

1
2
3
4
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6
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8
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MANITOBA PUBLIC UTILITIES BOARD

RE:

APPLICATION FOR AN AIRPORT SHUTTLE SERVICE
BY AVION SERVICES CORPORATION

Before Board Panel:

Graham Lane - Board Chairman
Susan Proven - Board Member

HELD AT:

Public Utilities Board
400, 330 Portage Avenue
Winnipeg, Manitoba
July 2nd, 2009

Pages 1 to 389

APPEARANCES

1
2 Walter Saranchuk) Board Counsel
3 Nicole Wray (np))
4
5 Paul Edwards) Avion Services Corp.
6 Shelley Tataryn)
7
8 Sidney Soronow) Unicity Taxi Ltd. and
9) Duffy's Taxi (1996) Ltd.
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16
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18
19
20
21
22
23
24
25

	TABLE OF CONTENTS	
		Page No.
1		
2		
3	Exhibit List	4
4	Undertakings	10
5	Opening Remarks	11
6		
7	Opening Comments by Avion	34
8	Opening Comments by Unicity/Duffy's	39
9		
10	JERRY KOZUBAL, Sworn	
11	Examination-in-chief by Mr. Walter Saranchuk	43
12	Cross-examination by Mr. Paul Edwards	86
13	Cross-examination by Mr. Sidney Soronow	99
14	Questioned by Board	129
15	Re-cross-examination by Mr. Sidney Soronow	131
16		
17	Presentation by Manitoba Hotel Association	136
18	Presentation by Crown Limousine	143
19	Presentation by Luxury Plus Limo et. al.	146
20		
21	Avion Panel:	
22	SHELLEY TATARYN, Sworn	
23	Examination-in-chief by Mr. Paul Edwards	154
24	Cross-examination by Mr. Sidney Soronow	199
25	Cross-examination by Mr. Walter Saranchuk	270

	TABLE OF CONTENTS	
		Page No.
1		
2		
3	Re-Direct Examination by Mr. Paul Edwards	333
4		
5	Unicity and Duffy's Panel:	
6	JOAN WILSON, Sworn	
7	PHIL WALDING, Sworn	
8	GURMAIL MANDAT, Sworn	
9		
10	Examination-in-chief by Mr. Sidney Soronow	341
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	Certificate of Transcript	389
21		
22		
23		
24		
25		

LIST OF EXHIBIT		
Exhibit No.	Description	Page No.
PUB-1	Notice of Pre-hearing Conference, dated December 22, 2008	20
PUB-2	Notice of Application, dated November 5, 2008	20
PUB-3	The Board's Rules of Practice and Procedures	20
PUB-4	Order Number 9/'09, dated February 5, 2009	21
PUB-5	Board Order Number 77/'09, dated May 6, 2009	21
PUB-6-1	Letter from the Board to Avion, dated February 19, 2007	21
PUB-6-2	Letter from PUB to Avion, dated March 1, 2007	22
PUB-6-3	Letter from PUB to Avion, dated November 6, 2007	22
PUB-6-4	Letter from PUB to Avion Dated October 24th 2008	22
PUB-6-5	A Letter from the Destination Winnipeg Organization to the Board, dated November 26, 2008	22
PUB-6-6	A Letter from Travel Manitoba to the Board, dated January 7, 2009	2

1	LIST OF EXHIBIT (Con't)		
2	Exhibit No.	Description	Page No.
3	PUB-6-7	Two (2) Letters from the Manitoba	
4		Hotel Association, one (1) dated	
5		January 10, 2007, and the other	
6		dated January 13, 2009, to the	
7		City of Winnipeg	23
8	PUB-6-8	Letter from the Winnipeg Chamber of	
9		Commerce, dated June 17th, 2009 to	
10		the Board	23
11	PUB-6-9	An undated letter from Yellow Taxi	
12		received by the Public Utilities	
13		Board on June 30, 2009	24
14	PUB/AVION-7	Public Utilities Board preliminary	
15		Information Requests and letter from	
16		Avion, dated November 24, 2008	24
17	PUB/U/D-8-1	Public Utilities Board First Round	
18		Information Requests and letter from	
19		Unicity/Duffy's, dated April 3, 2009	25
20	PUB/U/D-8-2	Hotel and Taxis Agreement	25
21	PUB/U/D-8-3	Question and response dealing with	
22		previous shuttle services	25
23	PUB/U/D-8-4	Question and response dealing with	
24		regulatory requirements	26
25			

1	LIST OF EXHIBIT (Con't)		
2	Exhibit No.	Description	Page No.
3	PUB/U/D-8-5	Question and response dealing with	
4		market value of taxicab licences	26
5	PUB/U/D-8-6	Question and Response of	
6		Unicity/Duffy's, relative to taxi	
7		capacity	26
8	PUB/TCB-9-1	Public Utilities Board's First Round	
9		Information Requests and the Taxicab	
10		Board's response, relative to the	
11		impacts on public services	27
12	PUB/TCB-9-2	Question and response by the Taxicab	
13		Board, relative to taxicab licence	
14		values	27
15	PUB/TCB-9-3	First Round question and TCB response	
16		dealing with licensing decisions	28
17	PUB/TCB-9-4	Question and response dealing with	
18		general information provided by the	
19		Taxicab Board	28
20	PUB/AVION-10	Letter, dated May 22nd, 2009, relative	
21		to the agreement with the Winnipeg	
22		Airport Authority	28
23	PUB/U/D-11-1	Pre-asked question, relative to	
24		statistics, contained in a letter,	
25		dated May 19th, 2009	29

1	LIST OF EXHIBIT (Con't)		
2	Exhibit No.	Description	Page No.
3	PUB/U/D-11-2	Response to pre-asked question,	
4		relative to statistics by way of	
5		letter, dated June 29, 2009, from	
6		Liffman Soronow to Pitblado LLP	29
7	AVION-1	Application, dated February 7, 2007	30
8	AVION-2	Letter from Avion to the PUB, dated May	
9		30, 2008, which included the updated	
10		business plan, dated May 29, 2008	30
11	AVION-3	Avion's letter, dated October 21, 2008,	
12		which included an exhibit from the Pre-	
13		hearing Conference, a Probe survey,	
14		and some supplementary information	31
15	AVION-4	Avion's letter, dated October 16, 2008	31
16	AVION-5	Letter from Avion to the PUB, dated June	
17		25, 2008	32
18	AVION-6	Copy of the affidavit, dated December	
19		4, 2008, having to do with the notices	
20		being published	32
21	AVION-7	Covering letter, dated January 25, 2007,	
22		signed by the City Clerk, including a	
23		record of the Motion and Decision of City	
24		Council of January 24, 2007	33
25	U/D-3	2006 Fee Schedule	135

1	LIST OF EXHIBIT (Con't)		
2	Exhibit No.	Description	Page No.
3	AVION-8	Passenger per trip summary	201
4	Duffy-4	Letter dated May 5th, 2009, signed by	
5		Scott Marone, Manager of Parking and	
6		Terminal Operations of the Winnipeg	
7		Airport Authority	347
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
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25			

	LIST OF UNDERTAKINGS		
1			
2	NO.	DESCRIPTION	PAGE NO.
3	1	Avion to indicate how they will	
4		contract out services that the	
5		approval from the City of Winnipeg	
6		states cannot be contracted out	215
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
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1 --- Upon commencing at 9:05 a.m.

2

3 THE CHAIRPERSON: Okay. Well good
4 morning, everyone. I'm Graham Lane, the Chairman of the
5 Public Utilities Board. I call this Hearing to order.

6 I'm joined by Susan Proven, another Board
7 member. Assisting the Board will be Board counsel Mr.
8 Walter Saranchuk of Pitblado LLP, as well as the Board
9 secretary, Gerry Gaudreau, and from time to time
10 associated secretary, Mr. Hollis Singh.

11 Avion Service Corporation has applied to
12 the Public Utilities Board for approval of an agreement
13 between it and the City of Winnipeg to operate a shuttle
14 service called the City Connect Shuttle Service from the
15 Winnipeg airport to and from downtown hotels, with an
16 expectation that further local area hotels may be added
17 to the proposed service in the future.

18 Avion initially applied to the Manitoba
19 Taxicab Board for approval to operate the shuttle service
20 from Winnipeg Airport to and from downtown hotels. That
21 application was apparently rejected on the grounds that
22 Avion had failed to demonstrate public need.

23 Avion then applied to the City of Winnipeg
24 for a licence to operate the shuttle service. And the
25 Taxicab Board, in a letter dated November 22nd, 2006, and

1 addressed to the City of Winnipeg's Standing Policy
2 Committee on Infrastructure, Renewal, and Public Works
3 declined jurisdiction. The matter then went on to be
4 considered by City Counsel and discussed at five (5)
5 public meetings.

6 On January 9th, 2007, the City Council's
7 Standing Policy Committee on Infrastructure and Public
8 Works reported to City Council regarding Avion's
9 Application and City Counsel recorded its decision in
10 minutes of its meeting on January 24, 2007.

11 The decision was to accept the
12 recommendation of the Executive Policy Committee and pass
13 the following resolution: That, in accordance with
14 Section 163 Subsection 3 of the City of Winnipeg Charter,
15 an agreement with Avion Service Corporation be approved
16 that is renewable at five (5) year intervals, that
17 authorizes Avion Services Corporation to operate its
18 proposed Connect Shuttle Service. And that it contains
19 the following conditions:

20 A) Avion Service Corporation be required
21 to obtain from the Public Utilities Board approval of its
22 agreement with the City and authorization to operate a
23 local transportation service before beginning to operate
24 the proposed shuttle service.

25 The City Council resolution also set out a

1 number of other conditions, which included that such
2 agreement not be executed by the City unless and until
3 the Public Utilities Board provides its approval of the
4 agreement and authorizes the operation of the local
5 transportation service.

6 In early 2007 Avion then applied to the
7 Public Utilities Board for approval of the proposed
8 shuttle service. However, Avion held its Application in
9 abeyance, pending its consideration of certain
10 preliminary matters, including costs and the plans for a
11 public hearing.

12 On May 30th, 2008 Avion apprised the Board
13 of its intention to recommence proceedings, and it filed
14 documentation with the Board by way of letters, dated
15 June 25th, 2008 and October 21st, 2008, in support of its
16 Application.

17 A Notice of Application was issued by the
18 Board on November 5th, 2008. Was published in Winnipeg
19 daily newspapers as well as La Liberte. Copies of the
20 Notice of the Application were sent specifically to the
21 Chief Administrative Officer of the City of Winnipeg,
22 Unicity Taxi, the Taxicab Association, the Manitoba
23 Taxicab Board, the Manitoba Hotel Association, and the
24 Winnipeg Airport Authority.

25 On November 17, 2008 Unicity Taxi and

1 Duffy's Taxi filed documentation with the Board taking
2 the position that there was no agreement between the City
3 and Avion as required by subsections 163 or subsections
4 163(3) (a) of the City of Winnipeg Charter Act. The taxi
5 companies took the position that the Board does not have
6 jurisdiction over the matter, as such an agreement was a
7 fundamental precondition to that jurisdiction.

8 On December 10th, 2008 Unicity Taxi and
9 Duffy's Taxi filed additional material supplementing
10 their previous submissions. A pre-hearing Conference was
11 held on Monday, January 19th, 2009 at 10:00 a.m. at which
12 time two (2) preliminary issues were considered by the
13 Board:

14 Firstly, the Board considered Unicity Taxi
15 and Duffy's Taxi's challenge of the Board's jurisdiction
16 to deal with Avion's Application on the basis that there
17 is no agreement between the City and Avion. Secondly,
18 the Board dealt with the issue of the procedure that it
19 would employ to hear the application and arrive at a
20 decision assuming the Board found that it had
21 jurisdiction.

22 By Order 9/'09, 9 of 2009, that was issued
23 following the Pre-hearing Conference, the Board held that
24 an agreement was in place between the City and Avion, and
25 as such the Board had jurisdiction to hear Avion's

1 Application. With respect to the procedure to be
2 employed to hear the Application, the Board approved
3 Unicity Taxi and Duffy's Taxi as a joint Intervenor in
4 the proceedings and also ordered that an oral hearing be
5 held.

6 Unicity/Duffy's subsequently brought a
7 second motion to halt proceedings before the Board on the
8 basis that under the City of Winnipeg Charter Act, the
9 City did not have exclusive authority over the proposed
10 shuttle service, and therefore did not have the authority
11 to enter into an agreement with Avion. That motion was
12 heard on Wednesday, April 29th, 2009 following which the
13 Board issued Order Number 76 of 2009m which dismissed
14 Unicity/Duffy's motion.

15 Unicity/Duffy's then sought leave to
16 appeal the Board's Order, Number 76 of 2009, to the Court
17 of Appeal of Manitoba, and at the same time requested a
18 stay of proceedings of the Hearing that was scheduled to
19 commence on May 21st, 2009. Unicity/Duffy's motion was
20 heard on May 21st, 2009 by The Honourable Madam Justice
21 Hamilton, who, on May 22nd, 2009, rendered her decision
22 dismissing Unicity/Duffy's motion for leave to appeal, as
23 well as their application for a stay of proceedings, but
24 holding that Unicity/Duffy's could return before the
25 Court of Appeal at a later date to argue the merits of

1 their position.

2 At the request of counsel for
3 Unicity/Duffy's, it was subsequently agreed by all
4 parties that the Hearing would be adjourned, which brings
5 us to today.

6 All documents which have been filed with
7 the Board are to be marked as exhibits in this Hearing
8 and will be taken into account by the Board in
9 considering this application, together with the V-I-V-A
10 V-O-C-E evidence that will be heard over the course of
11 the next two (2) days, and at a future date if necessary.
12 That being said, it is the Board's intention to render an
13 early decision in this matter, if possible, given the
14 passage of time since Avion's initial Application to the
15 Board and the subsequent delays that followed.

16 In that light, I would like to emphasize
17 that we are under tight time constraints in hearing the
18 evidence in this matter and we'd like to avoid
19 encountering any duplication in evidence, if at all
20 possible. We ask that the parties and their counsel co-
21 operate in this regard.

22 The schedule for the Hearing is as
23 follows. The Board witnesses to be called first. And
24 then, subject to cross-examination, Avion will then call
25 its witness, who will then be cross-examined. We'll have

1 a break for lunch from 12:00 to 1:15.

2 At 1:15 the Board will hear presentations,
3 we understand, from one (1) presenter. Then the
4 examination of Avion's witness will continue.
5 Unicity/Duffy's will then call its witness, which will be
6 followed by cross-examination. We will break for dinner
7 at 5:30 p.m. and resume the Hearing at 7:00 p.m. this
8 evening in this hearing room. The Hearing will adjourn
9 at 10:00 p.m. this evening.

10 The hearing will resume at 9:00 a.m.
11 tomorrow morning. On that day, Friday, we will break for
12 lunch at 12:00 and resume at 1:15 again. We will adjourn
13 again for dinner at 5:30 and resume at 7:00 p.m.

14 It is our hope that if Unicity Duffy's
15 evidence can be completed by dinnertime on Friday, the
16 Board could then hear closing arguments at 7:00 p.m. and
17 close the Hearing at 10:00 p.m. If that is not possible,
18 another date will have to be determined, at which time,
19 closing arguments will be heard.

20 With that being said, I now call for the
21 introduction of the participants, following with brief
22 opening remarks by Counsel.

23 Mr. Saranchuk...?

24 MR. WALTER SARANCHUK: Yes, thank you,
25 Mr. Chairman. My name is Walter Saranchuk of the law

1 firm of Pitblado LLP. I appear this morning as Board
2 counsel. And with me is Mr. Gaudreau, the Board's
3 Executive Director and secretary.

4 Perhaps we can now proceed with the
5 introduction of the other participants, and then I'll
6 have some preliminary matters to attend to, followed by
7 any brief opening -- opening remarks, as you indicated by
8 counsel for the parties.

9 THE CHAIRPERSON: Thank you, Mr.
10 Saranchuk.

11 Mr. Edwards, for Avion...?

12 MR. PAUL EDWARDS: Thank you very much,
13 Mr. Chair, members of the Board. My name is Paul Edwards
14 of the law firm Duboff Edwards Haight & Schachter. I am
15 counsel for Avion Services Corporation, the Applicant.
16 With me, to my immediate left, is Ms. Shelly Tataryn, who
17 is the general manager of Avion. And to her left is Ms.
18 Lynn McLeod, who is the Manager, Operation Services of
19 Avion. Thank you.

20 THE CHAIRPERSON: Thank you, Mr. Edwards.

21 Mr. Soronow, for Unicity --

22 MR. SIDNEY SORONOW: Good morning, Mr.
23 Chairman and members of the Board. My name is Soronow,
24 Sid Soronow. I'm counsel for Unicity and Duffy's, and
25 with me this morning is Joan Wilson, General Manager of

1 Unicity Taxi, Mr. Gurmail Mangat, who is shareholder of
2 Unicity and recently elected President of the company.
3 And next to him is Phil Walding, who is the General
4 Manager of Duffy's Taxi.

5 THE CHAIRPERSON: Thank you, Mr. Soronow,
6 welcome.

7 Mr. Saranchuk, opening remarks?

8 MR. WALTER SARANCHUK: Yes, thank you.
9 Mr. Chairman, I should mention, in terms of the
10 introductions, also sitting to my right is Mr. Jerry
11 Kozubal, who is the secretary of the Manitoba Taxicab
12 Board and will presented as the first witness this
13 morning.

14 I have no opening remarks. The agenda for
15 these proceedings has already been addressed by you, Mr.
16 Chairman. I would merely draw everybody's attention to
17 the procedural outline that was circulated earlier, in
18 terms of dealing with the procedure in order for the
19 presentation of evidence at this hearing, including the
20 order to be followed for cross-examination. Indeed, Mr.
21 Chairman, with reference to the presenters, this
22 afternoon at 1:15 there will be four (4) presenters, not
23 just one (1).

24 And I wish now to proceed with the
25 exhibits to be entered into the evidence on behalf of the

1 Public Utilities Board. The exhibit list was circulated
2 earlier in draft form. The final form will be circulated
3 in the next day or so. In terms of the exhibits, I would
4 ask that the following exhibits be marked in the
5 evidence.

6 Firstly, for the Public Utilities Board,
7 PUB Exhibit Number 1, the Notice of the Pre-hearing
8 Conference, dated December 22nd, 2008.

