS. JOAN WILSON: Not on this particular

1 paper.

2 MR. PAUL EDWARDS: So don't you think
3 that would have been a pretty important thing -- a
4 commitment from the other side that no, you don't need to
5 change the wording because that's not going ahead.

6 Wouldn't that be something important?

7 MR. SIDNEY SORONOW: In fairness to the
8 witness --

9 MR. PAUL EDWARDS: I'm ans -- asking the
10 questions, Mr. Soronow. Would you -- would you let her
11 answer?

12 MR. SIDNEY SORONOW: You have to be fair.
13 You cannot quote to her evidence that did not occur. She
14 did not use the word "commitment." Quite the contrary in
15 her earlier evidence, she said, It was a comment they
16 made. I wouldn't regard it as a commitment.

17 She was maybe lulled in a false sense of
18 security, but she did not call it "a commitment" so don't
19 you put a question to her saying that she described it as
20 a commitment.

21

22 CONTINUED BY MR. PAUL EDWARDS:

23 MR. PAUL EDWARDS: I'll accept that --
24 that change to "comment".

25 Do you want me to repeat the question?

1 MS. JOAN WILSON: Please.

2 MR. PAUL EDWARDS: Don't you agree with
3 me that a comment from the WAA to the effect, as you've
4 said again today, that you didn't need to change the
5 wording of this agreement because the Avion application
6 had been withdrawn and they felt it was no longer an
7 issue.

8 Don't you think that would have been an
9 important thing to have noted, had it been said?

10 MS. JOAN WILSON: No, not necessarily.

11 MR. PAUL EDWARDS: Right.

12 MS. JOAN WILSON: Certainly, Mr. Mangat
13 and I were both present at the negotiations and it was
14 something we talked about after we left the table. But
15 at the time, there was no need to put a comment there,
16 whether "yes" or "no".

17 As you can see with some of the other
18 things that were on here, the WAA -- if you look at the
19 orig -- the contract we have now, this was never put into
20 the contract, and I didn't make notes saying they didn't
21 want to put it into the contract at the time.

22 This was the initial negotiation contract
23 that we were using, and we discussed this after the
24 negotiation meeting.

25 MR. PAUL EDWARDS: Well, you said that

1 this Avion issue was important enough that, when you
2 learned about it at the City, you went to the WAA and
3 confronted them. You said it was important enough to
4 note and raise at your negotiations. And you're telling
5 us here today that these notes at the top of page 1, the
6 first thing you talk about raised this issue.

7 And you're telling us that you got a
8 comment that you relied upon, and it wasn't important
9 enough to make a note, even though you made other notes,
10 that -- have I got your evidence correct?

11 MS. JOAN WILSON: No. What is here was
12 made before we went to the negotiation. Whatever notes I
13 made at the negotiation were not made on this paper. And
14 I think what -- Mr. Edwards, you know, we could go around
15 in circles with this all day.

16 What I am saying to you is, I felt the WAA
17 was negotiating in good faith. I had no reason to
18 believe that they were leading us down a garden path and
19 -- and telling us that we didn't have anything to worry
20 about.

21 MR. PAUL EDWARDS: Right, and those were
22 serious allegations, so you'll -- you'll understand why
23 I'm probing them, and they're, as you know, very much
24 disputed.

25 And, just to be clear, you said some

1 notes made at the negotiations, and you agreed with me,
2 that they -- the notes made at the negotiations in black
3 were made because they were important, some were made on
4 this document, which is Exhibit 6, correct?

5 MS. JOAN WILSON: Correct.

6 MR. PAUL EDWARDS: And other notes at the
7 negotiating meeting were not made on this paper, so where
8 are those notes?

9 MS. JOAN WILSON: In my journal.

10 MR. PAUL EDWARDS: Okay, can we have
11 those?

12

13 (BRIEF PAUSE)

14

15 OBJ MR. SIDNEY SORONOW: We are going to take
16 objection. The journal is a long running journal which
17 has many, many confidential items in it, and we are going
18 to object to any effort to have it produced.

19 We have not referred to it. The witness
20 didn't refer to it in her evidence, and we are going to
21 object.

22 MR. PAUL EDWARDS: Well, the witness did
23 refer to it in her evidence, and I'm going to ask this
24 Board for an order to produce those notes, and let me be
25 clear on what I'm asking.

1 I'm asking for notes that she took at the
2 negotiation meetings, or afterwards, relevant to what was
3 said between the parties at these negotiation meetings.

4 And it's not overly onerous because we
5 know there were only approximately four (4) meetings, so
6 I want her to review her notes and produce them because
7 they are very relevant to the issue that this party, this
8 Intervenor, has raised.

9 This issue was raised by Unicity, making
10 this allegation, and so I am asking the Board to require
11 those notes to be produced.

12 MR. SIDNEY SORONOW: Well, I think before
13 the Board determines what it's going to do, we need a few
14 minutes to even see if the journal contains any entries
15 touching on those negotiating meetings. If it doesn't,
16 it doesn't.

17 MR. PAUL EDWARDS: Your client's already
18 said they do.

19 MR. SIDNEY SORONOW: That's her record -
20 - that's her -- that's the answer she gave, but we can't
21 validate that without actually looking at it, and then,
22 if there is something, then we can discuss it. If
23 there's nothing, then there's nothing further to discuss.

24 So we've got to at least see that the
25 journal that's with her includes that time frame. So if

1 we could have ten (10) minutes, we'll find out if it
2 does.

3 THE CHAIRPERSON: I do not see any
4 problem with you looking at it for ten (10) minutes.

5 MR. SIDNEY SORONOW: Okay.

6

7 --- Upon recessing at 9:32 p.m.

8 --- Upon resuming at 9:39 p.m

9

10 THE CHAIRPERSON: So, Mr. Soronow..?

11 MR. SIDNEY SORONOW: Mr. Chairman, I have
12 taken the opportunity to peruse this, and the first thing
13 I can tell you is that this journal, the first page,
14 starts April 13th, 2007 and the meeting in question at
15 which this transpired would have been in February or, at
16 the latest, March of '07.

17 I then went through virtually every page
18 just to make sure that everything was, I'll call it,
19 chronological and there couldn't be a page that went back
20 into the February/March timeframe and, indeed, there was
21 not.

22 So there is nothing in this journal on
23 that because the journal starts months afterwards.

24 THE CHAIRPERSON: Mr. Edwards..?

25

1 CONTINUED BY MR. PAUL EDWARDS:

2 MR. PAUL EDWARDS: So, Ms. Wilson, when
3 you said that at the negotiating meetings you made some
4 notes in black on this exhibit and some other notes on
5 other paper, where -- where is that paper?

6 What were you referring to?

7 MS. JOAN WILSON: I have other journals.

8 I'm just not sure how far back I have kept my journals.

9 I would have to look.

10 MR. PAUL EDWARDS: So you would have had
11 a journal with you at the negotiating meeting in February
12 or March '07 at which this document was being written on
13 by you that you would have had other notes of this --
14 these -- this meeting?

15 MS. JOAN WILSON: Yes.

16 MR. PAUL EDWARDS: And have you checked
17 those journals for any reference to this issue -- that's
18 relevant to this issue?

19 MS. JOAN WILSON: Not yet.

20 MR. PAUL EDWARDS; Okay. You have those
21 journals in your possession, do you?

22 MR. SIDNEY SORONOW: I think she said she
23 doesn't know whether the journals back to that timeframe
24 still exist.

25

1 CONTINUED BY MR. PAUL EDWARDS:

2 MR. PAUL EDWARDS: Let me just clarify
3 then. So you're -- you haven't checked to see if they
4 exist, so, of course, you haven't checked to see if they
5 have any reference to this issue.

6 MS. JOAN WILSON: Not at this point, but
7 I write notes for every meeting.

8 MR. PAUL EDWARDS: Right, and -- and
9 obviously you write them in different locations. You
10 write some on the document itself and you write some in a
11 -- in a journal that you keep, correct?

12 MS. JOAN WILSON: No, not necessarily.
13 This is a negotiating paper. There were two (2) of us
14 negotiating. These were our ideas that were put down on
15 this particular document.

16 What we felt perhaps was what came out of
17 the meeting is not necessarily what is written on this
18 paper. The journal would make comments to what was said
19 at the meeting in regards to this particular negotiation.

20 This negotiating paper was written on
21 previous to the meeting, not at the meeting necessarily,
22 except for the few comments on the side.

23 MR. PAUL EDWARDS: The black comments --
24 the ones in black?

25 MS. JOAN WILSON: Right.

1 MR. PAUL EDWARDS: Okay. So I just need
2 to be clear. Comments that were made at the meeting may
3 be, and -- and are -- would likely be, according to your
4 practice, in this -- in -- in a journal as opposed to on
5 the document, correct?

6 That's what you said?

7 MS. JOAN WILSON: Correct.

8 MR. PAUL EDWARDS: And you haven't
9 checked to see if you have a journal that reflects about
10 this meeting and you haven't even checked to see if one
11 (1) exists, correct?

12 THE CHAIRPERSON: Give her a chance to --

13 MR. SIDNEY SORONOW: For clarification,
14 she hasn't checked to see if she has the journals back to
15 '07 that precede her current journal -- the one (1) here
16 -- that started April 13th '07.

17 MR. PAUL EDWARDS: Yeah.

18 MR. SIDNEY SORONOW: And consequently, if
19 she hasn't checked for the journal, she clearly hasn't
20 checked to see if it has any entries --

21 MR. PAUL EDWARDS: Okay, I --

22 MR. SIDNEY SORONOW: -- about this
23 meeting.

24

25 CONTINUED BY MR. PAUL EDWARDS:

1 MR. PAUL EDWARDS: I'd like you to check
2 -- I'd like -- an -- an -- and are you willing to do
3 that, to go back and check your journals and see if
4 there's any comment at all relevant to the Avion matter
5 that you say was raised in these negotiations?

6 MS. JOAN WILSON: Yes.

7 MR. SIDNEY SORONOW: If the Board
8 requires us to do so, we will.

9 THE CHAIRPERSON: It sounds pretty
10 reasonable to me, Mr. Soronow, Ms. Wilson. If you
11 wouldn't mind going back and check your journals, okay,
12 and if there's references to the subject that we're
13 talking about now, if you could provide them to all
14 parties and we'll review them and see what further step
15 that we may need to take or not.