9

10 --- EXHIBIT NO. PUB-1: Notice of Pre-hearing
11 Conference, dated December
12 22, 2008

13

14 MR. WALTER SARANCHUK: Exhibit PUB-2, the
15 Notice of Application, dated November 5, 2008.

16

17 --- EXHIBIT NO. PUB-2: Notice of Application, dated
18 November 5, 2008

19

20 MR. WALTER SARANCHUK: And Exhibit PUB-3,
21 the Rules -- the Board's Rules of Practice and Procedure.

22

23 --- EXHIBIT NO. PUB-3: The Board's Rules of Practice
24 and Procedures

25

1 MR. WALTER SARANCHUK: Exhibit PUB-4 to
2 be entered as the Order Number 9/'09, dated February 5,
3 2009.

4
5 --- EXHIBIT NO. PUB-4: Order Number 9/'09, dated
6 February 5, 2009

7
8 MR. WALTER SARANCHUK: Exhibit PUB-5, the
9 Board's Order Number 77/'09, dated May 6th, 2009.

10
11 --- EXHIBIT NO. PUB-5: Board Order Number 77/'09,
12 dated May 6, 2009

13
14 MR. WALTER SARANCHUK: I would also ask
15 that the following pieces of correspondence be marked in
16 the evidence:

17 As PUB Exhibit 6-1, a letter from the
18 Board to Avion dated February 19th, 2007;

19
20 --- EXHIBIT NO. PUB-6-1: Letter from the Board to
21 Avion, dated February 19,
22 2007

23
24 MR. WALTER SARANCHUK: As Exhibit PUB-6-
25 2, the letter from PUB to Avion, dated March 1, 2007;

1 --- EXHIBIT NO. PUB-6-2: Letter from PUB to Avion,
2 dated March 1, 2007
3

4 MR. WALTER SARANCHUK: As Exhibit PUB-6-3
5 the letter from PUB to Avion dated November 6th, 2007;
6

7 --- EXHIBIT NO. PUB-6-3: Letter from PUB to Avion,
8 dated November 6, 2007
9

10 MR. WALTER SARANCHUK: And as PUB --
11 Exhibit PUB-6-4 the letter from PUB to Avion, dated
12 October 24th, 2008.
13

14 --- EXHIBIT NO. PUB-6-4: Letter from PUB to Avion
15 Dated October 24th 2008
16

17 MR. WALTER SARANCHUK: As Exhibit PUB-6-
18 5, the correspondence being a letter from the Destination
19 Winnipeg Organization to the Board, dated November 26th,
20 2008.
21

22 --- EXHIBIT NO. PUB-6-5: A Letter from the Destination
23 Winnipeg Organization to the
24 Board, dated November 26,
25 2008

1 MR. WALTER SARANCHUK: As PUB -- Exhibit
2 PUB-6-6 the letter from Travel Manitoba to the Board,
3 dated January 7th, 2009

4

5 --- EXHIBIT NO. PUB-6-6: A Letter from Travel Manitoba
6 to the Board, dated January
7 7, 2009

8

9 MR. WALTER SARANCHUK: As Exhibit PUB-6-7
10 the letters from the Manitoba Hotel Association, one (1)
11 dated January 10, 2007, and the other January 13th, 2009,
12 to the City of Winnipeg.

13

14 --- EXHIBIT NO. PUB-6-7: Two (2) Letters from the
15 Manitoba Hotel Association,
16 one (1) dated January 10,
17 2007, and the other dated
18 January 13, 2009, to the City
19 of Winnipeg

20

21 MR. WALTER SARANCHUK: As Exhibit PUB-6-
22 8, the letter from the Winnipeg Chamber of Commerce,
23 dated June 17th, 2009 to the Board.

24

25 --- EXHIBIT NO. PUB-6-8: Letter from the Winnipeg

1 Chamber of Commerce, dated
2 June 17th, 2009 to the Board
3

4 MR. WALTER SARANCHUK: And as Exhibit
5 PUB-6-9 an undated letter from Yellow Taxi, received by
6 the Public Utilities Board on June 30th, 2009.
7

8 --- EXHIBIT NO. PUB-6-9: An undated letter from Yellow
9 Taxi received by the Public
10 Utilities Board on June 30,
11 2009
12

13 MR. WALTER SARANCHUK: As Exhibit
14 PUB/AVION-7 we ask that the Public Utilities Board
15 preliminary Information Requests and Avion's response,
16 namely it's November 24th, 2008, letter be entered.
17

18 --- EXHIBIT NO. PUB/AVION-7:
19 Public Utilities Board preliminary
20 Information Requests and letter from
21 Avion, dated November 24, 2008
22

23 MR. WALTER SARANCHUK: As Exhibit
24 PUB/UNICITY/DUFFY-8-1, the Public Utilities Board First
25 Round Information Requests and Unicity/Duffy's response

1 by its April 3, 2009, letter.

2

3 --- EXHIBIT NO. PUB/U/D-8-1:

4 Public Utilities Board First Round
5 Information Requests and letter from
6 Unicity/Duffy's, dated April 3, 2009

7

8 MR. WALTER SARANCHUK: As PUB Exhibit Uni
9 -- PUB/UNICITY/DUFFY-8-2 the Hotel and Taxis Agreement,
10 being the response to Interrogatory Number 2 in the
11 process of the Board's having served First Round
12 Information Requests on Unicity/Duffy.

13

14 --- EXHIBIT NO. PUB/U/D-8-2:

15 Hotel and Taxis Agreement

16

17 MR. WALTER SARANCHUK: As Exhibit
18 PUB/UNICITY/DUFFY-8-3 the response dealing with the --
19 question and responses dealing with previous shuttle
20 services.

21

22 --- EXHIBIT NO. PUB/U/D-8-3:

23 Question and response dealing with
24 previous shuttle services

25

1 MR. WALTER SARANCHUK: As Exhibit
2 PUB/UNICITY/DUFFY-8-4 the response -- the question and
3 response dealing with the regulatory requirements.

4

5 --- EXHIBIT NO. PUB/U/D-8-4:

6 Question and response dealing with
7 regulatory requirements

8

9 MR. WALTER SARANCHUK: As Exhibit
10 PUB/UNICITY/DUFFY-8-5, the question and response dealing
11 with market value of licences, taxicab licenses.

12

13 --- EXHIBIT NO. PUB/U/D-8-5:

14 Question and response dealing with
15 market value of taxicab licences

16

17 MR. WALTER SARANCHUK: As Exhibit
18 PUB/UNICITY/DUFFY-8-6 the question and response of
19 Unicity/Duffy's, relative to the taxi capacity.

20

21 --- EXHIBIT NO. PUB/U/D-8-6:

22 Question and Response of
23 Unicity/Duffy's, relative to taxi
24 capacity

25

1 MR. WALTER SARANCHUK: And then as
2 Exhibit/PUB -- sorry, Exhibit PUB/TCB-9-1, the Public
3 Utilities Board First Round Information Requests and the
4 Taxicab Board's response, relative to the impacts on
5 public services.

6

7 --- EXHIBIT NO. PUB/TCB-9-1:

8 Public Utilities Board's First Round
9 Information Requests and the Taxicab
10 Board's response, relative to the
11 impacts on public services

12

13 MR. WALTER SARANCHUK: As Exhibit
14 PUB/TCB-9-2, the question and response by the Taxicab
15 Board, relative to licence value, that's taxicab
16 licences.

17

18 --- EXHIBIT NO. PUB/TCB-9-2:

19 Question and response by the Taxicab
20 Board, relative to taxicab licence
21 values

22

23 MR. WALTER SARANCHUK: As Exhibit
24 PUB/TCB-9-3, the First Round question and TCB response
25 dealing with licensing decisions.

1 --- EXHIBIT NO. PUB/TCB-9-3:

2 First Round question and TCB response
3 dealing with licensing decisions

4

5 MR. WALTER SARANCHUK: As Exhibit
6 PUB/TCB-9-4, the question and response dealing with some
7 general information provided by the Taxicab Board.

8

9 --- EXHIBIT NO. PUB/TCB-9-4:

10 Question and response dealing with
11 general information provided by the
12 Taxicab Board

13

14 MR. WALTER SARANCHUK: As Exhibit
15 PUB/AVION Number 10 there was a pre-asked question, and
16 that was by way of a letter of May 19th, 2009, relative
17 to the agreement with the Winnipeg Airport Authority.
18 And that was received by the response, dated May 22nd,
19 2009.

20

21 --- EXHIBIT NO. PUB/AVION-10:

22 Letter, dated May 22nd, 2009, relative
23 to the agreement with the Winnipeg
24 Airport Authority

25

1 MR. WALTER SARANCHUK: As Exhibit
2 PUB/UNICITY/DUFFY-11-1 there was a pre-asked question
3 relative to statistics as contained in the letter dated
4 May 19th, 2009.

5

6 --- EXHIBIT NO. PUB/U/D-11-1:

7 Pre-asked question, relative to
8 statistics, contained in a letter,
9 dated May 19th, 2009

10

11 MR. WALTER SARANCHUK: And as Exhibit
12 PUB/UNICITY/DUFFY-11-2, this is to be added to the list,
13 the response by the -- to that particular pre-asked
14 question by way of letter, dated June 29, 2009 from
15 Liffman Soronow to Pitblado LLP.

16

17 --- EXHIBIT NO. PUB/U/D-11-2:

18 Response to pre-asked question,
19 relative to statistics by way of
20 letter, dated June 29, 2009, from
21 Liffman Soronow to Pitblado LLP

22

23 MR. WALTER SARANCHUK: So those are the
24 exhibits to be entered on behalf of the Public Utilities
25 Board, Mr. Chairman. And with that said, we can now

1 proceed with any brief opening comments to be made and
2 introduction of exhibits by the parties and their
3 counsel.

4 THE CHAIRPERSON: Very good.

5 Mr. Edwards...?

6 MR. PAUL EDWARDS: Thank you very much,
7 Mr. Chair, and I think I will start opening comments by,
8 as My Friend, dealing with the exhibits. The Avion's
9 exhibits that are listed here, one (1) through six (6),
10 are certainly acceptable to enter as exhibits with that
11 numbering. I don't know if I need to read them all.

12 THE CHAIRPERSON: Yes.

13 MR. PAUL EDWARDS: I do need to read
14 them all.

15 Avion Number 1, application dated February
16 7th, 2007.

17

18 --- EXHIBIT NO. AVION-1: Application, dated February
19 7, 2007

20

21 MR. PAUL EDWARDS: Avion Number 2, letter
22 from Avion to the PUB, dated May 30th, 2008, which
23 included the updated business plan, dated May 29th, 2008.

24

25 --- EXHIBIT NO. AVION-2: Letter from Avion to the PUB,

1 --- EXHIBIT NO. AVION-5: Letter from Avion to the PUB,
2 dated June 25, 2008
3

4 MR. PAUL EDWARDS: And Avion Exhibit
5 Number 6 was a copy of the affidated -- affidavit, dated
6 December 4th, 2008, having to do with the notices being
7 published.
8

9 --- EXHIBIT NO. AVION-6: Copy of the affidavit, dated
10 December 4, 2008, having to
11 do with the notices being
12 published
13

14 MR. PAUL EDWARDS: Now, the one (1)
15 question I would have in respect of My Friend, Mr.
16 Saranchuk's, exhibits on behalf of the Board: Avion's
17 response to the pre-ask of May 19th, 2009 was dated May
18 22nd, 2009, so I take it that is included in PUB Exhibit
19 Number 10, is it?

20 MR. WALTER SARANCHUK: Yes, sir.

21 MR. PAUL EDWARDS: Thank you very much.
22 Thank you very much. The one (1) exhibit that I didn't
23 see here as well, that I -- I think may be of relevance
24 for all parties, is the January 24th, 2007 record of the
25 City Council decision -- the motion record.

1 Now, I have copies. I -- I don't know if
2 that's a part of other exhibits, and therefore already
3 in. Perhaps Mr. Saranchuk may comment.

4 MR. WALTER SARANCHUK: Perhaps, Mr.
5 Chairman, that can just be added to Avion's exhibit list
6 as Number Avion-7.

7 THE CHAIRPERSON: That's fine.

8 MR. PAUL EDWARDS: Thank you. And I -- I
9 have copies with me. Procedurally, would -- shall I
10 distribute them now, or...?

11 THE CHAIRPERSON: I think so.

12 MR. PAUL EDWARDS: Okay. What this is,
13 is a -- it's the covering letter dated January 25th,
14 2007, signed by the City Clerk and it includes a record
15 of the Motion and Decision of City Council of January
16 24th, 2007.

17

18 --- EXHIBIT NO. AVION-7: Covering letter, dated
19 January 25, 2007, signed by
20 the City Clerk, including a
21 record of the Motion and
22 Decision of City Council of
23 January 24, 2007

24

25 THE CHAIRPERSON: Thanks, Mr. Edwards.

1 Do you have any opening remarks?

2

3 OPENING COMMENTS BY AVION:

4 MR. PAUL EDWARDS: I do. I will keep
5 them very brief, keeping in mind your words, Mr. Chair.

6 This Application comes to the Board under
7 Section 163(3) of the City of Winnipeg Charter, as you
8 have noted. That section heading is "Agreement for
9 Private Operation," and it falls under the Sections 161
10 through 163 of the Charter and the heading there is
11 "Public Transportation."

12 As you know and has been noted, the
13 Application was originally filed February 7th, 2007.
14 Shortly thereafter this matter was -- a request to
15 abeyance it was made and granted, and it came back on at
16 the end of May of 2008.

17 The Public Utilities Board Act, at Section
18 107, allows this Board to perform duties assigned to it
19 by an act of the Legislature, and so through that and com
20 -- in combination with the Section 163(3)(a) and (b) of
21 the City of Winnipeg Charter, this Board has jurisdiction
22 to -- to deal with this, and it naturally comes to this
23 Board.

24 It is important to note that Section
25 163(3) of the PUB Act only becomes operative when there

1 is an agreement in place between a proposed private
2 operator of a local passenger transportation service in
3 the City of Winnipeg, and secondly, that that proposed
4 service must fall under the exclusive authority of the
5 city.

6 As you've noted, Mr. Chair, both of those
7 preconditions have been challenged in the course of the
8 proceedings before this Board and both have been
9 unsuccessful. And so we are here today as somewhat
10 tortured history with respect to this application
11 generally over a number of years, as you have noted, and
12 so the -- Avion, the applicant, certainly appreciates the
13 -- the willingness of the Board to deal with this on an
14 expeditious basis and thanks the Board and the other
15 party, the Intervenor, for accommodating that.

16 By way of a brief comment, as the Board
17 will know, Avion's position has been that Section 163(3)
18 does not give the Board authority, jurisdiction, to -- or
19 -- or any reason or cause, to enter into an analysis of
20 the competitive result of -- of approving this
21 application in the marketplace, whether with respect to
22 taxicabs or other forms of ground transportation to and
23 from the airport.

24 Secondly, Avion has put the position
25 forward that, really, the -- the financial projections,

1 and they are just that, speculative projections of Avion,
2 really aren't germane to the mandate of the Board under
3 Section 163(3). I -- I simply note that on the record at
4 the outset. Avion's position on that has not changed,
5 but Avion seeks to have this application dealt with and
6 wants to get on with its business.

7 And so, with that caveat and without
8 prejudice to those earlier concerns stated on the record,
9 of course, in the course of these proceedings, Avion
10 anticipates that there will be evidence called, and
11 discussion, and argument on -- including those two (2)
12 issues, but I simply note that for the record at this
13 point.

14 Avion's position is that a reading of
15 Section 163(3) makes clear that the City has exclusive
16 authority, and the word is "will," that the -- whether or
17 not the City will allow such a private operator to
18 operate. They have made that decision, so that is not an
19 issue, in Avion's view, which -- which would naturally be
20 before the Board, rather, the issue is approval of the
21 agreement and authorization of the operations.

22 And Avion's view is that that does
23 certainly allow this Board, in the course of this
24 Hearing, to review the aspects of that agreement,
25 determine if they are satisfactory in terms of protecting

1 the public interest in -- in operating this service,
2 certainly does accept that, on a go forward basis, were
3 this application to be approved, the Board would have the
4 ability to, on a -- on an ongoing basis, oversee the
5 operation and the operational aspects and require some
6 reasonable reporting on a regular basis to deal with
7 that, perhaps more so at the outset than -- than later
8 on.

9 Nevertheless, Avion certainly does accept
10 that, that Board's authority, jurisdiction, and does note
11 in conclusion that, in terms of those other issues, the
12 impact in the marketplace and certainly the -- the --
13 whether or not this business will succeed or not has
14 already been the subject of an exhaustive public process
15 by City Council and hotly debated, and properly so in
16 that venue.

17 And the decision as to whether or not the
18 operation will be allowed to move forward was made in the
19 affirmative, not, obviously, without some significant
20 debate and opposition from the parties that are here
21 today as Intervenors.

22 With those comments, and I can just
23 indicate that the witness for the -- for Avion will be
24 Ms. Shelley Tataryn, and we will not belabour or
25 duplicate the evidence which is already before the Board

1 in the materials, but we will seek to expand upon it.

2 And those are -- I think I'll conclude my
3 opening comments with that. Thank you.

4 THE CHAIRPERSON: Thank you, Mr. Edwards.

5 Mr. Soronow...?

6 MR. SIDNEY SORONOW: Mr. Chairman, just
7 firstly, a point of clarification. There was added as an
8 exhibit PUB/UNICITY/DUFFY-11-2, that was our response to
9 the pre-ask of May 19, and attached to that was one (1)
10 or more documents. Just want to make sure that when you
11 mark an exhibit, it includes all of the attachments and
12 they're all housed under that exhibit number.

13 THE CHAIRPERSON: Yes.

14 MR. SIDNEY SORONOW: Okay. And turning
15 now to the exhibits that are referenced on the draft page
16 4, that is Unicity/Duffy's exhibits, references the
17 submission of December 10, 2008, and that should be an
18 exhibit.

19 And I am assuming, Mr. Chairman, that
20 would include all of the attachments to it, just as our
21 information response would include all the exhibits
22 attached?

23 THE CHAIRPERSON: Yes, sir.

24 MR. SIDNEY SORONOW: Okay. And then
25 there's reference to U/D2 letter, dated December 11,

1 2008, so both those should be marked as an exhibit. I
2 assume, Mr. Chairman, and correct me if I'm wrong, that
3 if, in the course of examination, cross-examination,
4 there are documents that arise, those will be simply
5 marked at the time as exhibits?

6 THE CHAIRPERSON: Yes.

7

8 OPENING COMMENTS BY UNICITY/DUFFY'S:

9 MR. SIDNEY SORONOW: Okay. With that, I
10 have a few opening remarks. It's not my intention, Mr.
11 Chairman, to revisit or re-canvass those issues relating
12 to jurisdiction. My views, at least, our views are well
13 known to this tribunal, and -- and that is still an
14 issue, in our view.

15 But that having been said, I noted that
16 Mr. Edwards referenced his position, if you will, on what
17 the scope of this Hearing or the decision should be, and
18 I want to make it clear to this Tribunal right at the
19 outset that any reading, even a casual reading of the
20 material concerning the discussions and debates that took
21 place at City Council made it absolutely clear that City
22 Council felt, basically, that they didn't understand what
23 the matter was even doing before them.

24 They voted to, in effect, simply move it
25 forward, and approved it on that basis, sent it to the

1 Public Utilities Board on a very clear direction and
2 understanding, namely, that the Public Utilities Board
3 would engage in an exercise which considered the issue
4 from the broad public perspective, including the effect
5 on existing service providers.

6 So the manner in which parties have filed
7 their material to date is reflective of the fact that
8 they anticipate that this Tribunal will approach matters
9 from a broad public interest point of view inclusive of
10 the impact of the service and the impact of the proposed
11 service on existing service providers.

12 I'd like to -- whilst not wishing at all
13 to enter into the fray about the jurisdiction issue, I do
14 want to make one (1) comment, because at the outset, Mr.
15 Chairman, you identified, I'll call it, certain matters
16 that you understood to be fact. And when I listen to
17 that recital, you referenced and said that, during the
18 course or after the course of the City of Winnipeg
19 proceedings, the Taxi Board declined jurisdiction, and I
20 take a different view of the facts and I do not accept
21 that that is a fact.

22 I think it's a completely erroneous
23 statement. There was nothing further pending before the
24 statutory tribunal, and wi -- as is the case, with
25 statutory tribunals, they address and deal with

1 applications that come before them.

2 So it is the case that, in February 2006,
3 an application was filed by Avion, consider -- processed,
4 considered by the Board and declined as -- or dismissed,
5 as you have indicated in your statement. But I think
6 it's completely erroneous to say that the Taxicab Board
7 declined jurisdiction, particularly in light of the fact
8 that they actually exercised jurisdiction and did not see
9 fit to grant the authority being sought by Avion.

10 Now, in relation to the proposed service
11 that is in front of you and being requested by Avion to
12 be approved, I'm not going to say too much, as obviously
13 my closing remarks will speak for themselves.

14 I will say, however, that there is no
15 demonstrable demand or need for this service. The
16 transportation service that Avion intends to engage in is
17 adequately, and more than adequately, addressed by
18 existing resources, that is, existing service providers.

19 And that something that will play a big
20 part, and ought to play a big part, in your
21 considerations is that the authorization and
22 implementation of this service will have a -- a negative
23 impact on existing service providers. And the
24 transportation available through taxis is extremely
25 important to the City of Winnipeg, and we ought not to be

1 negatively impacting on it for no perceptible value,
2 benefit, or reason.

3 Lastly, that the implementation of this
4 service, and consequently the approval of Avion's
5 service, is just simply not in the public interest. And
6 we place our faith, at least as it addresses the merits
7 of this Application, in the hands of the Public Utilities
8 Board which has a long and storied history of being
9 capable of and analyzing the public interest and making
10 decisions in the public interest.

11 I perceive that to be part and parcel of
12 the mandate of the Public Utilities Board, its raison
13 d'etre, and we call upon you to closely listen to the
14 evidence, the submissions. And at the end of the day we
15 believe that you will find that this service has no
16 perceptible benefit and certainly detriment (sic) to the
17 community, the public at large and the existing service
18 providers.

19 So we will, of course, be asking you to
20 dismiss the Application.

21 So, with those opening remarks, I think
22 that captures, in a nutshell, some of the position that
23 we will be taking at this proceeding.

24 THE CHAIRPERSON: Thank you, Mr. Soronow.

25

1 So now we can proceed on with Mr.
2 Saranchuk.

3 MR. WALTER SARANCHUK: Yes, the Board
4 calls Mr. Jerry Kozubal as the witness, the first witness
5 to be examined this morning.

6 THE CHAIRPERSON: Mr. Gaudreau, would you
7 swear in the witness?

8

9 JERRY KOZUBAL, Sworn

10

11 THE CHAIRPERSON: Thank you for
12 attending, sir.

13 Mr. Saranchuk...?

14

15 EXAMINATION-IN-CHIEF BY MR. WALTER SARANCHUK:

16 MR. WALTER SARANCHUK: Thank you, sir.
17 Let me begin, Mr. Kozubal, by asking you to confirm that
18 the answers in your March 18th, 2009 response to the
19 Board's Information Requests are true and that you adopt
20 them today.

21 MR. JERRY KOZUBAL: They are true and I
22 adopt them today.

23 MR. WALTER SARANCHUK: Thank you.
24 Dealing first with your response on page 5, sir. And
25 this dealt with the fourth question asked by the Board,

1 to the effect that -- would indicate whether the Taxicab
2 Board has discussed the Avion Shuttle Application,
3 whether the Board has any advice to offer to the PUB.
4 There is a reference there that -- to the fact that the -
5 - that the -- the Taxicab Board enlisted a study to be
6 undertaken, known as the Winnipeg Taxi Study, in 2008 and
7 offered that for assistance to the Board.

8 Would you please describe the
9 circumstances that led the Board, the Taxicab Board, to
10 request that study be undertaken?

11 MR. JERRY KOZUBAL: Okay. Initially, in
12 I believe it was February of 2008, the Board received
13 applications from Spring Taxi under the name of Greenline
14 Taxi for I believe it was two hundred (200) vehicles --
15 additional taxis. I'm going to correct myself now. I
16 think it was fifty (50) premiums and fifty (50) standard
17 taxis.

18 And subsequent to that, within about a
19 month or so, we also received another application from
20 the Winnipeg Taxi Co-op for an additional number of
21 licences. Again, I'd have to refresh my memory, I
22 believe it was a hundred and fifty (150).

23 The Board held initial hearings. There
24 was considerable opposition. The Board subsequently had
25 received a number of other applications from applicants

1 in the City of Winnipeg for additional licences, and so
2 in June of 2008 the Board felt it was appropriate to have
3 a study done of the industry for a number of reasons:
4 1) is that we really don't have a good handle on data,
5 with respect to the demand for services. The Taxicab
6 Board does not regulate dispatch companies. The Taxicab
7 Board does not receive data on the number of dispatched
8 trips, the number of trips that are taken by taxicab
9 throughout the city.

10 The data that we do receive is partial.
11 We do receive information from the Winnipeg Airport
12 Authority on number of taxis and limos that generate
13 trips from the airport terminal. We also have other data
14 within our own database.

15 But the Board felt it was important to try
16 and determine if in fact the City did require additional
17 taxicabs. And by the time we got the study introduced
18 the Board had I believe it was thirty-eight (38)
19 applications for new licences for about eight hundred and
20 four (804) new taxicab and limousine licences. So again,
21 the significance of the study was very real, that we
22 needed some independent data to determine what the need
23 for additional licences would be.

24 MR. WALTER SARANCHUK: Thank you, sir.
25 And how is it that you came to engage the Tennessee

1 Transportation and Logistics Foundation to provide the
2 study?

3 MR. JERRY KOZUBAL: The Taxicab Board
4 issued a request for proposals. It was published through
5 the Public Services of the Provincial Government. It was
6 advertised in the newspapers and on the internet and we
7 received a number of applications from across Canada and
8 the USA.

9 MR. WALTER SARANCHUK: And has the
10 Taxicab Board utilized the information provided in that
11 study?

12 MR. JERRY KOZUBAL: Yes, we have. The
13 Board has thoroughly reviewed the study. The Board has
14 held public hearings to discuss it with the public and
15 the taxi and limousine industry, and a number of
16 recommendations are currently in the process of being
17 implemented.

18 MR. WALTER SARANCHUK: Now, these
19 recommendations have already been formulated by the
20 Taxicab Board?

21 MR. JERRY KOZUBAL: As I mentioned, the
22 Board is in the process of reviewing these applications.
23 One (1) of the significant applications that will have an
24 impact on the number of taxicabs in the city is looking
25 at seasonal taxicabs. The study recommended eighty (80)

1 seasonal taxicabs for a period of five (5) months and
2 that these licences should be issued to drivers and not
3 to owners as the Board has in the past, so we're
4 currently looking at that situation.

5 MR. WALTER SARANCHUK: And can you give
6 us an idea as to the extent to which the -- your Board
7 believes that the study addressed the issues that it was
8 initially called upon to address?

9 MR. JERRY KOZUBAL: The study, as led by
10 Dr. Mundy, did talk to all representatives within the
11 industry. They did a number of surveys of the public, of
12 various establishments throughout the city, and various
13 users of taxicab and limousine services.

14 What the study found was that there is a
15 consistent demand for services within Winnipeg, but the
16 demand varies. It's a very seasonal industry. It's one
17 where the demand for taxicab tends to fall during the
18 summer or warmer months, but it also increases
19 considerably as our weather gets colder and we have our
20 severe winter weather.

21 MR. WALTER SARANCHUK: And the public has
22 come to learn about an application for a number of
23 licenses of -- in the recent past that was declined by
24 the Taxicab Board.

25 Was that particular report considered in

1 the decision by the Board to decline the applications?

2 MR. JERRY KOZUBAL: Once the Board had a
3 chance to review the report, which we received last
4 October and basically had several months to review it
5 before it went into public disclosure in February, the
6 report information and data was significant in assisting
7 the Board to arrive at a decision.

8 So, as I referenced earlier, the thirty-
9 eight (38) applications for eight hundred (800) licences
10 definitely was impacted by the study. The Board
11 subsequently did make decisions. We approved a number of
12 applications for limousines, handicap vans, and
13 accessible taxicabs, but all requests for the standard
14 taxicabs were denied.

15 MR. WALTER SARANCHUK: And in very
16 general terms, can you give the Board -- this Board some
17 idea as to what the findings of the study were that the
18 Board found particularly pertinent? That is your Board
19 found particularly permanent -- pertinent.

20 MR. JERRY KOZUBAL: Okay, the -- the
21 Taxicab Board, as I mentioned, did find the -- the study
22 very relevant. It confirmed a number of myths, because,
23 again, as I mentioned, we do have a lack of specific data
24 on the number of dispatch trips, and -- and that's really
25 important in determining the public need and convenience.

1 So, again, the Board basis its decisions
2 both on the applicant's information, and the applicant's
3 information is generally a business plan that an
4 applicant would submit to the Board. We also have other
5 data, such as our data report. We rely on other economic
6 information that Board members would be able to either
7 access through their knowledge or through public
8 information.

9 What the Board has found is that it has to
10 make its decision based on public need and convenience,
11 which is, basically, a decision of assessing all the
12 information presented to it, and then making a reasonable
13 judgment as to the need for additional licences, whether
14 it be one (1) licence or whether someone is applying for
15 a hundred (100) licences.

16 MR. WALTER SARANCHUK: And can you give
17 us some idea as to what led you to conclude that that
18 public need had to be a significant criterion in
19 considering these applications that would be forthcoming?

20 MR. JERRY KOZUBAL: Okay, the Board
21 basically considers public need as the applicant's
22 assessment of service. If the applicant is able to
23 identify that a particular market or a portion of a
24 population or an area of the city is not being served or
25 there is a new development that requires additional

1 taxicab services, I mean, that information will be
2 considered by the Board.

3 MR. WALTER SARANCHUK: Thank you, sir.
4 Now, turning to the first page of your response, and, in
5 particular, the response to question 1 -- or 10-1A, and
6 that begins at the beginning of the first page and
7 continues on -- halfway onto the second page.

8 Without getting into the details there
9 because it's there for everyone to read -- or they're
10 there for all to read, but would it be fair to summarize
11 your response to the question as being that the Taxicab
12 Board has insufficient data available to assess the
13 economic impact of Avion's application on the local
14 taxicab industry?

15 MR. JERRY KOZUBAL: That's true, we do
16 not have sufficient data, as I've indicated in my
17 response.

18 MR. WALTER SARANCHUK: And given that
19 limitation, however, and given that Avion's estimate,
20 that the number of lost trips to the taxicab industry
21 would be approximately sixty-eight thousand (68,000)
22 annually to and from the airport and hotels, would you
23 expect intuitively that that would be a material overall
24 revenue loss to the taxicab industry?

25 MR. SIDNEY SORONOW: Mr. Chairman, if I

1 may interject for a moment. I'm not certain where Mr.
2 Saranchuk gets the number that he's referencing. I
3 believe that the Avion material shows that in the first
4 full year of operation, that is after a ramp-up period,
5 it'll be a hundred and nineteen (119) and change -- a
6 hundred and twenty thousand (120,000) trips to and from
7 the airport.

8 So I'm interjecting because he's, I think,
9 asking a question of the witness, making a statement
10 about sixty-eight thousand (68,000) when, in fact, I
11 believe that information is not fully correct or
12 representative.

13 MR. WALTER SARANCHUK: I think that
14 number was the one (1) that was included in Avion's
15 Application and in its business process review that
16 initially there would be some sixty-eight thousand
17 (68,000) trips annually.

18 I stand to be corrected, Mr. Edwards, if
19 there's anything there.

20 MR. PAUL EDWARDS: I think there may be
21 some confusion over the one (1) way and the two (2) way,
22 and -- and I -- just by way of clarification, the numbers
23 that this airport provides are dispatches and -- and
24 trips from the airport downtown.

25 They don't collect the numbers on trips to

1 the airport, and so I think that -- when we go to apples
2 and apples, the sixty-eight (68,000) does -- is a
3 comparable number to -- to trips from the airport.

4 MR. WALTER SARANCHUK: All right. Thank
5 you then. Given the --

6 MR. SIDNEY SORONOW: Well, just a moment.
7 Are you asking then the witness the notion of the sixty-
8 eight (68) being a number you're using from the airport
9 to downtown hotels as opposed to a two (2) way?

10 MR. WALTER SARANCHUK: Well, if you let
11 me finish asking the question the second time, then
12 you'll see.

13

14 CONTINUED BY MR. WALTER SARANCHUK:

15 MR. WALTER SARANCHUK: As it now stands,
16 I stand to be corrected and given the clarification that
17 was made by My Learned Friend, Mr. Soronow, and given the
18 numbers that he has referred to -- I don't know if you
19 made a note of them -- but given that we're looking at
20 approximately double the trips that I had mentioned --
21 not sixty-eight thousand (68,000), but it's almost a
22 hundred and twenty some odd thousand (120,000) -- would
23 you expect that that would have an impact -- significant
24 impact on the overall revenue lost to the taxicab
25 industry, Mr. Kozubal?

1 MR. JERRY KOZUBAL: Just a point of
2 clarification, in my preamble to PUB 10-1 I indicate that
3 the information you had provided was that Avion Shuttle
4 Service can make twenty-two thousand five hundred
5 (22,500) trips from the airport terminal to downtown.

6 So again, I'm not familiar with this
7 additional information as to whether it's sixty-eight
8 thousand (68,000) or a hundred and nineteen thousand
9 (119,000).

10 MR. WALTER SARANCHUK: All right. Given
11 the information that you had at the time when you
12 responded, let me ask you the question in terms of
13 utilizing those numbers.

14 What would you say in terms of the impact
15 on the revenue to the taxicab industry in general?

16 MR. JERRY KOZUBAL: Well, certainly,
17 twenty-two thousand (22,000) trips from the airport will
18 have an impact on taxicab service. As I indicated in my
19 response for 2007, Unicity had two hundred and twenty-
20 nine thousand five hundred and twenty-seven (229,527)
21 trips that originated at the airport.

22 So if, in fact, Avion is going to offer,
23 well, let's say, twenty-two thousand (22,000) trips,
24 that's 10 percent of the number of trips originating at
25 the airport, so that in itself will have an impact on

1 Unicity's concession.

2 MR. WALTER SARANCHUK: And in your
3 response to Question B, there is a reference to the fact
4 that the Winnipeg Taxi Study suggests that the minimum
5 number of trips per day for a taxicab is fifteen (15)
6 with the upper range of forty-five (45).

7 Is that correct, sir?

8 MR. JERRY KOZUBAL: That's correct based
9 on the information reported.

10 MR. WALTER SARANCHUK: Then if one were
11 to assume, then, that the average number of trips per day
12 is thirty (30), extended to a year, this is approximately
13 twelve thousand (12,000).

14 If Avion displaces the trips that has --
15 has been referred to, does it follow that it would
16 displace something in the order of five (5) to six (6)
17 taxicabs, in round figures?

18 MR. JERRY KOZUBAL: It may. Again, it
19 depends on the fact that there are seasonal factors
20 affecting taxi industry. It also depends on which part
21 of the City or whether they work in the airport. So,
22 certainly -- I mean, any significant number of trips will
23 affect a number of taxicabs and the number of trips that
24 they receive.

25 MR. WALTER SARANCHUK: Now, sir, in

1 response to Question B, the second paragraph from the
2 bottom refers to the -- the taxi indus -- Taxicab
3 Industry Data Report for the period from January to
4 December 31, 2008.

5 That document I take it, you have
6 available to you, please?

7 MR. JERRY KOZUBAL: I'll find it.

8

9 (BRIEF PAUSE)

10

11 MR. SIDNEY SORONOW: Mr. Chairman, the --
12 the Taxi Industry Data Report, just for clarification, is
13 it already marked an exhibit and if not, perhaps it
14 should be?

15 MR. WALTER SARANCHUK: It is marked as an
16 exhibit, it's part of the overall --

17 MR. SIDNEY SORONOW: Response?

18 MR. WALTER SARANCHUK: -- response.

19

20 (BRIEF PAUSE)

21

22 MR. WALTER SARANCHUK: Perhaps while
23 we're waiting, Mr. Chairman, for Mr. Kozubal to get his -
24 - we'll have -- all right.

25 Mr. Soronow said he would provide a copy

1 to Mr. Kozubal to review and I was going to suggest that
2 in the meantime perhaps Mr. Edwards can check into his
3 file and review the projected revenue analysis that was
4 submitted as part of Exhibit Avion Number 3 where the
5 figure of sixty-eight thousand (68,000) trips to and from
6 the airport are shown as Avion's projected market
7 capture.

8 And perhaps, give some -- give us some
9 clarification when he is able to do so and perhaps he
10 should be allowed to interject once he's got that, Mr.
11 Chairman, because then I can use that information to
12 proceed with cross-examination of Mr. Kozubal.

13 MR. SIDNEY SORONOW: Mr. Chairman, I'm
14 sorry, I didn't catch which exhibit Mr. Saranchuk was
15 referring Mr. Edwards to.

16 MR. WALTER SARANCHUK: Avion Number 3.

17 MR. SIDNEY SORONOW: Okay.

18 MR. PAUL EDWARDS: Perhaps just to -- I'm
19 happy to do that. We can have a break before My Friend
20 ends his examination, take a few minutes. We can take a
21 few minutes now, whatever My Friend would prefer. We're
22 certainly able to do that.

23 On a separate matter, while I've got the
24 mic on, I have copies of the '08 report -- data report --
25 if My Friend needs copies.

1 MR. WALTER SARANCHUK: Well, it looks
2 like he has -- the witness has one (1) in front of him so
3 we can take it from there.