16 MR. SIDNEY SORONOW: That's fine, Mr.
17 Chairman.

18

19 --- UNDERTAKING NO. 7: Check all journals and any
20 references to the subject at
21 hand provide copy of same.

22

23 CONTINUED BY MR. PAUL EDWARDS:

24 MR. PAUL EDWARDS: And Mr. Mangat became
25 president in -- did I hear May of 2008, or --

1 MS. WILSON: No, he was President from
2 May 2004 --

3 MR. PAUL EDWARDS: Sorry, from May --

4 MR. SIDNEY SORONOW: That's not what you
5 heard. He recently became the president. He had been
6 the president at an earlier time but was, for a period of
7 years, not the president. He became the president in May
8 '09.

9 Is that correct?

10 MS. JOAN WILSON: Correct.

11

12 CONTINUED BY MR. PAUL EDWARDS:

13 MR. PAUL EDWARDS: What period of time
14 prior to May '09 was Mr. Mangat last president?

15 MS. JOAN WILSON: 2004 to 2007.

16 MR. PAUL EDWARDS: Okay. And when did he
17 cease becoming president in 2007?

18 MS. JOAN WILSON: The end of May.

19 MR. PAUL EDWARDS: Okay. So your
20 evidence is, and I think his as well, is that this
21 discussion took place, did you say, at the first -- would
22 this have been the first of those four (4) meetings to
23 discuss the -- the new contract?

24 MS. JOAN WILSON: I believe it would be
25 the second meeting.

1 MR. PAUL EDWARDS: Okay. And you I think
2 you said in your earlier evidence that this discussion
3 you had at this meeting was with Mr. Marohn, correct?

4 MS. JOAN WILSON: Mr. Marohn and Mr.
5 O'Gorman.

6 MR. PAUL EDWARDS: And just to be clear
7 the comment you say - I'm not going to use the word
8 'commitment', I'll use the word 'comment' as Mr. Soronow
9 has advised and in your evidence makes clear - the
10 comment made you say related directly to a comment you
11 made about Avion at the table.

12 MS. JOAN WILSON: The comment was made
13 about being the sole contractor. Avion was mentioned
14 because of the previous application to the City of
15 Winnipeg.

16 MR. PAUL EDWARDS: Right. And you say
17 you mentioned Avion.

18 MS. JOAN WILSON: Correct.

19 MR. PAUL EDWARDS: Okay. And, of course,
20 we all know from seeing the agreement itself which is
21 Unicity-5, that the -- and this I'm reading from the
22 description of the license:

23 "The Authority hereby grants the
24 licensee the right and privilege to
25 park, pickup and drop off passengers on

1 and from the Winnipeg James Armstrong
2 Richardson International, however, the
3 licensee shall provide, maintain and
4 make available to the public a taxi
5 service."

6 So it's certainly clear that that's
7 exactly the same wording as was in the -- the initial
8 document and I think the last agreement, right? Didn't
9 change.

10 MS. JOAN WILSON: Correct.

11 MR. PAUL EDWARDS: Now on that comment at
12 the negotiating table, to be fair to you, Ms. Wilson, Mr.
13 Marohn's evidence will be that there was no discussion
14 about Avion, there was certainly no discussion about --
15 about Unicity getting exclusivity for ground
16 transportation.

17 That will be his evidence I expect and it
18 -- it is contrary, obviously, to yours and so I -- I put
19 that to you as fair warning.

20 You are certain of that evidence and
21 you're -- as you have been in the past, are you, Ms.
22 Wilson?

23 MS. JOAN WILSON: Absolutely. I know
24 what occurred at these meetings. I know how important it
25 was for Unicity. This is something that we discussed. I

1 don't know why the Winnipeg Airport Authority's saying it
2 never happened. I can't understand why anyone would
3 think that we wouldn't bring this up.

4 Yes, I stand by my evidence. I will
5 testify anywhere to this evidence because I know it was
6 said, I know I said it and I will say it over and over
7 and over again, a hundred different ways if that's what
8 you want me to do, Mr. Edwards.

9 MR. PAUL EDWARDS: As you've also said,
10 you don't suggest any commitment on the part of the WAA
11 in respect of that. It's just a comment and you
12 certainly don't believe that they've broken any
13 commitment to you. I just want to be clear on that.

14 MS. JOAN WILSON: It's not a matter of
15 broken commitment. When you're negotiating with someone,
16 you would assume that you would negotiate in good faith.
17 If Unicity Taxi made -- not a commitment but a promise or
18 said something to the Winnipeg Airport Authority and then
19 we just did a 360 and said, no, we didn't say that,
20 forget it. I don't understand why somebody would not
21 negotiate in good faith.

22 Over the years that I have been general
23 manager of Unicity Taxi, I have learned that a lot of
24 times even big corporations do not negotiate in good
25 faith, and I guess it's a lesson, again, that I have

1 learned and the company has learned, but at the time of
2 the negotiation, we had no reason to believe that the
3 Winnipeg Airport Authority was not negotiating with us in
4 good faith.

5 MR. PAUL EDWARDS: Right.

6 MS. JOAN WILSON: Absolutely none.

7 MR. PAUL EDWARDS: And you're saying here
8 today that the Winnipeg Airports Authority, although they
9 did not make a commitment, as you've been clear, you are
10 alleging that they negotiated in bad faith, to use your
11 wording; is that right?

12 MR. SIDNEY SORONOW: I -- I think, in
13 fairness, she said not in good faith. She didn't use the
14 term "bad faith."

15

16 CONTINUED BY MR. PAUL EDWARDS:

17 MR. PAUL EDWARDS: Is there -- is there a
18 distinction, Ms. Wilson?

19 MS. JOAN WILSON: I don't believe they
20 intentionally negotiated with us in bad faith, but I
21 think, in retrospect, we would have pushed the issue of
22 sole contractor a little harder if we had known what was
23 going to happen today and where we were.

24 MR. PAUL EDWARDS: I see. So -- so you
25 leave some room here, and -- and you were at the

1 negotiating table, none of us were, you leave some room
2 here for honest mistake or misunderstanding; is that --
3 is that what I'm to take from your evidence?

4 I'm going to ask the witness to answer,
5 Mr. Soronow.

6 MR. SIDNEY SORONOW: I don't have a
7 problem with the witness answering.

8 MR. PAUL EDWARDS: Good. Good.

9 MR. SIDNEY SORONOW: Of course, it would
10 be helpful if you didn't keep asking the same question.

11 MS. JOAN WILSON: We thought that we were
12 not going to have to revisit this issue. We felt
13 confident that the Winnipeg Airport Authority, what they
14 told us, was correct.

15 We go around and round the -- the bush on
16 this with the WAA not knowing what Avion's doing; Avion,
17 you know, saying that they don't tell the WAA anything,
18 but somehow in this whole mess, somebody's got to know
19 something, and it's certainly not Unicity Taxi.

20

21 CONTINUED BY MR. PAUL EDWARDS:

22 MR. PAUL EDWARDS: Do you say the WAA
23 negotiated in bad faith, or do you say that they may
24 reasonably have been -- there may have been some
25 confusion at the bargaining table? How far do you go on

1 this, Ms. Wilson? I need a clear answer on that.

2 MS. JOAN WILSON: I can't say what the
3 WAA was thinking when they were negotiating with us or
4 when Mr. Marohn -- we spoke about the sole contractor.
5 Certainly, I don't know what to say, whether it was bad
6 faith, good faith, a mistake, they didn't really know
7 what was going on.

8 I -- I don't know what was going through
9 their mind.

10 MR. PAUL EDWARDS: But I'm asking you
11 about your impression. Do you say -- you were there, we
12 weren't. Do you say this could have been --

13 MR. SIDNEY SORONOW: Now I am going to
14 interject because he's asking the witness what was in the
15 head of WAA. She can point to the facts as to what
16 happened, what was said, what was the result that they
17 relied on it, maybe lulled into a false sense of
18 security, consequently didn't push the issue.

19 Now she looks at it, looking back at it,
20 and being concerned with the fact that you have Avion and
21 WAA, which are parent and subsidiary and that, you know,
22 she -- she's telling us what happened.

23 She's concerned that was it good faith.
24 She's not answering that question, she's more posing that
25 question. She can't say today which for sure it was.

1 She can only say what happened and how they got led down
2 the garden path, to use her words.

3 So I don't think it's fair to keep asking
4 her what might have been in the mind of WAA or its
5 representatives because she can't climb into their mind.

6 MR. PAUL EDWARDS: That wasn't asked, and
7 I'd like an answer to my question.

8 OBJ MR. SIDNEY SORONOW: I'm objecting to the
9 question.

10 MR. PAUL EDWARDS: Well --

11 THE CHAIRPERSON: Well, I heard Ms.
12 Wilson say some time ago that it was possible that it was
13 inadvertent on the WAA's part with respect to lacking to
14 mention Avion; didn't you say that?

15 MR. SIDNEY SORONOW: I think she did --

16 MR. PAUL EDWARDS: Let her answer.

17 MR. SIDNEY SORONOW: No, I think -- but -
18 - but the transcript will speak for itself. That shows
19 the de -- she --

20 THE CHAIRPERSON: I was trying to shorten
21 it -- I was trying to shorten it, Mr. Soronow.

22 MR. SIDNEY SORONOW: Yeah, but -- but I
23 understand, Mr. Chairman, but that demonstrates my point.
24 She doesn't know what was their motivation, and she's
25 speculating maybe it wasn't, you know, on purpose. She -

1 - she doesn't know. You can keep asking her what was in
2 their mind; she doesn't know. She only knows what
3 happened and what was the product of it.

4 THE CHAIRPERSON: I don't want to get in
5 between Mr. Edwards' cross-examination and Ms. Wilson and
6 your interpretation of it, but, I was simply attempting
7 to summarize our understanding of what Ms. Wilson said.
8 That's all.