4 MR. PAUL EDWARDS: We have copies for the
5 Board?

6 THE CHAIRPERSON: I'm pretty sure that
7 we've read the material but it doesn't hurt to have a
8 second check. Yes, we have this.

9

10 (BRIEF PAUSE)

11

12 CONTINUED BY MR. WALTER SARANCHUK:

13 MR. WALTER SARANCHUK: Yes, just at a
14 high level for this Board's benefit, Mr. Kozubal, could
15 you just review with me some of the information provided
16 in this report?

17 For example, on page 2, just very
18 generally what is the information provided there?

19 MR. JERRY KOZUBAL: What page 2 shows on
20 the top half of the report is the population information
21 for similar cities to Winnipeg. It also shows a number
22 of taxicabs and a number of handicapped and accessible
23 taxicabs and then it does a ratio analysis of the number
24 of taxicabs to the population. We also at the bottom
25 show the population of Winnipeg from 1986 to 2007 which

1 is data obtained from Statistics Canada.

2 MR. WALTER SARANCHUK: And in terms of
3 Winnipeg's situation as to the passenger ratio, again for
4 the record, what is your conclusion from this
5 information?

6 MR. JERRY KOZUBAL: Basically, it's -- it
7 's a ratio. It shows that Winnipeg has one (1) taxicab
8 for every one thousand seven hundred and thirty-eight
9 (1,738) citizens.

10 MR. WALTER SARANCHUK: And given this
11 information, how does it compare with the other cities
12 shown?

13 MR. JERRY KOZUBAL: Winnipeg falls at the
14 upper end. You have cities like Calgary with a ratio of
15 eight hundred and sixty-nine (869) citizens for each
16 taxi, and a city like Hamilton, which has one (1) taxi
17 for every seventeen hundred and seventy-four (1,774)
18 citizens.

19 MR. WALTER SARANCHUK: Thank you, sir.
20 With reference to information on page 4, can you give us,
21 just at a high level, the information shown there?

22 MR. JERRY KOZUBAL: Page 4 is a report
23 which shows the distribution of taxicabs by the type of
24 taxicab, so standard taxicab would be your four (4) door
25 sedan, which is the most common taxicab in Winnipeg, four

1 hundred and ten (410).

2 Then we have the two (2) categories of
3 wheelchair taxis, the accessible, and the handicap vans,
4 which is also shown a number of vehicles or licences by
5 company. And the remainder, we have limousines, which
6 are standard premium classic executive cars and specialty
7 vehicles. And then the last category shows the number of
8 seasonable taxicabs which operate for a three (3) month
9 period.

10 MR. WALTER SARANCHUK: Thank you, sir.
11 Now turning to page 8, if you wouldn't mind, please,
12 providing the Board with -- is that a high level summary
13 of the information shown there?

14 MR. JERRY KOZUBAL: Okay, page 8, the
15 first graph shows standard taxicab sale transfer values,
16 which again shows the -- both the average value of a sale
17 transfer for the various categories.

18 We have taxicabs, limousines, and handicap
19 vans, and the data is available from 1997 through to
20 2008. If we look at, for example, the second grouping
21 which says taxicabs, which are your standard cabs, a high
22 value of sale transfer in 2008 was two hundred and
23 eighty-five thousand (285,000) for one (1) licence to be
24 transferred from one (1) owner to another.

25 Limousines in 2008, the highest value was

1 a hundred and fifty-eight thousand (158,000).

2 MR. WALTER SARANCHUK: And so the trend
3 is obviously indicated as having increased through the
4 years in question, is that correct?

5 MR. JERRY KOZUBAL: That's true.

6 MR. WALTER SARANCHUK: Now dealing with
7 page 4 -- I'm sorry, page 9, would you please, again, in
8 summary form, explain to the Board what the information
9 on that page indicates?

10 MR. JERRY KOZUBAL: Okay, average wait
11 time, and it's identified below that as airport, which is
12 data obtained from the Winnipeg airports authority, their
13 ground transportation branch, and shows the number of
14 trips for taxicabs and limousines that are authorised to
15 provide dispatch service at the airport.

16 So, for example, in 2008, which will be
17 the three (3) columns to the right, taxicabs -- this
18 would be the average wait time, so taxicabs had an
19 average wait time of thirty-two (32) minutes in January,
20 twenty-four (24) minutes in February, twenty-six (26)
21 minutes in March, for an average wait time of twenty-
22 seven (27), limousines, an average wait time of fifty-
23 five (55) minutes.

24 MR. WALTER SARANCHUK: And just in terms
25 of clarification, "wait time" means what?

1 MR. JERRY KOZUBAL: Okay, from the time
2 that the taxi or limo enters what -- a holding area,
3 called a corral, so once the vehicles enters in there
4 until it's called to the front of the terminal for
5 pickup, so that's the average wait time. That's over a
6 twenty-four (24) hour period.

7 THE CHAIRPERSON: This doesn't speak to
8 the average wait time for a passenger, it is the cab
9 itself?

10 MR. JERRY KOZUBAL: No, it's just for the
11 taxicabs and limos.

12

13 CONTINUED BY MR. WALTER SARANCHUK:

14 MR. WALTER SARANCHUK: Thank you, sir.
15 And now dealing with the information on page 10.

16 MR. JERRY KOZUBAL: Okay, page 10, as the
17 report is titled "Monthly Vehicle Trips, Airport," and it
18 shows two (2) -- two (2) reports. The top report says
19 "taxi," which is the number of taxi trips by month for
20 period of 1998 to 2008.

21 So, for example, in 2008, if you go to the
22 bottom of that first graph, year end totals, there were
23 two hundred and forty-six thousand three hundred and
24 fifty-six (246,356) trips that originated at the Winnipeg
25 airport terminal. The other thing is that this

1 information pertains only to Unicity Taxi because they
2 have an exclusive concession with the Airport Authority
3 to provide transportation at the airport.

4 The limousines in the second graph shows
5 again data for a ten (10) year period by month and a
6 total for 2008 of twenty-two thousand two hundred and
7 sixty-three (22,263) in that year. So these, again, are
8 only trips that originate at the airport terminal and
9 will go to either downtown or other points within the
10 city.

11 MR. WALTER SARANCHUK: Thank you, sir.
12 Now turning to pages 12 and 13.

13 MR. JERRY KOZUBAL: Okay, the report is
14 titled, "Taxicab Driver Licences Issued 2008." Each year
15 a taxicab driver is required to renew their taxicab
16 driver's licence. They have to produce a valid Manitoba
17 driver's licence, it has to be a Class 4. They have to
18 have met all the other requirements to maintain their
19 taxicab driver's licence.

20 What this report shows is based on the
21 application the applicant has identified a company that
22 they work for so it could be their last employer, it
23 could be their current employer. So what it does show is
24 that we had one thousand six hundred and ninety-nine
25 (1,699) taxicab drivers. This would show you the firms

1 that they were employed with. It also breaks it down by
2 the number of female drivers, thirty-five (35) and the
3 number of male drivers, one thousand six hundred and
4 sixty-four (1,664).

5 MR. WALTER SARANCHUK: And just for
6 clarification of the second line from the bottom, Code
7 Number 55, where there's a designation of taxi not
8 designated to a taxi company and showing that there are
9 two hundred and twenty-one (221) drivers in 2008.

10 What does that mean?

11 MR. JERRY KOZUBAL: Okay. It means that
12 the applicant either could be a new applicant hasn't
13 particularly signed with a particular owner or driver to
14 drive their cab or they may be freelancing where they
15 move from company to company.

16 MR. WALTER SARANCHUK: Thank you.
17 Turning to page 14, could you explain the information
18 there?

19 MR. JERRY KOZUBAL: Okay, English
20 language assessment test. As a prerequisite any
21 applicant for a taxicab driver's licence must first go
22 through an English language assessment test which is
23 administered by the Taxicab Board. What the data shows
24 is the number of applicants that we have. For example,
25 in 2008 there were two hundred and ninety-eight (298)

1 applicants that passed the English test, a hundred and
2 thirty-eight (138) failed the test, and fifty-four (54)
3 were no-shows. They had registered to take the test and
4 did not come in and complete the test, and then just a
5 graph showing you the distribution over a nine (9) year
6 period.

7 MR. WALTER SARANCHUK: So what happens in
8 the case of those who failed?

9 MR. JERRY KOZUBAL: If they fail they are
10 either required to come back and they can re-take the
11 test or in some cases where their language proficiency is
12 very poor we direct them to language training.

13 MR. WALTER SARANCHUK: And on page 15
14 there's reference to the type of vehicles by make and
15 company utilized for the taxicab services in Winnipeg.

16 Can you -- with reference to this
17 information, give us some indication as to whether the
18 Taxicab Board has had any views that it is considering or
19 that it has expressed relative to the size of the
20 majority of taxicabs now being utilized, for example,
21 just the Toyota Prius for example as opposed to the Chev
22 Impala?

23 MR. JERRY KOZUBAL: Okay. The taxicab
24 regulations provide minimum specifications. A vehicle
25 must be capable of carrying four (4) adult passengers.

1 It must also be capable of having a minimum of fifteen
2 (15) cubic feet of cargo or trunk space. Aside from
3 that, the Board does not designate the type of make or
4 model or year that the vehicle must be in order to be a
5 taxicab.

6 MR. WALTER SARANCHUK: So just in light
7 of that information is there any concern that has been
8 registered with your Board relative to the use of the
9 smaller so-called appearing vehicles such as the Prius in
10 terms of allowing them or that -- that they somehow might
11 become or are less customer-friendly?

12 MR. JERRY KOZUBAL: Responses we've had
13 are generally positive. People find that the vehicles,
14 you know, are quite adequate for carrying passengers
15 unless you're carrying very large, you know, four (4)
16 large people or you get customers -- we do get occasional
17 complaints saying there's someone going to the airport
18 and, you know, maybe a family that has luggage and
19 they're going away for an extended period that, yeah,
20 they've actually asked the dispatch company to provide a
21 larger vehicle.

22 MR. WALTER SARANCHUK: Now, the response
23 by you to the Interrogatory 10-2B on page 3 of your
24 letter, sir, deals with the sale transfer values of taxi
25 licences. And at page 8 of the document that we were

1 just reviewing, as you have already alluded to, there's
2 information on the transfer values.

3 Now, as you've indicated, at the bottom of
4 page 3, or at least at page 3 of your letter, the Taxicab
5 Board does not regulate the market value of licences.

6 Is that correct?

7 MR. JERRY KOZUBAL: That's correct.

8 MR. WALTER SARANCHUK: So then can you
9 explain how you gathered the information to establish the
10 values reported on page 8?

11 MR. JERRY KOZUBAL: One (1) of the
12 requirements under the Taxicab Act and Regulations is
13 that a licence holder must receive approval from the
14 Board, make application to the Board and the sale
15 transfer must be approved. So every sale transfer, the
16 applicant who is the seller must indicate and provide
17 documentation as to the sale transfer, bill of sale, the
18 values and that's how we obtain the data.

19 MR. WALTER SARANCHUK: And do you have
20 any reason to believe that there has been any material
21 change in these values since this report was published?

22 MR. JERRY KOZUBAL: Yeah, the values do
23 change constantly. At the last Taxicab Board meeting of
24 two (2) weeks ago there was one (1) sale transfer. A
25 half share of Duffy's sold for two hundred and five

1 thousand (205,000) which would mean that a full share
2 would be selling at four hundred and ten thousand
3 (410,000).

4 MR. WALTER SARANCHUK: Are you aware of
5 any jurisdictions in North America that control or
6 regulate the retail market value of taxicab licences?

7 MR. JERRY KOZUBAL: There are a number of
8 jurisdictions throughout North America that both regulate
9 dispatch companies and also regulate values. In fact,
10 New York City actually sells medallions annually through
11 auction.

12 MR. WALTER SARANCHUK: Now, as the -- has
13 your Board ever considered regulating the market value?

14 MR. JERRY KOZUBAL: We've discussed it.
15 The issue becomes one of establishing a value of a
16 licence which the Board considers a revokable privilege.
17 So, again, it creates a number of legal issues if we were
18 to establish the value and, for example, if the market
19 were to change, values were to drop, the Board may find
20 itself in a position of defending, you know, its decision
21 again, you know, where it might impact market value.

22 MR. WALTER SARANCHUK: And the second
23 paragraph from the bottom of page 3 of your answer
24 indicates that the Taxicab Board has been issuing taxicab
25 business licences 2000 -- since 2001 that are non-

1 convertible and non-transferable.

2 What do you mean by "non-convertible"?

3 MR. JERRY KOZUBAL: "Convertible" means
4 you can transfer from one (1) category of licence to
5 another. For example, whether you own a standard
6 taxicab, you can convert it to an accessible taxicab or
7 to a limousine licence.

8 The Board has, since I've been with the
9 Board since 2001, made all applications for new licences
10 non-convertible, which means you can't transfer it.
11 Whatever category you've applied for, that's what your
12 licence will remain, whether it's a standard cab, a
13 limousine or accessible. And it's also non-transferrable
14 which means that licence cannot be sold. Once the
15 current holder no longer wishes to use that licence, it
16 comes back to the Board and is cancelled.

17 MR. WALTER SARANCHUK: And so, that
18 comment that you make in that same paragraph essentially
19 reflects what you just said, as I understand it, and that
20 is that the -- the taxicab business licences that were
21 issued prior to 2001 are transferrable and, over time,
22 acquire a market value.

23 So, the Board -- essentially, your Board -
24 - has, really, no involvement in the actual market
25 transfer and the setting of the market value of the

1 licences?

2 MR. JERRY KOZUBAL: That's true. We do
3 not establish values.

4 MR. WALTER SARANCHUK: Was there a
5 particular reason that -- or some instance that occurred
6 in 2001 that made for that change?

7 MR. JERRY KOZUBAL: I'm not familiar with
8 the precis -- you know, precise decisions of the Board at
9 that time, but that was done prior to my joining the
10 Board.

11 THE CHAIRPERSON: Any vehicle that's
12 added -- if you add a new cab now, if the Taxicab Board
13 adds another cab onto the list, in effect, that
14 particular cab comes with no transfer value attached to
15 it at all, is that not correct?

16 MR. JERRY KOZUBAL: That's true, they're
17 all non-transferable now.

18 THE CHAIRPERSON: So if you added two
19 hundred (200) in that spate of applications that came in,
20 that would have been a significant change to the market,
21 would it not?

22 MR. JERRY KOZUBAL: Right. It would be a
23 change to the market as to the number of taxicabs in the
24 industry, which that would, you know, gener -- you know,
25 affect the number of trips taken per cab, it probably

1 would do -- affect the revenue earned by the cab owner,
2 but, in effect, those licences -- the licences would be
3 non-transferable.

4

5 CONTINUED BY MR. WALTER SARANCHUK:

6 MR. WALTER SARANCHUK: And in terms of
7 the response to Question 10-3B at the top of page 5 of
8 your letter, sir, just paraphrasing there, it indicates
9 that the approval of the Avion Application may have an
10 effect on the number of taxicab trips originating at the
11 airport or destined to the airport from downtown hotels.

12 And it would appear, reading that entire
13 answer or that entire paragraph, that your response is
14 that the Board would not reduce any transferable standard
15 taxicab business licences as a result of any impact by
16 Avion, Avion's operation on the industry. And you
17 indicate that there are four hundred and nine (409)
18 standard business licences issued prior to 2001.

19 Does your response mean that the four
20 hundred and nine (409) permanent licences will not be
21 reduced, irrespective of the impact of the introduction
22 of a shuttle service, but that your Board might consider
23 adjusting the number of seasonal licences on that
24 account?

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

1 Board, at this point, would not rescind or cancel any
2 existing licences, particularly if they're transferable
3 licences. The Board has the flexibility to adjust for
4 seasonal demands, so whether it's seasonal taxicabs,
5 whether there are any special events that would warrant
6 additional temporary licences, the Board will certainly
7 look at those factors.

8 MR. WALTER SARANCHUK: Yes. And now
9 returning to your response to Question 10-4, and this is
10 page at 5, sir, page 5 of your letter, this portion, the
11 bottom half of your response on page 5, refers to your
12 letter, that is the letter from your Taxicab Board to the
13 city of Winnipeg Standing Policy Committee, which dealt
14 with the application by Avion for an airport shuttle
15 service. And as I understand it, your letter of November
16 22nd, 2006 is quoted in your response there on page 5.

17 And with reference to that letter, I
18 wonder if you would read in for -- to the record, sir,
19 the last two (2) paragraphs on page 5, being the extract
20 from your letter to the city of Winnipeg.

21 MR. JERRY KOZUBAL: Okay.

22 "The Taxicab Board acknowledges that
23 the city of Winnipeg transit is
24 considering entering into an agreement
25 with Avion Services Corp. that

1 authorizes Avion Services Corp. to
2 authorate -- to operate a shuttle
3 service -- services, according to the
4 terms of the agreement. The Taxicab
5 Board is satisfied that this agreement
6 and service would not fall within the
7 jurisdiction of the Taxicab Act and
8 Regulations, and therefore has no
9 objection with the proposed service."

10 MR. WALTER SARANCHUK: And if you would
11 just continue reading into the next paragraph, sir, into
12 the record.

13 MR. JERRY KOZUBAL: Okay.

14 "The Taxicab Board is continuing to
15 base its current position that the
16 proposed services under consideration
17 by the PUB are the same as were
18 proposed to the Taxicab Board in
19 February 2006 and to the City of
20 Winnipeg in November 2006. Any changes
21 to expand services or routes beyond the
22 original proposal of operating a fixed
23 route, fixed fair, shared ride shuttle
24 service, would warrant further review
25 to determine if the Taxicab Board

1 should exercise its jurisdiction on any
2 new services to be offered by Avion."

3 MR. WALTER SARANCHUK: Now, with
4 reference to those last two (2) paragraphs, sir, how do
5 you reconcile one (1) with the other?

6 MR. JERRY KOZUBAL: Okay. Basically,
7 what the last paragraph is saying if there was a
8 significant material change, for example if the Avion
9 service were to expand its services to be an on-demand
10 service, in other words someone could call Avion and now
11 request them for a pick-up, whether it's at their home,
12 whether they're at a hotel that -- you know, could be
13 outside of the downtown core, I mean that significantly
14 would impact the -- the services that are currently
15 provided by taxicabs and limousines.

16 MR. WALTER SARANCHUK: And how do you
17 reconcile the fact that the -- your board heard the
18 original, initial Application by Avion and -- and
19 declined it, and then indicated in this letter to the
20 City of Winnipeg that the agreement and service that
21 involves Avion would not fall within the jurisdiction of
22 the Taxicab Act and Regulations?

23 MR. JERRY KOZUBAL: If the -- the Board
24 did discuss, the Executive Policy Committee -- I think it
25 was Executive; let me just see here -- Standing Policy

1 Committee request and felt that the service to be
2 provided through contract by Winnipeg Transit would --
3 would be exempt under the Taxicab Act. The Board felt
4 that if the service were to be regulated by transit that
5 the services would be restricted to a to and from the
6 airport doing a route between the airport and the
7 downtown hotels, the Board would have no objection to
8 that.

9 MR. WALTER SARANCHUK: So that was the
10 essential difference between the so-called first
11 Application by Avion to your board and then this
12 agreement with the City of Winnipeg.

13 Is that correct?

14 MR. JERRY KOZUBAL: That's correct.

15 MR. WALTER SARANCHUK: Has your board
16 been -- has your board come to learn of concerns by the
17 public of significant wait times encountered at the
18 airport for taxi transportation, or whether that'd be by
19 citizens of Winnipeg or by travellers?

20 MR. JERRY KOZUBAL: The -- the Board
21 relies on the data that we get from the Airport
22 Authority, as to the wait times that, you know, are
23 registered by taxicabs and limousines. We also receive
24 complaints from the public that periodically there is a
25 shortage of taxicabs or limos, or that there is excessive

1 wait time, particularly when flights are late.

2 MR. WALTER SARANCHUK: And has the Board
3 taken any steps to address those?

4 MR. JERRY KOZUBAL: Basically, we rely on
5 applicants, whether it's existing taxi and limo
6 companies. I also know that the ground transportation
7 services at the Airport Authority do look at the type of
8 services that are provided and talk to the operators,
9 both taxi and limo operations.

10 MR. WALTER SARANCHUK: Has this been a
11 matter of some concern to your board?

12 MR. JERRY KOZUBAL: There hasn't been any
13 concern brought up to the fact that we require additional
14 taxicabs or limousines at this time.

15 MR. WALTER SARANCHUK: And what are your
16 board rules with respect to short trips leaving the
17 airport?

18 MR. JERRY KOZUBAL: A taxicab is
19 required, once the customer gets in, to provide the
20 service requested by the customer, whether it's a short
21 trip or a long trip.

22 MR. WALTER SARANCHUK: So taxicab
23 operators are not at liberty to refuse trips -- such
24 trips, or charge special rates?

25 MR. JERRY KOZUBAL: No, they're not.

1 They're only allowed to charge tariffs, as published in
2 the Taxicab Regulations.

3 MR. WALTER SARANCHUK: And can you tell
4 us whether your board has encountered complaints about
5 cabbies not serving hotels that are very close to the
6 airport, or charging excessive rates if they do?

7 MR. JERRY KOZUBAL: We've had occasional
8 complaints. And I am aware that the Airport Authority
9 has made provisions for taxicab operators and limo
10 operators; where they do take a short trip they're
11 allowed to go back into the corral and resume their
12 queue.

13 MR. WALTER SARANCHUK: And are you aware
14 that several hotels operate shuttle services to and from
15 the airport for their guests?

16 MR. JERRY KOZUBAL: Yes, sir, we are
17 aware of that.

18 MR. WALTER SARANCHUK: And my
19 understanding -- correct me if I'm wrong -- is that
20 there's no specific fee charged to the hotel guests for
21 that purpose.

22 Is that correct?

23 MR. JERRY KOZUBAL: That's right. The
24 services are complementary shuttle services.

25 MR. WALTER SARANCHUK: And so it's --

1 correct me if you don't share this view -- it's likely
2 that the charge would be built into the overall cost of a
3 room?

4 MR. JERRY KOZUBAL: It's quite possible
5 that that cost is built into the overhead of operating
6 the hotel.

7 MR. WALTER SARANCHUK: And does your
8 board regulate the hotel shuttle services?

9 MR. JERRY KOZUBAL: No, hotel -- any
10 complementary shuttle service, whether it's operated by a
11 hotel, car dealerships, provide those, other -- other
12 establishments may do that, so as long as there is no
13 charge then we do not regulate them.

14 MR. WALTER SARANCHUK: Do you know if
15 they're regulated by any other body?

16 MR. JERRY KOZUBAL: Not at this point,
17 sir.

18 MR. WALTER SARANCHUK: And from your own
19 perspective, what impact do you expect that the Avion
20 Shuttle Service, if it were to be operational, what
21 impact would it have on the hotel-operated shuttle
22 services?

23 MR. JERRY KOZUBAL: I -- I don't have
24 that information, because, again, if they're privately
25 operated shuttles those operators will determine if the -

1 - if they continue that service or whether the Avion
2 service would provide them the service they need for
3 their customers.

4 MR. WALTER SARANCHUK: During the course
5 of this process that -- leading up to this Hearing, we've
6 heard of historical information such that Unicity and
7 Greyhound Bus Lines at one time intended to and attempted
8 to operate an airport shuttle service a number of years
9 ago.

10 Are you aware of that, sir?

11 MR. JERRY KOZUBAL: I've heard of that,
12 but I haven't been able to find any documentation in
13 support of that.

14 MR. WALTER SARANCHUK: And so I take it
15 you can't comment on whether your Board, the Taxicab
16 Board, regulated those services or whether Unicity and
17 Greyhound applied to your Board for an -- permission to
18 do so.

19 MR. JERRY KOZUBAL: I'm not familiar with
20 that. Unicity would have been regulated by the Board
21 anyways as a taxi company. Greyhound, again, depending
22 on the type of vehicles they would use, whether or not --
23 like I say, I couldn't find any reference in the Taxicab
24 Board.

25 MR. WALTER SARANCHUK: And with reference

1 to the information that you did provide -- and the Board
2 thanks you for that, sir -- is there anything in the way
3 of updated information or any amendment to your responses
4 that you wish to bring to the Board's attention at this
5 juncture?

6 MR. JERRY KOZUBAL: No, I think the
7 information stands as presented.

8 MR. WALTER SARANCHUK: Thank -- thank
9 you, sir. Mr. Chairman, I don't know whether you agree
10 that this is a convenient time to break. I'm through,
11 essentially, with my cross-examination, although I would
12 like to take the opportunity to discuss with Mr. Edwards
13 and Mr. Soronow this question of the number of trips that
14 Avion expects that it would be taking to and from the
15 airport. And so, then, if we could get that information,
16 I'll know whether I have any follow-up questions to Mr.
17 Kozubal.

18 THE CHAIRPERSON: Thank you, Mr.
19 Saranchuk. Just one (1) question comes to mind.

20 The study that was done on the industry by
21 the Tennessee firm, was that firm aware of the Avion
22 application?

23 MR. JERRY KOZUBAL: I believe they would
24 have had that as background information, and they did
25 speak with the Winnipeg Airport Authority during their

1 interviews.

2 THE CHAIRPERSON: I read that report and
3 I do not recall any specific reference to it.

4 Did I just miss it?

5 MR. JERRY KOZUBAL: I'm not sure. Like I
6 say, at that point, the Application wasn't active before
7 the Board, so it's something that would have been between
8 the City of Winnipeg and PUB.

9 THE CHAIRPERSON: Just out of general
10 interest, why is it the Taxicab Board does not have a
11 comprehensive database on trips? Is it something to do
12 with the legislation, or is it just practice?

13 MR. JERRY KOZUBAL: No, part of it is the
14 fact that our legislation does not give us authority to
15 regulate dispatch companies, and they are the source of
16 the data. And although we have had occasions and
17 discussing it before applications with the Board where
18 dispatch companies do oppose applications, aside from a
19 number of graphs that we received last year there's no
20 finite data as to the number of dispatched trips.

21 THE CHAIRPERSON: You gave evidence that
22 the transfer prices are seemingly continuing to increase.
23 You referenced that one (1) sale with Duffy's this year
24 with a half interest for two hundred and five thousand
25 (205,000).

1 I presume that there is knowledge in the
2 industry of Avion's Application. Can you account for the
3 increasing transfer prices?

4 MR. JERRY KOZUBAL: The transfer prices
5 are based on a number of variables. Part of it is the
6 number of trips that each trip -- or each taxicab can
7 generate. There is a number of other social-economic
8 variables that also affect the value of a taxicab.

9 I mean, a lot of that -- if we look at our
10 data, which, again, I mean, I get privilege to -- to see
11 that, I would say that probably 80 to 85 percent of our
12 owners are from the Sikh Community, so there tends to be,
13 and as it was alluded in the study, a -- a value that's
14 attached to it because of the immigration element. So,
15 again, someone being a business owner can also be able to
16 sponsor additional family members, and so that again adds
17 value to owning your own business.

18 THE CHAIRPERSON: I notice that the
19 number in the report, the number of applicants for the
20 English language test seems to be increasing. Does the
21 Board have any view of the increasing number of
22 applicants for, presumably, a licence?

23 MR. JERRY KOZUBAL: The majority of our
24 applicants are coming from overseas. English is their
25 second language, so it is important. I mean, first we

1 see the numbers increasing, which again I mean there are
2 some issues as to, you know, what type of income taxicab
3 drivers can earn but that's a secondary issue. The
4 primary one is that it prov -- provides an immediate
5 source of employment.

6 So other than sort of meeting the
7 prerequisites of the English language test, taking the
8 taxicab driver training course, which is a forty-five
9 (45) hour program, you know, quite often a lot of these
10 applicants may have family or relatives already employed
11 in the industry, so they have an easy opportunity to find
12 a job and be able to start.

13 THE CHAIRPERSON: We're now into 2009 and
14 we're going through this global recession, does the 2009
15 trip data show any difference from the seemingly ever-
16 increasing trend of trips from the airport?

17 MR. JERRY KOZUBAL: I was able to look at
18 the first three-quarters (3/4s) of data, January,
19 February, March; there was a slight reduction in the
20 number of trips. We're just in the process of compiling
21 the data ending June 30th, so again I -- I don't have
22 precise information at this point.

23 THE CHAIRPERSON: But you're recalling it
24 wasn't a dramatic drop then?

25 MR. JERRY KOZUBAL: No, there was a drop

1 and I think it was probably in the area of about 10
2 percent, again, based on a number of reduced flights,
3 business people, you know, taking less frequent trips,
4 things like that.

5 THE CHAIRPERSON: Thank you, sir. We
6 will have our break now. Thank you.

7

8 --- Upon recessing at 10:33 a.m.

9 --- Upon resuming at 10:56 a.m.

10

11 THE CHAIRPERSON: Okay, welcome back.
12 Mr. Edwards, you have clarification?

13 MR. PAUL EDWARDS: I do, Mr. Chair.
14 Thank you.

15 What My Friend Mr. Saranchuk was
16 referencing for the Board and us was the document, the
17 revised document, Projected Revenue Analysis, which was
18 provided to the Board under a correspondence, dated
19 October 21st/'08. And that document under a heading
20 lists the first -- after the hotel names -- lists guest
21 per day travelling to/from, and then there's -- and I
22 want to be clear -- as you see from these documents this
23 is not a scientific research that has led to this, as
24 you'll hear from Ms. Tataryn's evidence, but those were
25 and are intended to be, it is Avion's belief, evidence

1 round trips.

2 Therefore, when you come to Avion's
3 projected market capture -- and there's been a 50 percent
4 reduction just assigned, again without any science behind
5 it -- at the bottom of that column you get the sixty-
6 eight thousand (68,000), not seven three (73) number, and
7 then that carries over to the projected revenue. Those
8 are then return trips, the sixty-eight thousand (68,000)
9 and seventy three (73).

10 So I don't -- I think that is important.
11 There are two (2) comments that I would just make in
12 terms of clarification on that.

13 Number 1. There really of course is no
14 way of knowing, when you compare that number, as Mr.
15 Saranchuk was, to the cabs departing the -- the airport,
16 there's no way of knowing how many of those cab rides
17 departing the airport had single passengers or more than
18 one (1). It's a major issue which would bar any real
19 comparison.

20 A second one, is that information is
21 coming anecdotally from a few hotels who agreed to
22 respond to questionnaires, as is indicated in the
23 document. A number of those hotels, as has been alluded,
24 already operate -- as you alluded, Mr. Chair, their own
25 complementary shuttle services. As you'll hear from Ms.

1 Tataryn and as is -- is in the materials, those hotels
2 are anticipating stopping those complementary services if
3 this service goes ahead.

4 So you don't know how many of those
5 passengers would have even used cabs. They may have been
6 using -- quite likely a number of them were -- the
7 complementary service. So when you take those numbers
8 that come from the hotels and you start to compare them
9 to the data Mr. Kozubal has provided us, you've got to
10 keep at least those two (2) things in mind.

11 THE CHAIRPERSON: Like, just off the top
12 of my head, if you have got two hundred and forty-six
13 thousand (246,000) trips from the airport, you are
14 talking right now about cab trips. But cab trips and
15 shuttle trips are two (2) different distinct species of
16 fish, because one (1) may have as few as one (1) person
17 in the cab and Avion may have, you know, six (6), seven
18 (7), or whatever the maximum was, in theirs. So there is
19 a number of different possible combinations.

20 MR. PAUL EDWARDS: I -- I would agree
21 with that, and I think the -- the key is, the point that
22 I'm trying to make is, of the passengers who Avion hopes
23 it may attract to its business, you really don't know
24 what they would have used as an alternative. They may
25 have joined up with others in a cab, they may have had

1 single cab rides, they may have taken the complementary
2 shuttles, is -- is my point. You -- you really -- it's
3 very, very difficult to know.

4 THE CHAIRPERSON: Thank you, sir.

5 Mr. Saranchuk...?

6 MR. WALTER SARANCHUK: I have no further
7 questions of Mr. Kozubal.

8 THE CHAIRPERSON: Thank you.

9 Mr. Edwards...?

10

11 CROSS-EXAMINATION BY MR. PAUL EDWARDS:

12 MR. PAUL EDWARDS: Thank you very much,
13 and thank you, Mr. Kozubal, for coming.

14 I want to start by just asking you to
15 recall the meeting you spoke of that the Board had on
16 November 22nd, 2006 at which it considered the letter
17 from the City of Winnipeg Standing Committee.

18 Do you -- you recall giving evidence about
19 that, Mr. Kozubal?

20 MR. JERRY KOZUBAL: Yes.

21 MR. PAUL EDWARDS: I'm going to have a
22 hard time getting used to this on and off, as well, too,
23 but I'll try.

24 My understanding is that, that -- that
25 meeting of the Board was not a public hearing, but

1 nevertheless was a -- a meeting duly called by the Board
2 of the -- of the Taxicab -- the Taxicab Board, I should
3 say?

4 MR. JERRY KOZUBAL: That's right. I
5 believe it was a regular meeting and then we went in
6 camera to discuss a number of items, including this
7 particular item.

8 MR. PAUL EDWARDS: And I assume that the
9 Taxicab Board, at the time it made that decision, would
10 have had some -- some advice from legal counsel on the
11 jurisdictional issue which was discussed and decided upon
12 at that meeting?

13 MR. JERRY KOZUBAL: I'm not sure if we
14 had legal counsel or an opinion at that point, but
15 certainly the Board did discuss the -- the issue in the
16 letter.

17 MR. PAUL EDWARDS: Thank you. What
18 strikes me, Mr. Kozubal, is that you -- you've mentioned
19 a -- a problem with data. And, of course, the Tennessee
20 Report speaks to that in terms of its recommendations,
21 and I appreciate the frustration of the Board in not
22 having the ability to get all of the data that -- that
23 might assist.

24 But what does strike me is that what is
25 clear is that there are a number of things which can

1 happen in the marketplace, within the City of Winnipeg,
2 which may well and -- and do have an impact on the
3 taxicab industry, but over which the Taxicab Board does
4 not have any authority.

5 And I'll give you an example: For
6 instance, if the City of Winnipeg were to offer better
7 bus service, to and from the airport, which -- which it
8 recently has, that may have an impact on the taxicab
9 business at the airport, correct?

10 MR. JERRY KOZUBAL: That's right.

11 MR. PAUL EDWARDS: There may, as well, be
12 many things which affect the operating cost of a taxicab,
13 obviously, fuel is -- is a leading one (1), you know,
14 insurance costs, so on and so forth.

15 That -- that clearly is always changing in
16 terms of the impact on -- on the taxicab business,
17 correct?

18 MR. JERRY KOZUBAL: That's right.

19 MR. PAUL EDWARDS: Now, in addition,
20 we've noticed in the city a number of hotels being built
21 within the proximity of the airport. That, presumably,
22 may have some impact on the average cab fare from those
23 cab rides from the airport. If more people are going to
24 the local hotels, the average fares wou -- would be less.

25 Is that correct?

1 MR. JERRY KOZUBAL: That's right, the
2 shorter the trip, then the smaller the fare.

3 MR. PAUL EDWARDS: And, of course, as
4 you've indicated in -- even in the first quarter of '08,
5 there are general market fluctuations from time to time
6 in terms of the number of travellers using the Winnipeg
7 Airport, although I -- I note it's been fairly
8 consistently growing, it seems to have plateaued in '08.

9 That -- that would certainly have an
10 impact on taxicab business at the airport, correct?

11 MR. JERRY KOZUBAL: That's right. I
12 think you're referring to the data I mentioned for the
13 first quarter of '09.

14 MR. PAUL EDWARDS: Correct. Thank you
15 for correcting me on that. And, in fact, if we turn for
16 a moment to the '08 report, and I -- I think that's been
17 marked as an exhibit, not sure which one (1)...

18 I want you to just turn to page 10, if you
19 would. Mr. Saranchuk also referred you to this page.
20 This, the monthly vehicle trips for taxis from the
21 airport, and I'm looking at the bottom right-hand corner
22 chart, percentage of change yearly.

23 Really, since at least 2003 -- well, since
24 2003 on the taxi column, that's been going up fairly
25 significantly, in '06 and '07 in double digits, but --

1 but increasing fairly consistently, correct?

2 MR. JERRY KOZUBAL: That's right, that's
3 what the data says.

4 MR. PAUL EDWARDS: Yeah. Now, in
5 contrast, I note that the number of taxicab licences, and
6 this comes out in the Tennessee report, really has not
7 increased. There's been approximately four hundred and
8 ten (410) what -- what I'll call regular cab licences for
9 -- for many years in Winnipeg, correct?

10 MR. JERRY KOZUBAL: That's right, since
11 at least 1991.

12 MR. PAUL EDWARDS: And -- and the move
13 into po -- the potential for seasonal licences, we've --
14 we've talked a bit about that, but the -- those four
15 hundred and ten (410) licences, does that include the pre
16 2001 transferable licences as well as post 2001 others?

17 Is that a -- how does that break down?

18 MR. JERRY KOZUBAL: Okay. As far as the
19 standard taxicab category, the four hundred or ten (410)
20 -- or, actually, it was four hundred and nine (409), we
21 had one (1) stand -- or one (1) accessible taxi that was
22 converted a year ago to a standard on a temporary basis,
23 so that's why we have the four ten (410), but there have
24 been no standard taxicab licences issued since 2001, in
25 fact, probably going back to early '90s.