9 And do you have another question on this
10 line?

11 MR. PAUL EDWARDS: Well, I'd like an
12 answer to your question.

13 THE CHAIRPERSON: Ms. Wilson, I think you
14 can end this back-and-forth pretty quickly. Okay.

15 Is our understanding correct that what
16 you've said was you participated in negotiations and you
17 had a concern, okay?

18 MS. JOAN WILSON: Correct.

19 THE CHAIRPERSON: You just cannot know --
20 the WAA did not raise Avion as being an issue at those
21 negotiations, and you cannot say that they didn't raise
22 it for any other reason other than the fact that it was
23 inadvertent; that they weren't aware of the pursuit of
24 Avion.

25 MS. JOAN WILSON: They were aware of

1 Avion and what was going on during the time of these
2 negotiations, and I know that in the negotiations that we
3 raised the question about sole concession and --

4 THE CHAIRPERSON: Right. You gave the
5 impression that they indicated that that was off the
6 table.

7 MS. JOAN WILSON: Correct. They had the
8 same information that we did; that it had been withdrawn
9 from the PUB.

10 THE CHAIRPERSON: That's what I
11 understood.

12

13 CONTINUED BY MR. PAUL EDWARDS:

14 MR. PAUL EDWARDS: Yes, and what I'm
15 seeking to understand, Mr. Chair, and I appreciate I'm
16 asking for -- to -- to stay on this point, but a very
17 serious allegation has been made.

18 It started by being stated as -- as a
19 form, what I took in the initial evidence, of a
20 commitment which had not been kept; then it has now
21 become a comment, albeit one which the -- the witness has
22 stated may -- in her view, represented not negotiating in
23 good faith. That is also a very serious allegation.

24 I want to know if the witness sticks by
25 that allegation. Or -- and she's made the allegation,

1 and I'm not asking her to read someone else's mind. I'm
2 asking for her impression. She's the one who said that
3 she believes they were not negotiating in good faith, and
4 I'm seeking to explore that and, frankly, I'm picking up
5 on her most recent comment which is that she believes it
6 may have been a mistake or misunderstanding.

7 I'm just asking to have that confirmed as
8 her view that it may have been a mistake or
9 misunderstanding. She will concede that.

10 MS. JOAN WILSON: I believe during the
11 negotiations we made it very clear why we wanted to be
12 the sole contractor. I believe that Avion's application
13 was fresh in our mind. I believed the Winnipeg Airport
14 Authority, when they told me that Avion had withdrawn its
15 application from the PUB, that was the understanding of
16 Unicity Taxi as well.

17 We felt, after that, in talking with the
18 Board of Directors, with Mr. Mangat who was there
19 negotiating, that it was a dead issue. Not being
20 lawyers, not realizing how the system worked, perhaps
21 both sides felt that that was kind of the end of it.

22 I -- I don't know what the Winnipeg
23 Airport Authority thought, but what I do know is that it
24 was discussed with the Winnipeg Airport Authority.

25 MR. PAUL EDWARDS: And just on the issue

1 of legal advice, I notice you're -- on a number of cases,
2 you mention legal opinion, so, did you seek legal advice
3 on parts of this agreement?

4 MS. JOAN WILSON: No, we did not.

5 MR. PAUL EDWARDS: So, even though you
6 mention "legal opinion" throughout on a number of
7 occasions, you just never went down that path.

8 Is that right?

9 MS. JOAN WILSON: We felt that some of
10 the issues that we were seeking a legal opinion for were
11 actually concerns of the Taxicab Board and the Taxicab
12 Act, so we went to the Taxicab Board to ask them their
13 opinion of some of the clauses that were put in to the --
14 the actual contract. It was at that point that the
15 Winnipeg Airport Authority asked us for a confidentiality
16 clause because they didn't want anyone to see the
17 particular contract, including the Taxicab Board.

18 MR. PAUL EDWARDS: Okay. But my question
19 is, and I think it's confirmed, you never -- you changed
20 your mind and never sought a legal opinion on any of
21 this?

22 MS. JOAN WILSON: Correct.

23 MR. PAUL EDWARDS: Subject to questions
24 which may arise from the production which is yet to come,
25 those are my questions.

1 THE CHAIRPERSON: In an attempt to not
2 lengthen this particular discussion too far, do you have
3 the transcripts of our meeting of the July the 3rd in
4 front of you --

5 MR. SIDNEY SORONOW: I have --

6 THE CHAIRPERSON: -- Ms. Wilson?

7 MR. SIDNEY SORONOW: Sorry. I have
8 copies. Ms. Wilson has not seen them.

9 THE CHAIRPERSON: Would you mind putting
10 the transcript in -- in front of her just for a minute?

11

12 (BRIEF PAUSE)

13

14 THE CHAIRPERSON: Page 578. I just want
15 to understand. At the beginning of Mr. Edwards' cross-
16 examination he was focussing on the time after November
17 of '08. And just to make sure that we heard it
18 correctly, I believe Ms. Wilson was talking about various
19 officials of Unicity that had attended a meeting and
20 raised the issue of Avion with the Winnipeg Airport
21 Authority, but that she was not at those meetings so
22 couldn't attest to it directly.

23 But on page 578 of the transcript, and
24 perhaps there's a misunderstanding here, but it says
25 specifically:

1 "MS. JOAN WILSON: We went to the
2 airport on another matter. We inquired
3 from Scott regarding the application
4 from Avion. Mr. Marohn told us he was
5 not aware Avion had gone back to the
6 Public Utilities Board."

7 And then going on:

8 "MR. WALTER SARANCHUK: And you were
9 present when those conversations took
10 place?"

11 And you say:

12 "Yes, I was."

13 Isn't that contradictory to what you said
14 today?

15 MS. JOAN WILSON: I was present at that
16 particular meeting but I was not present when they were
17 discussing the Avion. We had already finished the
18 meeting, and it's a large boardroom, and I had already
19 gone out to have my ticket validated for the parking.
20 And Mr. Randhawa and Mr. Gill were in the -- were in the
21 boardroom with Scott, and they said that they were going
22 to bring up Avion, so they did.

23 THE CHAIRPERSON: Okay, I follow --

24 MS. JOAN WILSON: By I --

25 THE CHAIRPERSON: I follow you now. You

1 were at the meeting, you weren't there at the time when
2 this --

3 MS. JOAN WILSON: Right.

4 THE CHAIRPERSON: -- discussion took
5 place?

6 MS. JOAN WILSON: Yeah. This was --

7 THE CHAIRPERSON: Thank you.

8 MS. JOAN WILSON: -- after sort of the
9 meeting. It was, you know, a -- informal.

10 THE CHAIRPERSON: No, I appreciate that.

11 Mr. Saranchuk, do you have any questions?

12 MR. WALTER SARANCHUK: That was the one
13 (1) clarification that I was going to pursue, but given
14 the answers of this witness, I don't know that I have any
15 further question, other than to ask that, again, for some
16 clarification, perhaps I can ask of you, Mr. Mangat,
17 because you were at the meeting -- meetings initially
18 with Ms. Wilson with the WAA officials, correct?

19 MR. GURMAIL MANGAT: That's right, sir.

20 MR. WALTER SARANCHUK: And you heard Ms.
21 Wilson say that it was not a commitment as such that she
22 interpreted being given by WAA regarding the fact that
23 there wasn't to be any further revival of the Avion
24 application to the PUB, and that they didn't have -- you,
25 therefore, didn't have -- it wasn't of concern or it

1 didn't have -- didn't have to worry about it.

2 Did you understand that as a comment or a
3 commitment or what?

4 And I'll tell you why I'm asking because
5 in your earlier evidence when I asked you about that on
6 page 576 at pages -- sorry, lines 9 to 14, I asked:

7 "He said -- he said I'm sorry go slowly"

8 Because you were explaining what it was

9 Mr. Marohn had said. And you said, quote:

10 "He said -- he said, sir, the even
11 application is not going anywhere now [I
12 think you meant Avion and you said] you
13 don't have to worry about this one, this
14 kind of assurance he gives -- he give
15 us."

16 End of quote.

17 Did you take it as a commitment, a comment
18 or a reassurance?

19 MR. GURMAIL MANGAT: Is kind of assurance.

20 MR. WALTER SARANCHUK: And Ms. Wilson,
21 you say it was a comment.

22 MR. SIDNEY SORONOW: I -- I think we're--

23

24 CONTINUED BY MR. WALTER SARANCHUK:

25 MR. WALTER SARANCHUK: I've asked the

1 question of Ms. Wilson. I thought she said it was a
2 comment.

3 Is that right?

4 MS. JOAN WILSON: It was a conversation.
5 I -- I took it as -- that there was no need to worry. If
6 it had been a commitment where a -- the WAA had committed
7 this to Unicity I would have expected Scott to say, yes,
8 no problem, we'll put it in the -- the document as
9 opposed to -- I call it a conversation because it was not
10 put into the document.

11 MR. WALTER SARANCHUK: Did you consider
12 it as reassurance?

13 MS. JOAN WILSON: Yes, that this meant
14 that this was no longer an issue.

15 MR. WALTER SARANCHUK: And just following
16 up on that, because..?

17 MS. JOAN WILSON: Because I -- I felt
18 that the WAA had the same thoughts that we did when Avion
19 had sort of pulled back from the Public Utilities Board
20 and the -- and the actual Hearing. We thought that was
21 the end of it.

22 MR. WALTER SARANCHUK: I have no further
23 questions, Mr. Chairman.

24 THE CHAIRPERSON: Thank you, Mr.
25 Saranchuk.

1 THE CHAIRPERSON: Mr. Soronow, you don't
2 have any other questions for Ms. Wilson?

3 MR. SIDNEY SORONOW: No, I'd just like to
4 clarify something. It was me who used the word 'comment'
5 but a comment can be -- I was trying to draw distinction
6 from the word 'commitment'.

7 A comment can be a representation, it can
8 be an assurance. So it was not Ms. Wilson who used the
9 word 'comment'. It -- it was me and if I've misled or
10 redirected the discussion but as she's now clarified, she
11 saw it was an assurance.