1 MR. PAUL EDWARDS: So in a nutshell, what
2 -- what appears clear, and, again, subject to the first
3 quarter of '09, is that the airport has been consistently
4 generating more business for -- for taxicabs, while, in
5 fact, the number of taxicab licences in Winnipeg has
6 remained static.

7 Is that correct?

8 MR. JERRY KOZUBAL: The number of
9 standard taxicab licences has remained static. There
10 have been changes in other categories, such as the
11 accessibles, the handicap vans, and even in the limousine
12 category.

13 MR. PAUL EDWARDS: And just for a second
14 on the limousines, we see from the same chart, it's been
15 nowhere near as consistent, the increases, but there
16 certainly were increases in that business between 2005
17 and 2007 and then a slight drop-off in '08.

18 It's remained fairly stable certainly in
19 '08, correct?

20 MR. JERRY KOZUBAL: That's right. The
21 numbers have been fairly consistent.

22 MR. PAUL EDWARDS: And what we know from
23 the statistics is that again, it's a rough figure but
24 somewhere around 10 percent or slightly less of the trips
25 from the airport are from limousines.

1 It's about 10 percent of the cab numbers,
2 is that correct?

3 MR. JERRY KOZUBAL: Correct. Based on
4 the data we've presented here, it's roughly 10 percent.

5 MR. PAUL EDWARDS: Just turning for a
6 moment to this issue of the transfer value of the -- the
7 licences, we know that it's been consistently increasing.
8 I also note that Duffy's licences have tended to be the
9 most valuable in terms of the transfer value with Unicity
10 slightly less but nevertheless those two (2) companies
11 seem to have the highest transfer value of their
12 licences.

13 Is that correct?

14 MR. JERRY KOZUBAL: That's right.
15 Unicity and Duffy's both have higher transfer values.
16 They also account for about 90 percent of the taxicab
17 licences.

18 MR. PAUL EDWARDS: I also notice that
19 that continued of course even in '08 and of course we
20 know that the economic downturn generally started
21 sometime in the latter part of '08 but you're telling us
22 that in this document I see that the value even increased
23 in '08 and your -- your evidence now is that it's -- it's
24 even -- there's been a significant increase since then at
25 least as recently as two (2) weeks ago.

1 Is that correct?

2 MR. JERRY KOZUBAL: That's correct.

3 MR. PAUL EDWARDS: Just a couple of
4 questions on these seasonal licences for a moment. I
5 also had the chance to review the Tennessee report
6 although I don't -- I confess not every page but I did
7 note that one (1) of the recommendations of course is the
8 eighty (80) seasonal licences and then there's a second
9 part of that which says if that integrates -- I forget
10 the actual term used -- or it's acceptable that there's
11 actually a recommendation to add a further forty (40).

12 Is that correct?

13 MR. JERRY KOZUBAL: That's right, that's
14 what the consultant recommended.

15 MR. PAUL EDWARDS: And do I take it that
16 those recommendations with respect to the seasonal
17 licences, there -- there hasn't been an acceptance or
18 rejection at this point by the Taxicab Board, it's under
19 consideration, is that what I take?

20 MR. JERRY KOZUBAL: That's right, it's
21 under review. In fact, we are just doing a survey of
22 previous seasonal licence holders to obtain information
23 on number of trips and their financial information.

24 MR. PAUL EDWARDS: Now, I -- I also did
25 in the Tennessee Report noted -- and -- and I -- I don't

1 know, Mr. Saranchuk, if we need to include this or is --
2 as an exhibit?

3 MR. WALTER SARANCHUK: It's already in
4 the evidence marked as part of the exhibit.

5 MR. PAUL EDWARDS: Thank --

6 MR. SIDNEY SORONOW: Sorry, which are you
7 referring to?

8 MR. WALTER SARANCHUK: The Tennessee
9 reports parts 1 and 2.

10 MR. SIDNEY SORONOW: It's already treated
11 as an exhibit?

12 MR. WALTER SARANCHUK: It's part of the
13 document that was referred to and marked in the evidence
14 earlier as the response from the Taxicab Board to the
15 Board's Interrogatory or Information Request.

16 MR. PAUL EDWARDS: Thank you for that
17 clarification.

18

19 CONTINUED BY MR. PAUL EDWARDS:

20 MR. PAUL EDWARDS: At Volume 1 of that
21 report page 58, this is where the recommendation is
22 discussed in terms of the -- what -- what is referred to
23 as the "Christmas Cars" or the seasonal licences.

24 One (1) of the statements in there
25 recognizes that there may be a negative impact on the --

1 on the number of trips for the existing licence holders.

2 MR. WALTER SARANCHUK: What page number,
3 Mr. Edwards?

4 MR. PAUL EDWARDS: Fifty-eight (58).

5

6 CONTINUED BY MR. PAUL EDWARDS:

7 MR. PAUL EDWARDS: And I'm just looking
8 at the first paragraph under the heading "Immediately Add
9 Eighty (80) Christmas Cars to the Winnipeg Taxi System."
10 If you see the first paragraph, three (3) lines down, the
11 third sentence:

12 "This will have a negative effect on
13 current owner/operators, but the Board
14 must weigh the public's interest in
15 being adequately served during the peak
16 season versus the economic interests of
17 the current taxi licence holders."

18 Do you see that sentence, Mr. Kozubal?

19 MR. JERRY KOZUBAL: Yes, I do.

20 MR. PAUL EDWARDS: Now, I know the Board
21 is still considering this issue and has not made a
22 determination, but in your earlier evidence you talked
23 about the public interest and the public convenience.

24 And so, do I take it that that assessment,
25 that weighing of the public interest, versus the

1 interests of the current taxi licence holders, that's the
2 type of weighing that the Board will be going through in
3 its deliberations?

4 MR. JERRY KOZUBAL: That's right. What
5 the Board needs to look at as -- because, as I mentioned
6 earlier, there is a -- a seasonal demand, so during the
7 winter months we find that the public's use of taxicab
8 increases. This is one (1) of the reasons we've asked
9 for data from previous operators is that we've maintained
10 a three (3) month seasonal temporary licence, and the
11 study recommends a five (5) month licence.

12 So we want to determine, you know, if, in
13 fact, there is going to be a -- a viable option for
14 individuals to operate seasonal cars during a five (5)
15 month period.

16 MR. PAUL EDWARDS. Yes, and I take it
17 that, certainly, Mr. -- or the -- the Tennessee Report
18 will be relevant and -- and to -- to the Board, and the
19 Board accepts that the things in terms of cab licences or
20 otherwise, public convenience, public interest is -- is
21 the issue that includes a viable and high-service cab
22 industry.

23 But there's no mandate for the Board to
24 protect the transfer value or the income level of
25 individual taxicab licence holders?

1 MR. JERRY KOZUBAL: The Board is
2 interested in ensuring that it's a viable industry. We
3 don't want to increase the number of cabs, as, for
4 example, last year we had eight hundred and four (804)
5 applications, which would have been almost double what we
6 currently have. That would definitely not have been a
7 sustainable industry.

8 MR. PAUL EDWARDS: Absolutely, so it's --
9 it's the balancing of factors and, certainly, I -- I take
10 it from your response to the Board in terms of this
11 Application and the shuttle service back and forth,
12 really, as Mr. Saranchuk indicated, your indication to
13 this Board is you just don't have the data or the ability
14 to predict what, if any, impact this might have on the
15 taxicab industry.

16 Is that correct?

17 MR. JERRY KOZUBAL: That's right. We
18 don't have the data to make any sort of precise
19 predictions. Also, the variables that affect the day-to-
20 day operations vary so much whether you're trying to get
21 a taxicab during peak hours, which could be the morning
22 or afternoon rush hours. You know, a lot depends on
23 weather, so it depends on whether or not we have a
24 thunderstorm or major snow storm or blizzard in the
25 wintertime. So, I mean, a lot of variables affect

1 whether, you know, we have an adequate supply.

2 MR. PAUL EDWARDS: Right, and -- and
3 another just-for-instance, as you're talking, if -- if
4 fares were to increase to a level, you know, there
5 certainly may be the case that more hotels start
6 operating their own free shuttle services. I mean,
7 there's no control over that. There's no way to predict
8 that for the Taxicab Board.

9 MR. JERRY KOZUBAL: Well, the Board does
10 control the tariffs, so, again, it's subject to an
11 application from licence holders or dispatch companies to
12 request a tariff increase, again they have to justify
13 that based on operating expenses or if there were a
14 change in the demand for services. Again, we don't see
15 that quite often. It's because of operating expenses --
16 cost of fuel, cost of maintenance.

17

18 (BRIEF PAUSE)

19

20 MR. PAUL EDWARDS: Thank you very much.
21 Those are my questions, Mr. Chair.

22 THE CHAIRPERSON: Thank you, Mr. Edwards.
23 Mr. Soronow..?

24

25 (BRIEF PAUSE)

1 THE CHAIRPERSON: Mr. Kozubal, while we
2 are waiting for Mr. Soronow to go, I am just wondering,
3 in the Taxicab Board's consideration of the potential
4 increase in seasonal cars, is the Taxicab Board awaiting
5 the conclusion of this process to take it into account?

6 MR. JERRY KOZUBAL: No, this -- this is
7 entirely a separate issue here. What's important as far
8 as the seasonal cars is un -- is looking at the
9 recommendation made by the consultant and determining the
10 process of how we would issue cars.

11 And I mean he has made a number of
12 substantial recommendations which are different from how
13 we've operated and issued seasonal licences in the past.

14 THE CHAIRPERSON: Thank you.
15 Mr. Soronow...?

16

17 CROSS-EXAMINATION BY MR. SIDNEY SORONOW:

18 MR. SIDNEY SORONOW: Thank you, Mr.
19 Chairman. Mr. Kozubal, in February 2006 Avion applied to
20 the Taxicab Board for licencing of its proposed Avion
21 shuttle service.

22 Is that correct?

23 MR. JERRY KOZUBAL: That's right.

24 MR. SIDNEY SORONOW: And that matter was
25 duly processed and ultimately a hearing held in March of

1 2006.

2 Is that correct?

3 MR. JERRY KOZUBAL: That's right, a
4 hearing was held on March the 8th, 2006.

5 MR. SIDNEY SORONOW: And after
6 consideration by the Board and its panel members, they --
7 they did not approve the licence application, correct?

8 MR. JERRY KOZUBAL: That's right, it was
9 denied.

10

11 (BRIEF PAUSE)

12

13 MR. SIDNEY SORONOW: At that time, it was
14 considered on its merits.

15 MR. JERRY KOZUBAL: That's right, the
16 applications -- all applications are considered on their
17 merit.

18 MR. SIDNEY SORONOW: And at no time
19 during that process did the Board indicate to the
20 applicant, Avion, that the proposed service was outside
21 of the Taxicab Board jurisdiction?

22 MR. JERRY KOZUBAL: That application was
23 heard on the basis that was within the -- the
24 jurisdiction of the Taxicab Board.

25 MR. SIDNEY SORONOW: It's not a process

1 we're mostly used to doing, we're getting better at it.
2 Now, you were queried about your response to the
3 Information Request, and you were directed to what's
4 called PUB-10-3 appearing on page 4 of your response.

5 And you -- sorry, I should have directed
6 you to PUB-10-4, which appears on page 5, and it was
7 referencing your letter of November 22, 2006. Now,
8 before querying you about that letter and the answers you
9 gave here today, I just wanted to make certain that,
10 prior to writing that letter of November 22nd, 2006, the
11 Board did not call upon the industry to make
12 representations on that issue or on the character of
13 letter that -- that should be written by the Board.

14 Isn't that correct?

15 MR. JERRY KOZUBAL: That's right, it was
16 an in-camera Board discussion.

17 MR. SIDNEY SORONOW: Okay. And in the
18 course -- or let me back up, there came a point in time
19 where you wrote the letter of November 22nd, 2006. What
20 triggered your writing a letter?

21 Was there a request from the City of
22 Winnipeg or from someone else to actually write a letter?

23 MR. JERRY KOZUBAL: As noted in my
24 response under November 22nd, 2006, a letter from the
25 Taxicab Board to the -- to the City of Winnipeg Standing

1 Policy Committee, so the Board did receive from --
2 documentation from the city of Winnipeg Standing Policy
3 Committee that the application was proceeding before that
4 committee. And the Board reviewed that and basically
5 responded to the Standing Committee.

6 MR. SIDNEY SORONOW: I guess what I was
7 trying to ask you though, was there -- or was there a
8 specific request that was submitted to you by someone
9 within the City to write a letter?

10 I appreciate that you had a copy of
11 documentation that they were addressing the matter
12 through various committees, but just because they send it
13 to you doesn't mean you have to write a letter.

14 Did they ask for a letter?

15 MR. JERRY KOZUBAL: I -- I can't recall
16 specifically. I know that this issue was discussed by
17 the Board on that day.

18 MR. SIDNEY SORONOW: But are you saying
19 you're not aware of whether there was or was not a
20 specific request by the City to provide them with a
21 letter?

22 MR. JERRY KOZUBAL: I would have to look
23 at my files to see the -- the document that we received
24 from the City on that date.

25 MR. SIDNEY SORONOW: Now you -- in your -

1 - you were asked to read into the record I would say what
2 amounts to the last three (3) paragraphs on page 5, two
3 (2) of which are a quotation from your letter.

4 And then in your evidence earlier, you
5 said that your response of November 22, 2006 was premised
6 on that the service contemplated would be based on a
7 contract with Transit.

8 MR. JERRY KOZUBAL: That's right.

9 MR. SIDNEY SORONOW: Are you in a
10 position to show us -- let -- let me back up.

11 Taxicab Act describes that a taxicab is a
12 vehicle -- just paraphrasing -- that, for compensation,
13 transports passengers in the City of Winnipeg.

14 Is that basically correct?

15 MR. JERRY KOZUBAL: Basically correct.

16 MR. SIDNEY SORONOW: And because it
17 references compensation, you had earlier answered that
18 you didn't exercise a regulatory authority on things like
19 the shuttles that dealership -- car dealerships have or
20 that hotels have because it's -- it's -- there's no user-
21 pay cost.

22 MR. JERRY KOZUBAL: That'S right.

23 MR. SIDNEY SORONOW: So, and you would
24 agree that the Avion service is a compensated service,
25 that is, passengers pay?

1 MR. JERRY KOZUBAL: That's right.

2 MR. SIDNEY SORONOW: And under the
3 Taxicab Regulations, and I'm reference now most
4 specifically paragraph 2 of -- sorry -- Section 2 of the
5 Regulations, that's 209/'91 is the Regulation number.

6 You will agree with me, would you not,
7 sir, that there is no stated exemption relating to a
8 contract with Transit?

9 OBJ MR. PAUL EDWARDS: I'm going to object,
10 Mr. Chair. I would -- these are precisely the arguments
11 and issues that Mr. Soronow and his client have put
12 before the Court of Appeal. This is -- My Friend is
13 getting into a detailed legal analysis here. He knows
14 it's an issue that's before the Courts. Volumes of
15 materials have been filed.

16 I'm not sure it's particularly useful or
17 relevant that this individual be required to provide
18 opinion on -- on, clearly, legally contentious matters.

19 MR. SIDNEY SORONOW: I wasn't -- first
20 off, I didn't raise this whole issue. I came here today.
21 I had no anticipation of addressing any of this, but both
22 questions from Mr. Saranchuk, questions from Mr. Edwards,
23 have brought this to the fore.

24 I can tell you I'm not intending to
25 further go down the line on this issue. But the witness

1 did make a statement. I cannot allow that to stand as is
2 without questioning it. Had it not been said, had it not
3 be asked, then I wouldn't be dealing with it. But it was
4 asked, he did make a statement that they saw it as a
5 contract with Transit, and consequently it is relevant to
6 this situation to ask him to point us, and that's not a
7 legal conclusion, point us to an exception in para -- in
8 Section 2 if one (1) exists where it says a contract with
9 Transit is exempt.

10 I think it's a completely appropriately
11 question and moreover, it was -- it derives from an
12 answer the witness gave to a question asked by either Mr.
13 Saranchuk or Mr. Edwards.

14 THE CHAIRPERSON: Well, I think we all we
15 don't want to repeat the motions, the hearing over
16 jurisdiction, so how much further are you going to go on
17 this?

18 MR. SIDNEY SORONOW: This question,
19 that's it.

20 THE CHAIRPERSON: Okay, that's it.

21

22 CONTINUED BY MR. SIDNEY SORONOW:

23 MR. SIDNEY SORONOW: Did you wish me to
24 repeat the question?

25 MR. JERRY KOZUBAL: If you would, please?

1 for a fixed fare."

2 Is it therefore fair to say that your
3 understanding of the proposed service was that it was
4 dealing with ambulatory passengers?

5 MR. JERRY KOZUBAL: The application that
6 Avion had made to the Taxicab Board was for three (3)
7 vehicles of which the majority of trips would be
8 ambulatory but they would make provisions for disabled
9 customers.

10 MR. SIDNEY SORONOW: Okay. So was it --
11 so it was -- so it was your expectation based on their
12 presentation at that time that they would address and --
13 and provide transportation to disabled passengers?

14 MR. JERRY KOZUBAL: That's right.

15

16 (BRIEF PAUSE)

17

18 MR. SIDNEY SORONOW: In -- have you had
19 an opportunity, sir, to receive and review a copy of the
20 business plan of Avion, that is the 2008 business plan
21 that's been filed with this Board?

22 MR. JERRY KOZUBAL: I have documents
23 which I believe were filed. I'm not sure if it's the
24 original application that's before this Board. I have
25 the original application that was filed before the

1 Taxicab Board. I also have documents which I believe
2 were filed as opposition to the application before PUB.

3 MR. SIDNEY SORONOW: I ask you because in
4 its presentation as evidenced by that business plan,
5 there is reference by Avion to the notion of extending
6 service to encompass special events, possibly different
7 routes.

8 Would that impact on your -- on the
9 Taxicab Board's approach to assuming jurisdiction?

10 MR. JERRY KOZUBAL: The application to
11 the Taxicab Board originally was to provide a airport
12 shuttle service between the airport and downtown hotels,
13 so there was no reference to special events or any other
14 uses.

15 MR. SIDNEY SORONOW: Is that -- is that
16 the type of thing that you're referencing in the last
17 paragraph of page 5, any changes to expand service?

18 Would that represent the service
19 expansion?

20 MR. JERRY KOZUBAL: Exactly, anything
21 beyond a fixed route shared ride service.

22 MR. SIDNEY SORONOW: And -- and shared
23 service between downtown hotels and the airport.

24 MR. JERRY KOZUBAL: That's right.

25

1 (BRIEF PAUSE)

2

3 MR. SIDNEY SORONOW: There was, in your
4 evidence, reference -- let me just back up. The study
5 was produced and -- and the Board took a period of time
6 to analyse it, that is the -- we'll call it the Tennessee
7 -- or the Winnipeg Taxi Study, and the Board took time to
8 analyse it before releasing it to the industry and the
9 public at large.

10 Is that correct?

11 MR. JERRY KOZUBAL: That's correct.

12 MR. SIDNEY SORONOW: And you had noted
13 that, beginning in the spring of 2008, there was -- well,
14 starting with a Greenline application for some hundred
15 (100) taxis, and then that expanded with the Winnipeg Co-
16 op for another hundred and fifty (150), and then
17 ultimately I think you said there were cumulative
18 applications, I'm -- I'm not certain how many you said,
19 nineteen (19) or something, totalling about eight hundred
20 (800) cabs.

21 Is that correct?

22 MR. JERRY KOZUBAL: Right. There were
23 thirty-eight (38) applications for about eight hundred
24 and four (804) new licences.

25 MR. SIDNEY SORONOW: And those all became

1 the subject of Hearings, and even though some would have
2 occurred prior to and some after the study was
3 undertaken?

4 MR. JERRY KOZUBAL: That's right, their
5 applications came in anywhere from March 2008 right up
6 until December of 2008.

7 MR. SIDNEY SORONOW: But is it fair to
8 say that the decisions with respect to those applications
9 were deferred by your Board and made subsequent to the
10 availability of that and the study of that study by the
11 Board?

12 MR. JERRY KOZUBAL: Right. Applicants
13 were all advised that decisions were held in abeyance,
14 and the first decisions came out in early February, and
15 other application decisions came out, I believe, in early
16 March of 2009.

17 MR. SIDNEY SORONOW: During those
18 hearings, many of them that occurred associated with
19 those applications for eight hundred (800) licences, you
20 received information through Unicity and Duffy's they
21 were present and made representations?

22 MR. JERRY KOZUBAL: That's right, Unicity
23 and Duffy's I believe opposed all the applications.

24 MR. SIDNEY SORONOW: And both by reason
25 of the representations, documentary, and narrative made

1 by Unicity and Duffy's at those hearings, and as
2 subsequently validated through -- would you agree that it
3 was subsequently validated through the Winnipeg Taxi
4 Study that there is a significant variation in the use or
5 demand for taxis on a seasonal basis?

6 MR. JERRY KOZUBAL: That's right. The
7 study did obtain data from all the dispatch companies and
8 was able to determine that there is a seasonal
9 fluctuation and demand.

10 MR. SIDNEY SORONOW: And the evidence
11 before your tribunal in those hearings, correct me if I'm
12 wrong, essentially indicated that about six (6) months of
13 the year taxis are operating at far less than capacity?

14 MR. JERRY KOZUBAL: That's correct.

15 MR. SIDNEY SORONOW: Was there a point in
16 time where your Board became aware that the Winnipeg
17 Airport Authority had essentially banned the use of limos
18 -- limousines -- stretch limousines and regular
19 limousines -- to queue up at the airport?

20 MR. JERRY KOZUBAL: We're aware that the
21 Airport Authority did limit the number of stretch
22 limousines and is, of April 1st of 2009, to one (1) at
23 the terminal, but essentially, they were encouraging
24 executive cars to be able to provide limousine service.

25 MR. SIDNEY SORONOW: And -- so just --

1 just so we can clarify...

2

3

(BRIEF PAUSE)

4

5

MR. SIDNEY SORONOW: So you indicated
6 that it was your understanding that WAA was encouraging
7 the notion of no -- of not having stretch limousines park
8 out in front for customers, but rather executive cars?

9

MR. JERRY KOZUBAL: That's right.

10

MR. SIDNEY SORONOW: And "executive cars"
11 -- just so that we're all on the same footing -- would
12 essentially be a -- like a standard Lincoln, a standard
13 Cadillac. In other words, nothing that has a -- a
14 limousine appearance, but rather just a nice passenger
15 car?

16

MR. JERRY KOZUBAL: Essentially a high-
17 end luxury car like a Lincoln Town Car or a Cadillac.
18 You're right.

19

MR. SIDNEY SORONOW: And did the WAA
20 advise your Board by correspondence, or in any other way,
21 that they would authorize anyone who should have a
22 licenced executive car -- anyone who had a licenced
23 executive car -- would be granted permission to ply the
24 airport?

25

MR. JERRY KOZUBAL: Each applicant for an

1 executive car that we received during the winter of 2008
2 and early 2009 had a letter of support from the Winnipeg
3 Airport Authority.

4 MR. SIDNEY SORONOW: And by "letter of
5 support" meaning that the content of that was that they
6 would be allowed to do pickups at the airport?

7 MR. JERRY KOZUBAL: That's right. They
8 would be issued a transponder and have a contract to do
9 pickup at the airport.

10 MR. SIDNEY SORONOW: And in consequence
11 of -- in consequence of these applicants having a letter
12 from the WAA, as described, you then proceeded to grant
13 those people an executive licence -- executive car
14 licence.

15 Is that correct?

16 MR. JERRY KOZUBAL: The majority of
17 applicants did receive an executive car based on their
18 application, but not all.

19 MR. SIDNEY SORONOW: Okay. And is it the
20 case that under your legislation, everyone who owns a
21 stretch limousine, who has a -- owns and is licenced for
22 a stretched limousine -- is entitled to apply for an
23 executive car?

24 MR. JERRY KOZUBAL: That's right.
25 They're entitled to apply provided they have a licence

1 for a limousine.

2 MR. SIDNEY SORONOW: Yes.

3 MR. JERRY KOZUBAL: And the ratio is one
4 (1) to one (1).

5 MR. SIDNEY SORONOW: Okay. So that the
6 number of executive cars that were licenced by your Board
7 went up substantially consequent upon the WAA providing
8 the opportunity for those cars to ply the airport?

9 MR. JERRY KOZUBAL: That's right. I
10 think in -- from about February the 6th to as late as
11 mid-June, I think the number of executive cars went up by
12 thirty (30).

13 MR. SIDNEY SORONOW: Okay.

14

15 (BRIEF PAUSE)

16

17 MR. SIDNEY SORONOW: And you identified
18 for us that the Board is aware, both through the evidence
19 submitted by Unicity and Duffy's at the various hearings
20 and through the validation by the Winnipeg Taxi Study,
21 that there is quite a variance in taxi need or demand,
22 based on the seasonal aspects?

23 MR. JERRY KOZUBAL: Seasonal aspects
24 definitely affect the standard taxi industry.

25 MR. SIDNEY SORONOW: And, sir, you were

1 taken through the data report, the taxicab industry
2 report, and do you still have a copy of it handy?

3 MR. JERRY KOZUBAL: Yes, I do.

4 MR. SIDNEY SORONOW: Now, if you look at
5 2008 would it be fair to say that but for July and
6 August,
7 actually, demand on a monthly basis tends to be pretty
8 equal?

9 MR. WALTER SARANCHUK: Page number?

10 MR. SIDNEY SORONOW: Oh, I'm sorry, page
11 10. I'm talking about the upper material dealing with the
12 taxis.

13

14 CONTINUED BY MR. SIDNEY SORONOW:

15 MR. SIDNEY SORONOW: And if you look at
16 2008, essentially it's -- it's a pretty equivalent
17 demand, month-to-month, more or less, wouldn't you say?

18 MR. JERRY KOZUBAL: It appears to be
19 averaging about twenty-one thousand (21,000) trips per
20 month.

21 SIDNEY SORONOW: Yeah, yeah. Which is
22 quite different than the conclusions, in terms of demand
23 for taxi services generally, which seems radically
24 different between the winter months and the summer
25 months.

1 Would you agree?

2 MR. JERRY KOZUBAL: That's right, it's
3 different. But then again, the airport is a different
4 market compared to the general population of the city.

5 MR. SIDNEY SORONOW: Yeah, yeah. Well,
6 it would be an important market and a very stable market
7 for the taxi industry, at least the taxi industry that
8 holds the contract.

9 You would agree with that?

10 MR. JERRY KOZUBAL: Based on the data,
11 certainly the numbers support that.

12 MR. SIDNEY SORONOW: Yeah. Okay.

13

14 (BRIEF PAUSE)

15

16 MR. SIDNEY SORONOW: It's my
17 understanding, and perhaps you can confirm it for us,
18 that according to the legislative framework, or
19 regulatory framework, applicable to taxicabs, taxicabs
20 are to be a twenty-four (24) hour a day, seven (7) day a
21 week operation?

22 MR. JERRY KOZUBAL: That's right.

23 MR. SIDNEY SORONOW: Okay. And you were
24 directed, I believe it was by Mr. Edwards, to page 2 of
25 the Taxicab Industry Report and to the material in the

1 upper portion, which was the ratio of taxicabs or
2 population to taxicabs.

3 Tell me something, is it fair to say that
4 the Taxicab Board, as a board, recognizes that not much
5 can be read or relied upon from this kind of statistic
6 because of all the variables that will impact service
7 delivery by the existing industry?

8 MR. JERRY KOZUBAL: The statistic by
9 itself, you know, would lead you to -- to misleading
10 conclusions but it is a valuable piece of information
11 when you look at it in the context of the other data.

12 MR. SIDNEY SORONOW: Right. But it's
13 fair to say, is it not, that the Winnipeg taxi study
14 showed that Winnipeg, with the number of taxis it has,
15 that -- at least as it relates to Unicity and Duffy's,
16 that people are receiving, in terms of time it takes from
17 their call to receipt of -- to receiving a taxi, that it
18 is one (1) of the best in North America.

19 MR. JERRY KOZUBAL: That's right. The
20 study did point out that the service level, the time from
21 a call to the time of taxicab has arrived at a customer's
22 door is one (1) of the best in North America.

23 MR. SIDNEY SORONOW: And I assume that's
24 why you say that this alone, this reference to population
25 ratio per taxicab, can be misleading?

1 MR. JERRY KOZUBAL: That's right.

2

3 (BRIEF PAUSE)

4

5 MR. SIDNEY SORONOW: Is it fair to say
6 that, and based on the conclusions reached by Dr. Mundy
7 in the Winnipeg Taxi Study, that the price of a cab is
8 not the transfer price of a cab, is not necessarily
9 related to the kind of revenue or increases in revenue,
10 but attributable in large measure to social and
11 immigration issues?

12 That was his conclusion, is it not?

13 MR. JERRY KOZUBAL: That's right. He
14 indicated that sale transfer value was not solely an
15 economic consideration based on revenue and expenses, but
16 had other socioeconomic implications as well.

17 MR. SIDNEY SORONOW: Okay. And just so
18 that we didn't miss it, it's -- you -- you referenced --
19 you were -- you were taken through some of the statistics
20 about taxi drivers and the test that's an English
21 language assessment test that's -- and I assume that the
22 -- the purpose of the English language assessment test is
23 to ensure that perspective applicants for taxicab
24 driver's licences have an adequate familiarity with the
25 English language to adequately converse with the

1 customers they serve.

2 MR. JERRY KOZUBAL: That's right, the
3 English language test is basically designed to test all
4 applicants to make sure that their language skills are
5 adequate for the service industry.

6 MR. SIDNEY SORONOW: And -- and over and
7 above testing their adequacy in the English language, the
8 Taxicab Board has, I think you said, a forty-five (45)
9 hour course that is mandatory for applicants for the tax
10 -- status of taxicab driver's licence, is that correct?

11 MR. JERRY KOZUBAL: That's right, all --
12 all applicants have to pass the course in order to get
13 their taxicab driver's licence.

14 MR. SIDNEY SORONOW: And that's a forty-
15 five(45) hour course.

16 MR. JERRY KOZUBAL: That's right.

17

18 (BRIEF PAUSE)

19

20 MR. SIDNEY SORONOW: From the perspective
21 of the Taxicab Board, if one is going to engage in the
22 transportation of disabled people, and let's -- let's,
23 for a moment, focus on wheelchair bound individuals, is
24 it fair to say that there would be a requirement to
25 comply with D409?

1 MR. JERRY KOZUBAL: The vehicle that
2 would be transporting any disabled person in a wheelchair
3 would have to meet the Canadian Standards Association
4 D409 specifications.

5 MR. SIDNEY SORONOW: And -- and over and
6 above that, is there some additional regulations that are
7 applicable through the Manitoba Taxi Board to that kind
8 of transportation?

9 MR. JERRY KOZUBAL: The training program
10 that you referred to earlier also provides training on
11 how to be able to provide service to disabled customers.
12 Also, there's a module on how to secure the wheelchair
13 and the passenger according to the standards.

14 MR. SIDNEY SORONOW: Okay.

15

16 (BRIEF PAUSE)

17

18 MR. SIDNEY SORONOW: You were queried
19 about comments at the top of page 5 of your Information
20 Response, and it had to do with the -- your statement --
21 I'm going now about half way down the first paragraph:

22 "As to the question: Will the Taxi
23 Board reduce the number of licences,
24 the Board will not reduce any
25 transferable standard taxicab business

1 licences. There are four hundred and
2 nine (409) standard business licences
3 that are transferable and were issued
4 prior to 2001."

5 If I understood your answer, though, to
6 the question posed, is that if Avion is -- goes into
7 service and is, for lack of a more delicate term, taking
8 away a hundred and twenty thousand (120,000) passengers
9 per annum, that is a factor that the Board would consider
10 in looking at overall demand for taxi services on future
11 applications.

12 MR. JERRY KOZUBAL: Right. Any future
13 applications, the applicant would have to show that the
14 market has been impacted. So whether it's, as you say, a
15 hundred and twenty thousand (120,000) trips, I mean that
16 would reflect somewhere in the data for the industry
17 whether it means Unicity would have a hundred and twenty
18 thousand (120,000) fewer trips at the airport or perhaps
19 Duffy's would have fewer trips going to the airport,
20 we're not sure.

21 But whatever -- I mean, if that number
22 were to be there, we'd certainly be looking at it.

23

24

(BRIEF PAUSE)

25

1 MR. SIDNEY SORONOW: Give me a moment,
2 Mr. Chairman.

3 THE CHAIRPERSON: That's fine.

4

5 (BRIEF PAUSE)

6

7 CONTINUED BY MR. SIDNEY SORONOW:

8 MR. SIDNEY SORONOW: In your evidence
9 earlier, and I believe it was in response to a question
10 from Mr. Edwards, you indicated that the Taxicab Board
11 has an interest -- and I'm paraphrasing -- in the
12 viability of the taxi industry.

13 Is that correct?

14 MR. JERRY KOZUBAL: That's right.

15 MR. SIDNEY SORONOW: And you would agree
16 that it is recognized that just allowing more and more
17 taxis will not enhance, but may in fact destroy the
18 viability?

19 MR. JERRY KOZUBAL: You're right. If --
20 if there were too many taxicabs introduced and all of a
21 sudden everyone had to compete for trips, I mean
22 certainly it would diminish the viability of the
23 industry.

24

25 (BRIEF PAUSE)

1 MR. SIDNEY SORONOW: Because -- and I
2 note that -- I'd refer you to the bottom of page 4 of
3 your response, where you say:

4 "Changes in WAA ground transportation
5 policies will have an impact on the
6 taxicab and limousine industry."

7 Is it -- is it fair to say that the
8 airport is essentially one (1) of the largest service
9 generators of taxi -- taxicabs and limousines in the City
10 of Winnipeg?

11 MR. JERRY KOZUBAL: You're right, it's
12 the largest single user of taxis and limousines.

13 MR. SIDNEY SORONOW: So that anything
14 they do at the WAA, in terms of what you call ground
15 transportation, will have an impact on the taxi industry
16 and the limousine industry, respectively?

17 MR. JERRY KOZUBAL: Right.

18

19 (BRIEF PAUSE)

20

21 MR. SIDNEY SORONOW: Mr. Chairman, I note
22 that we're now at twelve o'clock, which I think more or
23 less was supposed to be our lunch time, and I, before
24 closing cross-examination or considering the addition to
25 issues that I've raised, would want to confer with my

1 client, meaning we would have to take a short break
2 anyways, and maybe we ought to just double those up by
3 just taking the lunch break, at which time I can confer
4 with my client and try to minimize any additional
5 questions.

6 THE CHAIRPERSON: I'm wondering just for
7 the convenience of Mr. Kozubal, do you have any idea how
8 much more time you would require for his cross-
9 examination?

10 MR. SIDNEY SORONOW: Well, depending on
11 discussions with my client, you know, it may extend on
12 for the next -- for another half an hour. I -- I just
13 don't know but I would want to confer with my client in
14 any event at this juncture.

15 THE CHAIRPERSON: Fair enough. We'll
16 have to take a lunch break now then. Thank you.

17 MR. WALTER SARANCHUK: We do have the
18 presenters at 1:15, Mr. Chairman.

19 MR. SIDNEY SORONOW: It means we've got a
20 short lunch.

21 THE CHAIRPERSON: Okay. What about we
22 come back at 12:45 then. Is that all right? Is that
23 fine with you, Mr. Soronow?

24 MR. SIDNEY SORONOW: That's fine.

25 THE CHAIRPERSON: Okay, very good.

1 --- Upon recessing at 12:01 p.m.

2 --- Upon resuming at 12:49 p.m.

3

4 THE CHAIRPERSON: Okay. Welcome back.

5 Mr. Soronow...?

6 MR. SIDNEY SORONOW: Thank you, Mr.

7 Chairman, and it was fruitful because it allowed me to

8 reduce the time of the expected additional questions for

9 Mr. Kozubal.

10

11 CONTINUED BY MR. SIDNEY SORONOW:

12 MR. SIDNEY SORONOW: Mr. Kozubal, aside
13 from being a licencing board, the Manitoba -- sorry, the
14 -- the Taxicab Board performs what I'd call regulatory
15 oversight functions.

16 Is that correct?

17 MR. JERRY KOZUBAL: That's right.

18 MR. SIDNEY SORONOW: So, for example you
19 have staff inspectors? And what --

20 MR. JERRY KOZUBAL: We do have taxicab
21 inspectors.

22 MR. SIDNEY SORONOW: And can you tell the
23 -- this Panel, what are some of those functions that the
24 Taxicab Board inspectors are engaged in?

25 MR. JERRY KOZUBAL: Okay. They regularly

1 inspect taxicabs and limousines to ensure that the
2 vehicles are safe, they're clean. They check the metres.
3 They check the cameras. They check all equipment to make
4 sure it's in working order.

5 MR. SIDNEY SORONOW: And aside from the
6 inspections that are conducted by your own in-house
7 inspectors, is there a requirement for every taxicab on
8 some periodic basis to supply a certificate from an
9 approved mechanical shop?

10 MR. JERRY KOZUBAL: Standard taxicabs are
11 required to provide a mechanical safety certificate every
12 six (6) months, limousines once a year.