12 THE CHAIRPERSON: Thank you, Mr. Soronow.

13

14 (WITNESS STANDS DOWN)

15

16 MR. CHAIRPERSON: Mr. Edwards, is it time
17 now for your witness?

18 MR. PAUL EDWARDS: Yeah, thank you. I'll
19 call Mr Marohn.

20

21 (BRIEF PAUSE)

22

23 MR. SIDNEY SORONOW: Mr. Chairman, I'm
24 wondering how -- what the intentions are here in terms of
25 from a time perspective. It's -- it's fairly obvious

1 that we're not going to finish tonight.

2 THE CHAIRPERSON: I'm actually a little
3 bit more hopeful. I'm not expecting -- of course I don't
4 know what the cross-examination of this witness is going
5 to be.

6 But after that I don't think the agenda's
7 going to be all that -- all that long but let's see when
8 we're done here.

9 MR. SIDNEY SORONOW: Do we know for a
10 fact before we start with this witness that that will
11 conclude Mr. Edwards' calling of people? If it isn't
12 then we may have to revisit how this is going.

13 THE CHAIRPERSON: We may but let's see
14 what happens here.

15 MR. SIDNEY SORONOW: No, but, Mr.
16 Chairman, can we not gain that clarification --

17 THE CHAIRPERSON: Do you have any other
18 witnesses?

19 MR. PAUL EDWARDS: Only that Ms. Tataryn
20 will read in answers to the questions posed to Avion.

21 THE CHAIRPERSON: Very good.

22 MR. PAUL EDWARDS: If I could have Mr.
23 Marohn sworn?

24

25 AVION PANEL 3:

1 SCOTT MAROHN, Sworn

2

3 THE CHAIRPERSON: Okay, Mr. Edwards.

4

5 EXAMINATION-IN-CHIEF BY MR. PAUL EDWARDS:

6 MR. PAUL EDWARDS: Mr. Marohn, can you
7 indicate that your current position is with the Winnipeg
8 Airport's Authority?

9 MR. SCOTT MAROHN: My title is Manager of
10 Parking In Terminal Operations.

11 MR. PAUL EDWARDS: And how long have you
12 had that position?

13 MR. SCOTT MAROHN: Approximately two and
14 a half (2 1/2) years. I started as manager of parking
15 and ground transportation, and gained terminal as well.

16 MR. PAUL EDWARDS: So when did you join
17 the Winnipeg Airports Authority as an employee?

18 MR. SCOTT MAROHN: October of 2005.

19 MR. PAUL EDWARDS: Okay, and so just to
20 be clear, at the time you joined, the position was
21 again...?

22 MR. SCOTT MAROHN: Manager of parking and
23 ground transportation.

24 MR. PAUL EDWARDS: And then became --
25 what -- what date did it expand to the position you hold

1 currently?

2 MR. SCOTT MAROHN: Somewhere in 2006, I
3 believe, the end of 2006, early 2007.

4 MR. PAUL EDWARDS: Okay, and the change,
5 the evolution from one (1) position to the next, did that
6 have any impact on your responsibility or duties with
7 respect to the taxicab service to the Winnipeg Airport?

8 MR. SCOTT MAROHN: No, the same duties.

9 MR. PAUL EDWARDS: Okay. And can you
10 explain for the Board what those duties include?

11 MR. SCOTT MAROHN: I manage the day-to-
12 day operation. I have a ground transportation
13 coordinator underneath me, but I manage the day-to-day
14 operation, speaking with Joan, pretty much, on a daily
15 basis.

16 And then any future planning with regards
17 to ground transportation, parking, curb management,
18 anything like that, I -- I undertake.

19 MR. PAUL EDWARDS: Okay, and when you say
20 "Joan," you're speaking of Joan Wilson of -- of Unicity?

21 MR. SCOTT MAROHN: That's correct.

22 MR. PAUL EDWARDS: Okay. And who do you
23 report to?

24 MR. SCOTT MAROHN: My immediate report is
25 Michael O'Gorman.

1 MR. PAUL EDWARDS: Okay. And I want to
2 take you back to the negotiation of the agreement between
3 the WAA and Unicity. And I'm showing you what is Unicity
4 production number 5, and this is an agreement which is
5 signed November 13th, 2007, and I think that's your
6 signature on it as the witness, although it's signed by
7 Mr. O'Gorman.

8 Is that correct?

9 MR. SCOTT MAROHN: Yes, that's correct.

10 MR. PAUL EDWARDS: Okay, so were you
11 present in -- at the negotiations -- or let's put it this
12 way.

13 What role did you have in the negotiations
14 leading up to the signing of this agreement?

15 MR. SCOTT MAROHN: I was responsible for
16 coordinating the meetings, for getting all the players
17 that needed to be in the room at the time, so I was at
18 all of the meetings with the discussions.

19 MR. PAUL EDWARDS: Okay. And was Mr.
20 O'Gorman at some or all of those meetings?

21 MR. SCOTT MAROHN: As far as I can
22 recall, I think he was at some of them, I think he missed
23 one (1), but I was at all of them.

24 MR. PAUL EDWARDS: Okay. And in addition
25 to the meetings, did you have discussions with Unicity by

1 telephone?

2 MR. SCOTT MAROHN: Yes, we just -- I
3 talked with Joan about coordination of -- of next
4 meetings, and just of receiving the last version of the -
5 - of the contract.

6 MR. PAUL EDWARDS: Now, you've mentioned
7 talked with Joan.

8 Who was the spokesperson for Unicity at
9 these meetings, how did that work?

10 MR. SCOTT MAROHN: Well, the -- the
11 president was the spokesperson. He spoke. We had a
12 little bit of a language issue, so Joan would normally,
13 you know, tell us what he was referring to normally,
14 so...

15 MR. PAUL EDWARDS: Okay. And in terms of
16 coordinating the meetings, that was -- you would contact
17 Joan and she would contact you, is that the way it
18 worked?

19 MR. SCOTT MAROHN: That's correct.

20 MR. PAUL EDWARDS: Okay. Now, an issue
21 has been raised, Mr. Marohn, which I have raised with you
22 about a week ago or so, more in these proceedings with
23 respect to comments that are alleged to have been made at
24 one (1) of the meetings, the negotiation meetings, with
25 respect to Avion, and its application, and the status of

1 it.

2 Was there any discussion, to your
3 recollection, of Avion at any of the negotiation
4 meetings?

5 MR. SCOTT MAROHN: As far as I recall,
6 no.

7 MR. PAUL EDWARDS: Okay. Was there any
8 request made by anyone from Unicity to have the new
9 agreement include any exclusivity, vis-a-vis, not just
10 other taxicab companies, but other forms of ground
11 transportation?

12 MR. SCOTT MAROHN: No.

13 MR. PAUL EDWARDS: Are you certain of
14 that?

15 MR. SCOTT MAROHN: Yes.

16 MR. PAUL EDWARDS: How is it that you can
17 be certain?

18 MR. SCOTT MAROHN: We would never -- we
19 would never discuss anything outside of a taxi contract.
20 We were there to discuss the taxi negotiation, and
21 there's other ground transportation providers for other
22 things.

23 MR. PAUL EDWARDS: Had someone raised
24 Avion at the table, had someone from Unicity raised it,
25 would that have been something you believe you would have

1 remembered?

2 MR. SCOTT MAROHN: Yes.

3 MR. PAUL EDWARDS: Why?

4 MR. SCOTT MAROHN: Because it was an
5 important thing. I knew -- it was in the media. I knew
6 it was there. It was evident. It was -- it was
7 eventually going to impact me potentially.

8 MR. PAUL EDWARDS: Had Avion been raised,
9 can you say what -- what your response would have been if
10 it had been raised?

11 MR. SCOTT MAROHN: My response is always
12 the same. I've had it raised in other meetings with
13 other providers. And the response is: I won't speak
14 about it because it -- it doesn't have anything to do
15 with me. I don't make that decision.

16 MR. PAUL EDWARDS: And when you say "it's
17 been raised in other meetings by other providers," who --
18 who's ever raised it with you?

19 MR. SCOTT MAROHN: The limousine
20 operators have raised it with me before, and every time
21 they bring it up I just mention that it has nothing to do
22 with me, with WAA, so as far as I'm concerned, we don't
23 discuss it in a meeting.

24 MR. PAUL EDWARDS: Now, we've heard
25 evidence not just of the negotiation meetings, but of at

1 least one (1) other meeting some time since November of
2 2008 at which representatives of Unicity, Mr. Gill and
3 Mr. -- I'm going to get this wrong -- Rawund -- Randhawa
4 raised with you an issue about Avion.

5 Did -- did that ever happen?

6 MR. SCOTT MAROHN: As far as I can
7 recall, no.

8 MR. PAUL EDWARDS: Okay. And to your
9 knowledge as a -- going back to the negotiations, was
10 there ever -- I just want to be clear -- was there ever
11 any raising of Avion or of a desire to have Unicity gain
12 exclusivity for passenger ground transportation -- was
13 there ever any raising of those issues in the course of
14 the negotiations?

15 MR. SCOTT MAROHN: As far as I can
16 recall, no.

17 MR. PAUL EDWARDS: Okay. Now, these
18 meetings, did you keep notes, Mr. -- how did it work in
19 terms of tracking this for you?

20 Were there any notes?

21 MR. SCOTT MAROHN: No, there wasn't. We
22 started with a licence and we proposed it to Unicity.
23 They went away with it. They took it and brought it back
24 with comments. We took it away, proposed another
25 contract, so there was really no notes taken during the

1 proceedings on my end.

2 MR. PAUL EDWARDS: Did any of the
3 comments back from Unicity at any time, either in
4 writing, email, drafts of the agreement, did any of them
5 ever raise Avion or the desire to be a sole contractor
6 for passenger ground transportation?

7 MR. SCOTT MAROHN: No.

8 MR. PAUL EDWARDS: Now, I just want to --
9 this agreement which ultimately was signed off, did
10 include some fee increases for -- that -- that Unicity
11 would have to pay the WAA.

12 How did those come about, and can you just
13 explain for the Board why the fee increases were sought
14 and -- and what the result was?

15 MR. SCOTT MAROHN: We had discussed with
16 Unicity about getting a nationally certified standard at
17 the airport. We were trying to follow the lead of
18 Halifax Airport where they have a nationally certified
19 taxi organization, so we wanted to follow that lead.

20 It was very important to the Authority,
21 and it was going to cost some money. MTEC - Manitoba
22 Tourism and Education Council - was going to provide the
23 service for us. So we were -- originally we had
24 approached the Manitoba Taxicab Board to ask for a dollar
25 levy on all of the trips that were leaving the airport,

1 and we were denied from the Taxicab Board.

2 So we went back to the drawing table on
3 how to get this training and how to share the cost of it.
4 So what we came to an agreement was we would raise the
5 fee -- sorry. MTEC had -- we had figured that it would
6 probably cost about fifty (.50) cents per trip to
7 implement this program.

8 So what we did was we raised the fee to a
9 dollar sixty (\$1.60) for the first three (3) years, and
10 that quarter that we had raised from all of those trips,
11 we take it in and then we send it out to MTEC to provide
12 the cost of the training. And in addition we also
13 provide another quarter as well. So the increase from a
14 dollar thirty-five (\$1.35) to a dollar sixty (\$1.60)
15 covered the costs of the training, plus an additional 25
16 percent (sic) per trip from us.

17 MR. PAUL EDWARDS: So in fact, in terms
18 of the new contract vis-a-vis the old contract and what
19 the WAA actually got paid for each trip, was it more or
20 less in the new contract?

21 MR. SCOTT MAROHN: It was actually less.

22 MR. PAUL EDWARDS: And that's because
23 there was a 25 percent increase -- twenty-five (.25) cent
24 increase but, in fact, there was a fifty (.50) cent per
25 trip contribution to pay for this new program?

1 MR. SCOTT MAROHN: We've given MTEC about
2 sixty thousand dollars (\$60,000) the last two (2) years
3 to cover cost of training.

4 MR. PAUL EDWARDS: Okay. So am I correct
5 that the -- that it's the twenty-five (.25) cent
6 increase, plus an additional twenty-five (.25) cents
7 that's being committed to the program?

8 MR. SCOTT MAROHN: That's correct.

9 MR. PAUL EDWARDS: Okay. I want you to
10 clarify what the WAA decided to do and what they did
11 earlier this year with respect to limousines and we want
12 to get the terminology correct here between stretch limos
13 and executive cars.

14 Can you just clarify what -- what
15 happened?

16 MR. SCOTT MAROHN: Okay. At the airport
17 limousines are executive cars and stretch cars. We don't
18 -- we don't make a -- a difference between stretches and
19 executive cars. So our existing AVI system, which is our
20 automated vehicle identification system, it's -- it
21 automatically dispatches vehicles, so we don't have to
22 have someone dispatch them.

23 It's a very archaic system and the system
24 has the capability to dispatch two (2) types of vehicles.
25 So we made a decision to dispatch originally -- we made a

1 decision to dispatch taxis and limos. But because we
2 have stretches and executive cars we can't allow a
3 customer to decide what type of vehicle they want. It's
4 just random luck of the draw. Whatever is in the limo
5 corral and whatever comes up to the front is what the
6 customer has.

7 So if there are three (3) stretches in the
8 corral at one (1) time, and they follow each other, they
9 come in, eventually those three (3) stretches end up at
10 the front. Now, if you're a business traveller and you
11 come and you don -- and you see three (3) stretches, a
12 business traveller doesn't want to take a stretch, they
13 don't, you know, necessarily want to show off when they
14 come into the -- to Winnipeg and go to, you know, their
15 place of business.

16 So we've heard -- we heard from limousine
17 drivers in many limousine meetings, we've heard from
18 public that they don't want or they're -- sorry, not that
19 they don't want a stretch but they want to be able to
20 decide what type of vehicle they want.

21 So we had to make a decision on whether we
22 were going to continue with the operation that we were
23 doing or whether we were going to give the customer a
24 choice. And what we decided was that we were going to
25 put the executive cars in the GTMS system but because of

1 that we had to take the -- the stretches out.

2 So all of the executive cars are now in
3 the GTMS system. They get called up through the GTMS
4 system as they're required -- sorry, GTMS and AVI are the
5 same system, so they get called up as they're required.
6 And we had a lot of push-back from some of the limousine
7 drivers, the ones that only owned stretches, that we were
8 throwing them out of the market.

9 And we did -- we originally were looking
10 at what to do with stretches. What we have decided is we
11 have a location for stretches, so if a customer comes up
12 to the curb and they want a stretch vehicle, there is a
13 stretch vehicle for them but I'd like to point out that -
14 - that we don't make any money off of that trip because
15 they're not in the system and we can't account for them.

16 So that was why we had changed stretches,
17 because the customer wanted executive cars. Or that's
18 what we understood, that people weren't getting the decis
19 -- a choice. So we made that decision to bring in
20 executive cars.

21 MR. PAUL EDWARDS: Now, you mentioned
22 ownership. To your knowledge and in your experience, you
23 said there are some owners that just own the stretch
24 limos.

25 Are there other owners that own both

1 stretch limos and the executive cars?

2 MR. SCOTT MAROHN: Yes. One (1) of the
3 things that I -- I had spoken to Jerry Kozubal quite
4 frequently about this, was the fact that if you own a
5 stretch you have the ability to get an executive car. We
6 knew that we were going to get a lot of push-back from
7 this, from the limousine operators, and I didn't want to
8 throw anyone out of the market, so we decided that this
9 was the best -- best way that everyone would still have
10 the ability to operate at the airport because they still
11 had the ability to get an executive car.

12 MR. PAUL EDWARDS: Now, we've heard
13 evidence that there was some support from the airport's
14 authority sent to the Taxicab Board for an increase in
15 the licences for the executive cars. Is that true?

16 And if so, how did that happen and -- and
17 why?

18 MR. SCOTT MAROHN: Yes, that's true
19 because we had a lot of limousine drivers coming to us
20 saying we want to go and apply for an executive car. We
21 want to continue to operate at the airport.

22 So we said, We'll support you because we
23 don't want to throw you out of the market. We understood
24 that stretches were probably going to lose a lot of fares
25 within the City. But I have to point this out. Every

1 time a limousine operator came to me and requested this
2 letter, I always stated to -- to them and in every
3 meeting I've stated, do not put your eggs on the -- on
4 the limousine contract at the airport, okay? Because I
5 don't like people placing all of their money in one (1)
6 contract so I always told them that.

7 MR. PAUL EDWARDS: Now has -- what --
8 what has been the experience with customers using
9 executive cars?

10 MR. SCOTT MAROHN: You mean now?

11 MR. PAUL EDWARDS: Yes.

12 MR. SCOTT MAROHN: Like in the last --

13 MR. PAUL EDWARDS: Since -- since the --
14 since the change you've just described.

15 MR. SCOTT MAROHN: Well in the past three
16 (3) months executive cars have actually increased
17 compared to last year and in the first three (3) months
18 of the year they were down.

19 We implemented this in the middle of April
20 and we've seen an increase in fares for the limo -- for
21 limousines as -- on a whole which would be executive cars
22 now.

23

24 (BRIEF PAUSE)

25

1 MR. PAUL EDWARDS: We've heard some
2 assertion that the stretch limo space is invisible or is
3 somehow off the map of what anybody can see or do is --
4 what -- what -- what's your response to that?

5 MR. SCOTT MAROHN: Of course everyone
6 wants to be on the main curb and we don't have space for
7 everybody. So the decision was made to place a stretch
8 limousine -- it's not really called an elbow, it's --
9 that's the slang for the location that they're -- that
10 they're sitting.

11 They're not thrown off the curb, they're
12 still there. If -- you have to understand that on the
13 curb the limousine drivers and the taxidrivers don't
14 necessarily get along. So the limousine drivers they try
15 and stay together and the taxidrivers try and stay
16 together. If a fare came up where there was more than,
17 you know, four (4) people or they had too much luggage
18 where they couldn't get into a limousine, normally the
19 intent is that they direct them to a stretch limousine if
20 they so choose.

21 If they don't -- if they don't choose the
22 stretch limousine, they will go to the taxis and they'll
23 take two (2) taxis.

24 MR. PAUL EDWARDS: Okay. While we're on
25 the issue of space and the current configuration, I'm --

1 I'm going to use the word 'curb' or in the front area,
2 the apron area of where all the lanes are in front of the
3 airport terminal.

4 Are there spaces for -- dedicated spaces
5 for shuttles like the existing hotel shuttles or the
6 shuttles that come in and -- for dedicated events, pick -
7 - pick people up?

8 MR. SCOTT MAROHN: There's not any
9 reserved space for any hotel shuttle specifically. We
10 have a sign up that notifies that this is where a shuttle
11 will come.

12 And we've -- we've named everyone that has
13 an agreement with us on those signs indicating where the
14 stop is.

15 OBJ MR. SIDNEY SORONOW: Mr. Chairman, at
16 this juncture I've tried to let this go but I'm going to
17 raise an objection to virtually the whole of the
18 presentation that's occurring at this time.

19 You know it's a --

20 MR. PAUL EDWARDS: Do you want me to have
21 the witness leave? Do you want the witness to leave?

22 MR. SIDNEY SORONOW: No, I don't think
23 it's necessary.

24 MR. PAUL EDWARDS: Okay.

25 MR. SIDNEY SORONOW: It's a principle in

1 law. You don't run your case in instalments and what My
2 Friend is doing is running his case in instalments.

3 We were led to believe that Scott --
4 I'm sorry, I can't pronounce --

5 MR. SCOTT MAROHN: Marohn.

6 MR. SIDNEY SORONOW: -- Marohn was coming
7 here because he was going to address the issue of the
8 concern that Mr. Edwards had about certain evidence that
9 had come out about the negotiations and what happened at
10 the meeting.

11 And instead of confining himself to that,
12 now he's choosing to seize the opportunity to put in a
13 whole bunch of other evidence that maybe he now realizes
14 he should have made as part of his case in the first
15 instance.

16 Appreciate, you know, we had full
17 submissions, he knew where we were coming from and he had
18 every opportunity to have this witness come forward
19 during his presentation of evidence. He chose not to.
20 And I think it is completely inappropriate and that you
21 should strike all of this witness' evidence, save only
22 for that that addresses the question of the agreement and
23 what happened at the negotiation.

24 This isn't a licence to start running your
25 case in installments, because if you allow people to run

1 their case in installments like this, no case will ever
2 end. Everybody will keep calling another witness, now,
3 oh, I'm going to have to call witnesses about what he
4 said on these other subject matters.

5 The case will -- this case will go on
6 forever. We will go down one (1) tangent and another
7 tangent, and I'm calling a halt to it now and asking you
8 to call a halt to it before this witness says one (1)
9 more word.

10 THE CHAIRPERSON: Thank you.

11 MR. SIDNEY SORONOW: And I ask for a
12 ruling.

13 THE CHAIRPERSON: You are about to get
14 one, Mr. Soronow. Actually, the Board is finding the
15 evidence that's being presented of some interest. And I
16 am presuming that Mr. Edwards doesn't have an awful lot
17 of --

18 MR. PAUL EDWARDS: No.

19 THE CHAIRPERSON: -- questions for this
20 particular witness, but part of this process, we are not
21 quite as strict as a court is to inform the Board. And
22 the decision that we eventually are going to have to make
23 is an important one, it's an important one for the taxi
24 industry, it's an important one, presumably, for the
25 Winnipeg Airport Authority and Avion, and we want to

1 understand, as much as we can, of the industry and its
2 issues.

3 We have some questions for the Winnipeg
4 Airport Authority and, frankly, some of them are now
5 being answered.

6 MR. PAUL EDWARDS: Yeah. Thank you very
7 much, Mr. Chair.

8

9

10 CONTINUED BY MR. PAUL EDWARDS:

11 MR. PAUL EDWARDS: Going back to the space
12 issue, Mr. Marohn, I had asked you about the way that
13 shuttles are dealt with at the airport, and I think you
14 were in the pro -- course of answering that.

15 MR. SCOTT MAROHN: Shuttles are -- are --
16 we have a reserve space for all shuttles on -- in two (2)
17 different locations, one (1) on the north end of the curb
18 and one (1) on the south end of the curb on the fourth
19 lane, so not immediately beside the airport, but as you
20 walk out approximately 30 feet, there's two (2) locations
21 for all shuttles.

22 MR. PAUL EDWARDS: Is that the same lane
23 as the stretch limo's in now?

24 MR. SCOTT MAROHN: Yes.

25 MR. PAUL EDWARDS: Okay. And so if the

1 Avion application were to be successful, would the
2 airport have any difficulty accommodating a regular
3 shuttle service, as is planned by -- by Avion?

4 MR. SCOTT MAROHN: They would just go on
5 the same sign that all of the other shuttles go on and
6 they would use space as space becomes available.

7 MR. PAUL EDWARDS: One (1) of the two (2)
8 shuttle spaces, is that what you're saying?

9 MR. SCOTT MAROHN: Yeah, like we don't
10 necessarily have one (1) space reserved for them, we have
11 an area, and whoever comes, we -- I mean we have
12 designated times that you can be on the curb, so, if the
13 space is full, then you obviously can't park there at the
14 time.

15 MR. PAUL EDWARDS: So within that space
16 for shuttles, what is there room for in terms of the
17 average size, you know, larger passenger van?

18 Is there room for two (2), or three (3),
19 or can you say?

20 MR. SCOTT MAROHN: Probably about three
21 (3) on -- in each location.

22 MR. PAUL EDWARDS: Okay.

23 MR. SCOTT MAROHN: But that in -- that
24 includes prearranged stretches as well.

25 MR. PAUL EDWARDS: Does that ever happen

1 in terms of, you know, six (6) or more shuttles showing
2 up at the same time?

3 MR. SCOTT MAROHN: No, not six (6),
4 probably three (3), four (4), yeah.

5 MR. PAUL EDWARDS: And just to be clear,
6 we've heard about shuttles from hotels, we've heard about
7 shuttles that show up for dedicated groups to take them
8 to places.

9 I understand there's another van shuttle
10 service that shuttles people from the Park and Ride lot
11 to the airport, is that correct?

12 MR. SCOTT MAROHN: Yes.

13 MR. PAUL EDWARDS: And do they offer a
14 regular service back and forth?

15 MR. SCOTT MAROHN: Yes.

16 MR. PAUL EDWARDS: And how many trips
17 would they make in an average month back and forth to --
18 to the airport, can you say?

19 MR. SCOTT MAROHN: I'm just going to
20 hazard a guess. Approximately five thousand (5,000) a
21 month.

22 MR. PAUL EDWARDS: Yes, so they're going
23 back constantly. Now let's just, while we're on this
24 topic, talk about the new terminal that's being built,
25 and -- and do -- can you say, and I think it's -- I'm

1 trying to remember exactly the -- the projected date that
2 the new terminal will be in use.

3 Do -- do you recall when that...?

4 MR. SCOTT MAROHN: We don't -- we don't
5 necessarily have a date yet, but it -- it's projected to
6 be open in the fall of next year, of 2010.

7 MR. PAUL EDWARDS: Okay, so once the new
8 terminal is open, have you seen the layout of the front
9 area where vehicles will -- will come and pass -- and
10 people will embark and disembark into ground
11 transportation?

12 MR. SCOTT MAROHN: I've seen the lay
13 -- I -- I've seen the space, yes.

14 MR. PAUL EDWARDS: Okay. And, at this
15 point, has that space been allocated as per limos, or
16 taxis, or shuttles?

17 MR. SCOTT MAROHN: It hasn't been
18 officially validated yet. We still have -- we've gone to
19 all of the different ground transportation providers and
20 asked them where they would like to be.

21 MR. PAUL EDWARDS: Okay, but there's been
22 no final decision.

23 MR. SCOTT MAROHN: No.

24 MR. PAUL EDWARDS: And in terms of the
25 overall space available at the new terminal versus the

1 existing space, is it more or less, and if so, by how
2 much? Can you say?

3 MR. SCOTT MAROHN: We currently have five
4 (5) lanes in front of our existing terminal. We'll be
5 jumping to eight (8) lanes in the new terminal.

6 MR. PAUL EDWARDS: And will there be --
7 the lanes be longer across the front of the terminal?

8 MR. SCOTT MAROHN: Yes, they will be.
9 And we will actually be able to separate -- we'll have a
10 departures lane level and we'll have an arrivals level.

11 MR. PAUL EDWARDS: Okay, so in terms of
12 picking up passengers who have come into the City and the
13 lanes and the space available, would it be twice as much,
14 half -- can you estimate for the Board?

15 MR. SCOTT MAROHN: Almost twice as much.

16 MR. PAUL EDWARDS: Okay. Can you
17 indicate, or do you know, in the last six (6) months
18 since the beginning of '09, what the -- what has happened
19 to passenger numbers coming in and out of the -- the
20 Winnipeg Airport?

21 MR. SCOTT MAROHN: For the year to date,
22 I believe passengers have dropped about 5 percent from
23 January until the end of June. And, in fact, we just had
24 a meeting today actually, and in June our numbers were
25 down 8 1/2 percent.

1 MR. PAUL EDWARDS: Okay, so it's gotten -
2 - June's been a -- and that 8 1/2 percent in June from
3 June '08?

4 MR. SCOTT MAROHN: That's correct.

5 MR. PAUL EDWARDS: But overall you're
6 saying in '09 it's been about 5 percent.

7 Have I got that right?

8 MR. SCOTT MAROHN: That's right.

9 MR. PAUL EDWARDS: Okay. And we had a
10 document produced for us with some figures - Mr. Kozubal
11 produced them - for the first six (6) months of '09 and
12 they reflected, and I'll just summarize, for taxis that
13 it had reduced by approximately 7 percent, for limos a
14 slightly less of a reduction, about 4 percent. And he
15 agreed with me that overall, if you combine the two (2),
16 in terms of total trips from the airport limos and taxis
17 it would be down around 6 percent.

18 Does that coincide with your experience,
19 your understanding?

20 MR. SCOTT MAROHN: Yes, that's correct.

21 MR. PAUL EDWARDS: Okay. We heard some
22 evidence in these Proceedings about complaints about
23 cabs.

24 Would -- would you know about complaints?
25 Do you handle those as they come in, Mr. Marohn?

1 MR. SCOTT MAROHN: Any complaint that I
2 get about a cab or about any type of service on the -- on
3 the front of the curb, I will handle. If it comes in by
4 email, I'll send an email back replying to the complaint
5 depending on how it comes in to WAA.

6 MR. PAUL EDWARDS: How do they come in?
7 You've talked about email. Do they come in by telephone
8 call?

9 How -- how do people register complaints?

10 MR. SCOTT MAROHN: We have customer
11 comment kiosks in the -- in the airport, so we get them
12 through a database that we collect.

13 We get phone calls. We get emails direct
14 to WAA and we had taxi stickers in the cabs, so there was
15 a phone number or a website that a customer could go to
16 and get a hundred (100) Aeroplan miles if they left
17 comments about their taxi service.

18 MR. PAUL EDWARDS: And you -- was that
19 part of the new agreement?

20 MR. SCOTT MAROHN: Yes.

21 MR. PAUL EDWARDS: And did --

22 MR. SCOTT MAROHN: Hold on. I'm -- I
23 can't be certain that it was part of the new agreement.
24 I know it was discussed at the time. Actually, I -- I
25 don't think it was included in the agreement. It was

1 just a...

2 MR. PAUL EDWARDS: Was that something the
3 Winnipeg Airports Authority asked the Unicity cabs to do?

4 MR. SCOTT MAROHN: Yes.

5 MR. PAUL EDWARDS: And they agreed?

6 MR. SCOTT MAROHN: Yes.

7 MR. PAUL EDWARDS: And so were stickers
8 developed with a -- a number that people could call?

9 MR. SCOTT MAROHN: Yeah, there's a number
10 on the stickers.

11 MR. PAUL EDWARDS: Okay, and how long did
12 that operate? Is it still operating?

13 MR. SCOTT MAROHN: In a -- in a few --
14 not many anymore.

15 MR. PAUL EDWARDS: Why?

16 MR. SCOTT MAROHN: We had heard that the
17 stickers weren't adhes -- or weren't sticking to the --
18 to the windshield, that they were coming off.

19 MR. PAUL EDWARDS: Who told you that?

20 MR. SCOTT MAROHN: Joan Wilson.

21 MR. PAUL EDWARDS: Okay. And so have new
22 stickers been developed or plan to or is there -- what --
23 what's the plan?

24 MR. SCOTT MAROHN: Well, we still have
25 stickers, they're -- we haven't developed any new ones.

1 We still have the old ones right now.

2 MR. PAUL EDWARDS: Okay.

3 MR. SCOTT MAROHN: I mean, we -- we have
4 to produce the costs to make them.

5 MR. PAUL EDWARDS: Okay. Do you -- have
6 you gotten comments back from the cab drivers themselves
7 as to whether or not they are in favour of these
8 stickers?

9 MR. SCOTT MAROHN: Not officially.

10 MR. PAUL EDWARDS: Okay. I have a
11 document I'm going produce to you and it says, "Customer
12 comments, August 1 to September 30th, 2008."

13 Can you identify that document? And it's
14 --

15 MR. SIDNEY SORONOW: Mr. Chairman --

16 MR. PAUL EDWARDS: -- it's --

17 MR. SIDNEY SORONOW: -- before the
18 witness answers, I understand that you heard my objection
19 of Mr. Edwards proceeding in installments. At the time
20 we were on a particular discussion that was endeavouring
21 to explain sort of the lanes and the limos and -- and you
22 said that it was a matter that you had some interest in,
23 which presumably superceded my comment about someone
24 running their case in installments.

25 Have we not come to the point where the

1 Chairman sees this as simply running a case by
2 installments and, therefore, to stop this kind of
3 evidence at this juncture?

4 MR. PAUL EDWARDS: Let me just make this
5 comment. Mr. Soronow closed his case with Ms. Wilson,
6 fin -- finished off that witness and just a half an hour
7 ago or so introduced a new document through her. So, I -
8 - I don't think he's in a strong position on -- on this
9 issue.

10 I'm not going to spend long on the
11 complaints' issue but I think it has been raised. It was
12 an issue that this gentleman can speak to and no one from
13 Avion could. They don't get the complaints about the
14 cabs, this gentleman does. So I'd just like to finish
15 this off.

16 MR. SIDNEY SORONOW: Well thi -- let me -
17 - let me respond. We -- the issue of whether or not Ms.
18 Wilson had any notes on the -- touching on what happened
19 at that meet, was asked by My Friend, and when it was
20 discovered that same existed then, obviously, we have an
21 obligation to bring it forward.

22 That is hardly the same thing as is what
23 occurring now. It was open to Mr. Edwards. In the
24 course of his case when he already knew from responses
25 that we had made December 10th, that runs twenty-six (26)

1 pages, the response of April 3rd, I don't know, fifteen
2 (15) or twenty (20) pages, where we were coming from, how
3 can he now pretend he didn't understand that?

4 And now he wants to go on and -- and I'm
5 not going to allow him to simply say, well, I only have a
6 few more questions. We've heard that before. We just
7 keep going further down a road that he should've
8 canvassed in the first place. There was no impediment to
9 him calling WAA witnesses if he believed they were
10 germane. He chose not to.

11 We're never going to finish this Hearing
12 because if that's what you're going to allow, now, we're
13 going to start calling more evidence.

14 THE CHAIRPERSON: We haven't even --

15 MR. SIDNEY SORONOW: But --

16 THE CHAIRPERSON: We haven't even heard
17 Mr. Edwards. I recall in earlier testimony indicating
18 that Unicity had received the letter of commendation, if
19 I recall properly, from Avion for the improvements in
20 service and the adherence to the standards and things of
21 this particular nature.

22 MR. PAUL EDWARDS: Yeah.

23 MS. SHELLY TATARYN: The Airport
24 Authority.

25 THE CHAIRPERSON: From -- oh, sorry, from

1 the Winnipeg Airport Authority, and I'm no different than
2 anyone else. I do not want to lengthen this Hearing any
3 longer than absolutely necessary. You can count on that.

4 But I am reluctant to avoid hearing
5 evidence that actually relates to prior evidence and I'm
6 sure Mr. Edwards is going to keep this short, are you
7 not?

8 MR. PAUL EDWARDS: Absolutely. Can I
9 continue?

10 THE CHAIRPERSON: It may not even be a
11 negative --

12 MR. PAUL EDWARDS: Yeah, and -- and trust
13 me, it's -- it's not entirely negative, and I just want
14 to put forward a -- an example of two (2) months, August
15 to September, of comments that were recorded, and I think
16 it is relevant to the issues.

17 THE CHAIRPERSON: Well, let us have it
18 then.

19 MR. PAUL EDWARDS: Thank you very much.
20 Here's copies.

21 THE CHAIRPERSON: Mr. Singh..?

22

23 (BRIEF PAUSE)

24

25 MR. SIDNEY SORONOW: Mr. Chairman, I

1 extended the courtesy to My Friend before I introduced
2 the document with Ms. Wilson, to give him a copy of the
3 document and allow him time to look at it. I trust I
4 will receive the same courtesy.

5 THE CHAIRPERSON: Yes. You are up next
6 on this, Mr. Soronow.

7 MR. SIDNEY SORONOW: Well I'd like --

8 THE CHAIRPERSON: Yes, but Mr. Edwards
9 isn't quite finished. Mr. Edwards..?

10 MR. PAUL EDWARDS: Thank you. Can you --

11 THE CHAIRPERSON: Wait, what number is
12 this one (1), do you know, Mr. Singh? Avion 9.

13

14 --- EXHIBIT NO. AVION 9: Comments that were recorded
15 for August and September re
16 cabs.

17

18 CONTINUED BY MR. PAUL EDWARDS:

19 MR. PAUL EDWARDS: Mr. Marohn, can you
20 just indicate for the Board, describe what -- what this
21 is?

22 MR. SCOTT MAROHN: We received comments
23 through this website from people that have taken a
24 taxicab service, so any of the comments that we receive,
25 I was pulling them off of the report and, I guess,

1 placing them in a spreadsheet just randomly, however they
2 came in.

3 So you'll notice that there are some
4 positive ones, there's some negative ones, and the whole
5 intent of it was just to see what the customer -- how
6 their experience was.

7 MR. PAUL EDWARDS: Now, in terms of
8 complaints, are they still coming forward from time to
9 time, if so, how often and -- and what do you do when
10 they do come forward?

11 MR. SCOTT MAROHN: They don't come
12 through this avenue anymore, but they come through our
13 customer comment kiosk in the -- in the airport.

14 MR. PAUL EDWARDS: Okay. And -- and do
15 you get complaints about the cab service, if so, how
16 often and -- and what do you do with them?

17 MR. SCOTT MAROHN: We get complaints from
18 everything, so we get complaints from the -- the -- yes,
19 we get complaints from the taxi service.

20 MR. PAUL EDWARDS: About the taxi
21 service?

22 MR. SCOTT MAROHN: Maybe two (2) a month.

23 MR. PAUL EDWARDS: Okay, and what do you
24 do with those?

25 MR. SCOTT MAROHN: I mean we look at

1 them, we -- we respond to them. If they're, you know, a
2 huge issue, I forward them to Joan.

3 MR. PAUL EDWARDS: Okay, how often in the
4 re -- last year, can you say, often per month you would
5 forward complaints to Ms. Wilson?

6 MR. SCOTT MAROHN: Not often. They're --
7 they're not huge issues. They're just, you know, I found
8 the cab to be, you know, unclean or something like that.

9 MR. PAUL EDWARDS: Would it be once a
10 month, twice a month, can you say?

11 MR. SCOTT MAROHN: Not even once a month.

12 MR. PAUL EDWARDS: Okay.

13 THE CHAIRPERSON: This is out of
14 approximately two hundred and fifty thousand (250,000)
15 departures by taxi from the airport?

16 MR. PAUL EDWARDS: Exactly.

17 MR. SCOTT MAROHN: That's right.

18

19 CONTINUED BY MR. PAUL EDWARDS:

20 MR. PAUL EDWARDS: And -- and so we've --
21 you've heard the Chair about the accommodation, what do
22 you have to say about that?

23 How was the relationship, as you view it,
24 currently between the WAA and -- and the Unicity?

25 MR. SCOTT MAROHN: My relationship is

1 great. I mean Joan and I talk almost on a daily basis.
2 If there are any issues, they -- they come my way. If I
3 have issues, they go her way.

4

5 (BRIEF PAUSE)

6

7 MR. PAUL EDWARDS: Just going back one
8 (1) second. If Avion -- if the Avion shuttle were to be
9 approved and if it were to be successful and attract
10 customers from the airport and some of those customers
11 were to be -- otherwise, might have taken cabs, wouldn't
12 that end up costing the WAA revenue?

13 MR. SCOTT MAROHN: We make -- we also
14 make revenue off of the -- the hotel shuttles. We make
15 revenue off of anyone that picks up a customer. And I
16 mean depending on how many people would take a -- take a
17 shuttle, yeah, of course we would lose revenue, it
18 depends on what the rate would be.

19 MR. PAUL EDWARDS: And are you aware of
20 the letter that Mr. Rodnyuk has sent to Avion indicating
21 that the rate to be determined for the shuttle would be
22 on market rates based on the -- the market comparables
23 currently at the airport?

24 MR. SCOTT MAROHN: I wasn't even aware
25 that Mr. Rodnick sent a letter.

1 MR. PAUL EDWARDS: Okay. And the current
2 rate for a cab is again..?

3 MR. SCOTT MAROHN: A dollar sixty (\$1.60)
4 --

5 MR. PAUL EDWARDS: Okay, and --

6 MR. SCOTT MAROHN: -- per trip.

7 MR. PAUL EDWARDS: -- and if Mr. -- if
8 the Avion shuttle were to proceed, would you expect the
9 shuttle to pay a greater or lesser amount than the dollar
10 sixty (\$1.60)?

11 MR. SCOTT MAROHN: We are intending to
12 move forward in the near future with implementing a per
13 seat fee. So if you have the ability to fill a seat and
14 gain revenue off of it, you should have the -- you should
15 be paying by the seat.

16 MR. PAUL EDWARDS: So that would, in
17 fact, if that were the case, result in Avion Shuttle
18 paying substantially more than a -- than a cab.

19 MR. SCOTT MAROHN: But depends on --
20 yeah. If -- I don't know how many seats they proposed,
21 but...

22 MR. PAUL EDWARDS: Okay. Now, what is
23 the current mandate that -- that you have with the
24 Winnipeg Airports Authority in terms of ground
25 transportation and options -- new options like the

1 shuttle service or others?

2 What's the -- what's the thinking, what's
3 the goal of the Winnipeg Airports Authority?

4 MR. SCOTT MAROHN: My mandate is to
5 provide the -- the best customer service that I can to
6 the public with -- by any means that they so choose.

7 So if they request something, you know, I
8 -- my mandate is to make sure that everyone is satisfied
9 with the trip from the time they get on the -- the
10 property to the time they leave it.

11 MR. PAUL EDWARDS: Okay. And in terms of
12 revenue, have you assessed what roughly the cost to the
13 airport of servicing the -- the ground transportation
14 services to the airport?

15 MR. SCOTT MAROHN: Yes.

16 MR. PAUL EDWARDS: And approximately what
17 is it currently on an annual basis? Can you say?

18 MR. SCOTT MAROHN: It's approximately
19 five hundred thousand dollars (\$500,000) per year.

20 MR. PAUL EDWARDS: Okay, and that
21 includes such things as -- or can you describe what --
22 what's in that calculation?

23 MR. SCOTT MAROHN: That would be a
24 portion of the roads that are allocated to the ground
25 transportation vehicles; that would be the -- the GTMS

1 System that the ground transportation vehicles utilize.
2 Anything that's related to the ground side -- maintenance
3 of the roads, yes, snow removal, everything.

4 MR. PAUL EDWARDS: Are there staff that
5 are paid for and assigned to deal with ground
6 transportation?

7 MR. SCOTT MAROHN: Yes. My Ground
8 Transportation Coordinator.

9 MR. PAUL EDWARDS: Are there specific
10 buildings in addition to the equipment that are -- that
11 are made available?

12 MR. SCOTT MAROHN: Taxi corral and the
13 washroom.

14 MR. PAUL EDWARDS: Okay. And so -- I'm
15 sorry, the number you gave was...?

16 MR. SCOTT MAROHN: Approximately five
17 hundred thousand (500,000).

18 MR. SCOTT EDWARDS: Okay, and can you say
19 from all of the fees that you get from the various -- the
20 cabs and the limos and the shuttles and -- oh, by the
21 way, the -- the shuttle -- like the -- the Air Park
22 Shuttle, it -- it's charged a fee as well, is it?

23 MR. SCOTT MAROHN: Yes.

24 MR. PAUL EDWARDS: Okay. So all of those
25 fees, do you -- does the WAA recover its cost?

1 MR. SCOTT MAROHN: We actually don't
2 right now.

3 MR. PAUL EDWARDS: Can you say do you
4 recover -- are you recovering half of your costs or --

5 MR. SCOTT MAROHN: Yes. Yes.

6 MR. PAUL EDWARDS: Approximately half?

7 MR. SCOTT MAROHN: More than -- just a
8 little more than half.

9 MR. PAUL EDWARDS: Okay. I'm going to
10 show you a document which is a list of questions, and
11 this was -- says at the top "For WAA Officials" and did I
12 give you a --

13 MR. SCOTT MAROHN: Yes.

14 MR. PAUL EDWARDS: Did I give you a copy?

15 THE CHAIRPERSON: Do you have it, Mr.
16 Soronow?

17 MR. SIDNEY SORONOW: No.

18 MR. PAUL EDWARDS: It was from the Board.

19 I assumed the Board sent to Mr. Soronow a copy.

20 MR. SIDNEY SORONOW: I don't know what
21 document is being referred to.

22

23 (BRIEF PAUSE)

24

25 THE CHAIRPERSON: Okay, Mr. Saranchuk

1 will ask the questions, Mr. Edwards.

2 MR. PAUL EDWARDS: Certainly.

3 THE CHAIRPERSON: The questions were
4 inadvertently not shared with Mr. Soronow. They were
5 questions that were intended to assist the Board in
6 understanding the Winnipeg Airport Authority that go --
7 how do you put it -- go further than taxis, as you will
8 soon understand.

9 If you don't mind, we'll have Mr.
10 Saranchuk --

11 MR. PAUL EDWARDS: Not a bit, Mr. Chair.
12 I will just indicate to Mr. Saranchuk in advance that I
13 will be making comments with respect to Questions 1, 2, 8
14 and 17, and -- and -- and I will be explaining why Mr.
15 Marohn will not be answering those questions.

16 THE CHAIRPERSON: So you're going to
17 answer the questions --

18 MR. PAUL EDWARDS: I'm going to make
19 comments on them. I'm not going to -- and I --

20 MR. SIDNEY SORONOW: Mr. Chairman, I am
21 completely at a loss. I'm at a complete loss here.
22 There are questions that the Board seems to have
23 circulated.

24 Mr. Edwards has a copy, he's not the
25 solicitor for WAA unless he's going to tell me that he

1 is. So one (1) party to the Proceedings has them, I
2 haven't got them. I don't understand what's going on.

3 THE CHAIRPERSON: Well, you're making a
4 point here, there's no doubt about it. We're just going
5 to take five (5) minutes, we're going to get some advice.
6 Thanks.

7 MR. SIDNEY SORONOW: Can we take ten (10)
8 -- make it ten (10) minutes?

9 THE CHAIRPERSON: We sure can.

10
11 --- Upon recessing at 10:55 p.m.
12 --- Upon resuming at 11:00 p.m.

13
14 THE CHAIRPERSON: Okay. Nothing
15 nefarious about the development of the questions. They
16 were developed to try and expedite the process. Quite
17 frankly, we had no idea how long this particular evening
18 would go on.

19 We spent a lot of time on some issues that
20 we didn't anticipate would take as long as they did. We
21 also were unaware that these questions for Avion and for
22 the WAA were not being shared with Mr. Soronow and it is
23 eleven o'clock.

24 So what we -- what we are going to do is
25 we're going to step down. We're going, through counsel,

1 find another day with a start at nine o'clock in the
2 morning and not 6:30 at night and complete at least the
3 evidentiary portion of this elongated Hearing.

4 We apologize to Mr. Soronow for the
5 inadvertent non-transmission of the information. The
6 questions are actually quite straightforward.

7 They're drawn directly from the public
8 record, primarily the financial statements of the
9 Winnipeg Airport Authority and their annual report just
10 to provide general context for their relationship between
11 Avion and WAA. Just as many of the questions related to
12 the Taxicab Board were intended to provide the Board some
13 context.

14 This is a unique Hearing for this Board.
15 I mean we've had a few other ones by the way that have
16 been relatively unique too but this one has its own
17 special elements to it.

18 So we will -- Mr. Saranchuk, I think
19 there's nothing more we have to do tonight, is there?

20 MR. WALTER SARANCHUK: No, not tonight
21 but Mr. Soronow should be provided with the -- with
22 copies of these questions as soon as possible.

23 THE CHAIRPERSON: I just want to make
24 sure that Mr. Edwards is finished with this particular
25 witness right now.

1 MR. SIDNEY SORONOW: Actually, Mr.
2 Chairman, if I may, one (1) of the questions I was going
3 to ask 1), am I going to get a copy of the document and
4 2), can Mr. Edwards advise us that he is finished with
5 his questions of the witness other than as related to
6 this sheet that I haven't seen.

7 THE CHAIRPERSON: Yes, that's what I'm
8 asking.

9

10 (BRIEF PAUSE)

11

12 MR. PAUL EDWARDS: Yes, except for one
13 (1) and I -- I just want to clarify Mr. -- if I can just
14 ask this one (1) question?

15 THE CHAIRPERSON: Please. We might as
16 well pose --

17

18 CONTINUED BY MR. PAUL EDWARDS:

19 MR. PAUL EDWARDS: And I just wanted --
20 Mr. Marohn, you mentioned Mr. Rodnyuk signed the letter
21 that made the commitment to Avion.

22 I -- I just want to be clear. Mr. Rodnyuk
23 is -- is a vice-president of the Winnipeg Airport's
24 Authority and -- and to clarify, you report -- you said
25 you reported to Mr. O'Gorman.

1 Mr. O'Gorman reports to Mr. Rodnyuk, is
2 that correct?

3 MR. SCOTT MAROHN: Correct.

4 MR. PAUL EDWARDS: Okay. That just -- I
5 wanted to clarify that for the record and subject to then
6 the -- and -- and it will be Mr. Marohn that we were
7 intending to -- to go through the WAA questions.

8 I've alerted the Board to the fact that
9 there will be some comments about some of them but that
10 is the way we will proceed when we resume.

11

12 (WITNESS RETIRES)

13

14 THE CHAIRPERSON: Okay, when we resume
15 we'll have a schedule laid out and there'll be some
16 consultation with counsel --

17 MR. PAUL EDWARDS: Right.

18 THE CHAIRPERSON: -- so everyone will know
19 what's basically going on. Just one (1) note, this
20 Hearing is fairly unusual for the Board. We're reviewing
21 a matter that's been referred to us by, you know, out of
22 a different statute.

23 And we find it when we address whatever
24 issues that we address, that we want to understand the
25 context. We want to understand the participants in the

1 Hearing and the various parties, so that when we do
2 determine our final determination, which to a degree has
3 to reflect the public interest, we need as wide an
4 understanding of what we're dealing with as we can
5 achieve. And that is the reason that we developed these
6 questions which are, granted, outside of the earlier days
7 of the testimony.

8 In any case, with that explanation, we
9 stand adjourned and counsel will get back working with
10 both of you and we will figure out a day in which we can
11 try to finish the evidentiary portion of the Hearing and
12 then move on to closing argument. Thank you.

13

14 --- Upon adjourning at 11:05

15

16 Certified Correct,

17

18

19

20 Cheryl Lavigne, Ms.

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24

25