13 MR. SIDNEY SORONOW: And in relation to
14 the Board, do you have powers to conduct what are
15 typically called "show cause" hearings?

16 MR. JERRY KOZUBAL: That's right. Any
17 violations against the Taxicab Act and Regulations may be
18 subject to a Show Cause Hearing.

19 MR. SIDNEY SORONOW: And that will
20 address issues of non-compliance by either the taxicab or
21 the -- or drivers?

22 MR. JERRY KOZUBAL: That's right.

23 MR. SIDNEY SORONOW: And the inspectors,
24 do they play a role in an investigative function in order
25 to pursue those Show Cause Hearings?

1 MR. JERRY KOZUBAL: That's one (1) of the
2 responsibilities of the inspectors, is to do the
3 investigation, gather the facts, and prepare the Show
4 Cause Hearing.

5 MR. SIDNEY SORONOW: And -- and aside
6 from the -- you've been talking about what I'd call
7 regulatory oversight, meaning a mechanism and staff to,
8 I'll call it, supervise the operations of taxicabs and --
9 and the drivers that drive the cabs.

10 You indicated earlier that you, in fact,
11 also have a program to train and -- and ultimately
12 licence the drivers themselves?

13 MR. JERRY KOZUBAL: That's right.

14

15 (BRIEF PAUSE)

16

17 MR. SIDNEY SORONOW: Do you have -- you -
18 - you mentioned that you had information from the first
19 quarter of 2009, and -- and you indicated to us the
20 element of downturn, we'll call it, in volume.

21 Do you yet have any statistics on wait
22 times?

23 MR. JERRY KOZUBAL: No, I don't have that
24 information right now. We are in the process of
25 preparing the first six (6) month report.

1 MR. SIDNEY SORONOW: So you wouldn't yet
2 be in a position to advise the -- this Board as to the
3 impact yet of the additional executive cars plying the
4 airport, in terms of any increase in wait times for
5 taxis?

6 MR. JERRY KOZUBAL: I do not have that
7 information.

8

9 (BRIEF PAUSE)

10

11 MR. SIDNEY SORONOW: In terms of your
12 licencing function, just I -- I just want to take an
13 example and just see if my understanding is correct.
14 There is a gentleman by the name of Mr. Cheema, who
15 operates a passenger van, and takes people to eith --
16 either Grand Forks, or Fargo for medical appointments.

17 And -- and that is ass -- licenced -- he
18 is operating that as a licenced vehicle through the Taxi
19 Board?

20 MR. JERRY KOZUBAL: There is a Mr.
21 Harinder Paul Cheema, who operates executive limousine.
22 He has a number of limousines, executive cars, and I
23 believe he has a van as well.

24 MR. SIDNEY SORONOW: And that van
25 operation that I've described, is licenced through your

1 Board?

2 MR. JERRY KOZUBAL: As far as the trips,
3 I mean he does not require a taxicab licence to take
4 trips to Grand Forks. I mean that would be under a
5 public service vehicle licence. But I mean whatever
6 contracts or trips he does, I mean he does have a
7 licence.

8 MR. SIDNEY SORONOW: He is -- he is a
9 licenced operator holding licencing --

10 MR. JERRY KOZUBAL: Right. He has --

11 MR. SIDNEY SORONOW: -- authority from
12 the Taxicab Board?

13 MR. SIDNEY SORONOW: He has a taxicab
14 driver's licence. He also has several limousine
15 licences.

16

17 (BRIEF PAUSE)

18

19 MR. SIDNEY SORONOW: Those are my
20 questions.

21 THE CHAIRPERSON: Thank you, Mr. Soronow.

22

23 QUESTIONED BY BOARD:

24 THE CHAIRPERSON: Mr. -- if you don't
25 mind, just one (1) question just to get it clear in my

1 mind.

2 The Taxicab Board provided an extra thirty
3 (30) executive car licences after the limousine service
4 of the fixed fare arrangement came to an end at the
5 airport?

6 MR. JERRY KOZUBAL: No, it had nothing to
7 do with the -- the airport service. Basically, what
8 happened was that the licence holders of limousines had
9 applied to the Board for executive cars on the basis of
10 the fact that the airport was going to phase out the
11 stretch service at the terminal.

12 THE CHAIRPERSON: Okay. And there was
13 thirty (30) additional licences, I believe, if I looked
14 at the report properly, at the end of 2008, there was
15 sixteen (16).

16 So thirty (30) is quite an addition then?

17 MR. JERRY KOZUBAL: Right. Yeah. The
18 Board -- based on the applications they had received,
19 based on the fact that the airport was changing its
20 policy on limousine service at the terminal, the Board
21 did provide approval on these additional thirty (30)
22 licences.

23 THE CHAIRPERSON: Did the taxicab
24 industry oppose the granting of those licences?

25 MR. JERRY KOZUBAL: Yes, they did.

1 THE CHAIRPERSON: Okay. Thank you, sir.
2 Mr. Saranchuk, do you have any redirect?

3 MR. SARANCHUK: No, I don't, Mr.
4 Chairman.

5 THE CHAIRPERSON: Thank you very much for
6 attending. We appreciate your evidence. It's most
7 useful.

8 MR. SIDNEY SORONOW: Mr. Chairman, before
9 the witness leaves, I had something arising out of your
10 question, or at least a premise contained in your
11 question.

12 THE CHAIRPERSON: Go ahead.

13

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

15 MR. SIDNEY SORONOW: Can I clarify?
16 Executive cars, and formerly limousines are in -- there's
17 a provision where they can, from the airport to downtown,
18 charge -- for example, at the time of this application in
19 2006, nine dollars and seventy cents (\$9.70) was the
20 mandated shared ride service fee for either limos or
21 executive cars from the airport to downtown.

22 Isn't that correct?

23 MR. JERRY KOZUBAL: That's right. There
24 is a tariff for a shared ride from airport to downtown.

25 MR. SIDNEY SORONOW: And at the time it

1 was nine seventy (970) in 2006 when this was applied for,
2 to a maximum of thirty-two dollars (\$32)?

3 MR. JERRY KOZUBAL: I believe you're
4 correct.

5 MR. SIDNEY SORONOW: Okay. Thank you.
6 And -- and there's -- sorry, there still is a special
7 tariff that applies to shared ride limo, although there
8 isn't limos, but executive car services from the airport
9 to downtown?

10 MR. JERRY KOZUBAL: Yeah, there is a
11 tariff that applies to all categories of limousines. I
12 can provide you information if you wish.

13 THE CHAIRPERSON: Please.

14 MR. JERRY KOZUBAL: Okay. It's -- it's
15 in the tariff under Schedule F. Okay, airport shared
16 ride service between Winnipeg International Airport and
17 downtown hotels and places of business, limousines only,
18 all classes.

19 So for example, all classes whether it's a
20 standard limousine, executive car, a classic or specialty
21 vehicle one (1) to ten (10) passengers, or a specialty
22 vehicle eleven (11) to twenty-four (24), the rate per
23 person is eleven seventy (11.70).

24 The maximum for the standard, the
25 executive car, and the classic and speciality vehicle to

1 ten (10) people is a maximum of thirty-eight dollars and
2 forty cents (\$38.40) per load, and for the specialty
3 vehicle of eleven (11) to twenty-four (24) passengers, a
4 seventy-six dollar (\$76) maximum per load.

5

6 CONTINUED BY MR. SIDNEY SORONOW:

7 MR. SIDNEY SORONOW: And -- and just to
8 be clear, the -- what you referred to as an eleven
9 seventy (11.70) per passenger up to a maximum of thirty-
10 eight (38), back in 2006 was nine seventy (9.70) and
11 thirty-two dollars (\$32).

12 MR. JERRY KOZUBAL: That may be. I just
13 don't have the schedule for 2006.

14 MR. SIDNEY SORONOW: Would it help you if
15 I provided you with a copy of the schedule to take a look
16 at so that you could affirm that?

17 MR. JERRY KOZUBAL: Yes.

18 MR. SIDNEY SORONOW: One (1) moment, Mr.
19 Chairman, I'll just get that schedule.

20 THE CHAIRPERSON: While Mr. Soronow is
21 pulling out that schedule, Mr. Kozubal, I am just
22 wondering, with these additional executive cars is there
23 a transfer fee attached to those?

24 MR. JERRY KOZUBAL: No, the applications
25 to the Board were made directly -- based on the business

1 plan submitted by the applicant. The Board approved the
2 applications, and the licences that were granted were
3 non-transferrable and non-convertible.

4 THE CHAIRPERSON: Thank you, sir.

5

6 (BRIEF PAUSE)

7

8 CONTINUED BY MR. SIDNEY SORONOW:

9 MR. SIDNEY SORONOW: I've handed to the
10 witness for identification a schedule showing the
11 prescribed rate at the time of -- of this regulation, or
12 schedule, nine seventy-five (9.75) and a -- a maximum of
13 thirty-two dollars (\$32) for shared ride.

14 Is -- is that a correct schedule?

15 MR. JERRY KOZUBAL: Yes, it is. It is
16 correct.

17 MR. SIDNEY SORONOW: Can we have that
18 marked as an exhibit?

19 THE CHAIRPERSON: Yes, we can. Mr.
20 Saranchuk, do you happen to know the number of the
21 exhibit?

22 MR. WALTER SARANCHUK: I believe it will
23 be UNICITY/DUFFY'S Number 3.

24 THE CHAIRPERSON: Okay. Subject to
25 check, that is fine. Thank you.

1 --- EXHIBIT NO. U/D-3: 2006 Fee Schedule

2

3 THE CHAIRPERSON: Thank you again, sir,
4 for your attendance. Appreciate it very much. Thank
5 you.

6

7 (WITNESS STANDS DOWN)

8

9 THE CHAIRPERSON: Given that we are all
10 here, and we are actually at one o'clock rather than
11 1:15, and I believe it is Mr. Baker that is back there,
12 and he is the first presenter. So if you are ready, Mr.
13 Baker, we could probably receive your presentation at
14 this time.

15

16 (BRIEF PAUSE)

17

18 THE CHAIRPERSON: Okay. Welcome, Mr.
19 Baker. I understand you are the President and CEO of the
20 Manitoba Hospital Association -- sorry, Hotel
21 Association.

22 MR. JIM BAKER: Are we ready now? Okay.
23 I've been reading the paper. I think I'd rather have
24 that position than what I have.

25 THE CHAIRPERSON: We will let that one

1 (1) go. Mr. Baker, thank you for coming. I understand
2 that you have got a presentation to make --

3 MR. JIM BAKER: I do.

4 THE CHAIRPERSON: -- for the hearing.
5 You can proceed at your own pace.

6 MR. JIM BAKER: Thank you.

7

8 PRESENTATION BY MANITOBA HOTEL ASSOCIATION:

9 MR. JIM BAKER: Indeed I -- I am Jim
10 Baker. I am a Chartered accountant employed by the
11 Manitoba Hotel Association as it's President and Chief
12 Executive Officer, and I've had that position for the
13 past ten (10) years.

14 The Manitoba Hotel Association represents
15 virtually all of the hotels in Manitoba as an advocate.
16 As well, the MHA develops and operates many programs and
17 services for its members through strategic partnerships,
18 and through our strength in numbers.

19 One (1) of the goals of the Association is
20 to protect the interests of the membership and the
21 industry. When we use the term "industry," it is the
22 broad sense of the hospitality industry, and it is in
23 this sense that my comments today are primarily directed.

24 In 2006 the Manitoba Hotel Association
25 initiated the engagement of PKF Consulting to prepare a

1 competitive analysis and strategies to keep growing
2 Winnipeg's meeting and convention business.

3 We received support from Destination
4 Winnipeg, Travel Manitoba, and the Winnipeg Convention
5 Centre to work with PKF on this report. In brief, the
6 overall conclusion out of the report was there was --
7 there is an opportunity to grow the level of meeting and
8 convention activity in Winnipeg.

9 Fundamental to maintaining and growing the
10 business is the need for the hospitality and tourism
11 industry in the city to continue to offer a good quality
12 product and to add new exciting product and to provide
13 quality service. Given that Winnipeg is one (1) of the
14 only major cities in North America that does not have a
15 shuttle and that affordability is a key factor in
16 deciding on where a convention is to be held, it stands
17 to reason that there is an opportunity enhance the
18 quality and affordability offered to visitors I Winnipeg.

19 As important as this service is to the
20 meeting and convention business, it is equally important,
21 given the tremendous impact the Canadian Museum for Human
22 Rights will have on visitation to our city. Many of
23 these new visitors to our city will expect a su -- a
24 shuttle service and many will utilize existing taxi
25 services. Clearly, there is a need for more capacity and

1 competition to provide an enhanced service to our guests.

2 The Manitoba Hotel Association and
3 Winnipeg Hotels strongly support the approval of an
4 airport shuttle service that would service hotels. The
5 hotels have reviewed the elements of the business plan
6 relating to the equipment, the routing, the timing and
7 fee, and the proposals met their expectations.

8 This is not about poor or inadequate taxi
9 service, but rather for our industry and our city having
10 an amenity that is expected by modern travellers. This
11 comment has been echoed by letters from Destination
12 Winnipeg, Travel Manitoba, and Winnipeg Convention
13 Centre, all supporting the concept of the service.

14 The Manitoba Hotel Association does not
15 endorse Avion over any other supplier. Rather, we have
16 worked with them as they are the only supplier to come
17 forward and the only supplier to do the legwork in
18 developing the plan. The Manitoba Hotel Association
19 believes they deserve the opportunity to proceed. And
20 those are my comments.

21 THE CHAIRPERSON: Thank you, sir. You
22 are not subject to cross-examination, but occasionally
23 the Board might ask a couple of questions.

24 We understand some of your members right
25 now offer free shuttle services?

1 MR. JIM BAKER: They -- they do. Some of
2 them have contracted services in terms of -- as a prime
3 example is airline crews, when they negotiate room rates
4 and block for a year, part of that is -- is that the
5 property must supply a van, a shuttle service, but it's
6 not a shuttle service for the general public.

7 THE CHAIRPERSON: So are you suggesting
8 then that some of the hotels, if Avion was operating
9 their shuttle service, would not cease their own shuttle
10 service?

11 MR. JIM BAKER: I'm not suggesting that.
12 I mean that would be property by property to make that
13 decision. I mean it would probably have to do with
14 scheduling more than anything.

15 THE CHAIRPERSON: So you are suggesting
16 that the Association is looking forward to increased
17 convention business that would actually bring additional
18 patrons to Winnipeg.

19 MR. JIM BAKER: Oh, in -- indeed. And
20 you're probably aware that the Winnipeg Convention Centre
21 is proposing to expand. With expansion, of course, is --
22 is an expansion of visitation to the city.

23 MS. SUSAN PROVEN: I'd just like to ask,
24 for clarification, these shuttles that are presently
25 running, did you say they don't provide transportation to

1 regular folks or are they just designed for the -- the
2 airlines?

3 MR. JIM BAKER: Well, yes, they -- they
4 are one (1) off services, to my understanding. So if I'm
5 a guest at -- at the Delta Hotel, I -- I've -- I just
6 can't go to a place and purchase a fare.

7 MS. SUSAN PROVEN: Oh, so I can't get on
8 the shuttle to the airport if I'm a guest there?

9 MR. JIM BAKER: Well --

10 MS. SUSAN PROVEN: You can.

11 MR. JIM BAKER: -- again, you probably
12 can, but that's by individual arrangement with the
13 property.

14 MS. SUSAN PROVEN: Okay. I understood
15 too that these hotels, and I know that you're not
16 representing an individual hotel, but that these hotels
17 want their shuttles in a certain parking spot at the
18 hotel.

19 Usually, they have reserved space for the
20 shuttle, their shuttle, or the shuttle that's going to
21 take the guests free of charge to the -- the airport, is
22 that true?

23 MR. JIM BAKER: Just from my personal
24 observation, I don't know of any hotel that has a reserve
25 place for their van. More -- more the case is that the

1 van is parked somewhere and -- and it arrives when --
2 when needed.

3 MS. SUSAN PROVEN: Okay. So it's some --
4 not every half-hour, every hour, nothing that scheduled?

5 MR. JIM BAKER: To my understanding, it
6 is not a scheduled service.

7 MS. SUSAN PROVEN: But it is a service
8 without charge? That -- that's your understanding, that
9 there's no charge to get on that, if you were a guest?

10 MR. JIM BAKER: I really don't have
11 information about that. I -- I would be speculating. I
12 would assume that when you say without charge, under a
13 contract there -- there is an implied charge within that
14 contract. However, for the individual I'm not sure.

15 MS. SUSAN PROVEN: It could be built into
16 their room rate? Is that what you're saying? Like would
17 it be covered by some --

18 MR. JIM BAKER: I don't know of any --

19 MS. SUSAN PROVEN: -- by some other --

20 MR. JIM BAKER: -- hotel that -- that
21 would put a charge in for a -- a ride to the airport.

22 MS. SUSAN PROVEN: Okay. And you did say
23 that you -- you're not sure that those are going to
24 disappear, that if the Avion shuttle is coming every hour
25 or every half-hour, or whatever, you're not sure that the

1 plans are to get rid of these other ones?

2 MR. JIM BAKER: No, I -- I would think
3 that would be negotiated. You know, I'm -- I'm sure that
4 in -- in -- especially in these times, if there's a cost
5 saving, and the shuttle service would accommodate by
6 schedule and by space, that that could be something
7 that's negotiated within the individual contracts.

8 MS. SUSAN PROVEN: Okay. Thank you, Mr.
9 Baker.

10 THE CHAIRPERSON: Mr. Baker, one (1) last
11 question. You had indicated you hired this consultant to
12 -- it wasn't -- the study wasn't aimed at transportation
13 services?

14 MR. JIM BAKER: No. It -- it was aimed
15 at -- at identifying the competitive position of -- of
16 Winnipeg as a meeting and convention city. And -- and it
17 identified perceptions and rankings in a variety of
18 areas, including climate, airlift -- ground
19 transportation.

20 THE CHAIRPERSON: So this was just one
21 (1) element of a --

22 MR. JIM BAKER: Yes.

23 THE CHAIRPERSON: -- much broader study?

24 MR. JIM BAKER: Yes, it was. It was a
25 broader study than that.

1 THE CHAIRPERSON: Thank you, sir. We
2 appreciate your attending. Thank you.

3 MR. JIM BAKER: Thank you.

4

5 (BRIEF PAUSE)

6

7 THE CHAIRPERSON: Okay. Well, we'll move
8 on now. I don't know whether Mr. Mike Akinola. Is he
9 here? Well it's -- 1:15 yet, so it's probably possible
10 that he'll return. We'll give him another chance a
11 little bit later.

12 Mr. Mughal, are you present, sir?

13

14 (BRIEF PAUSE)

15

16 THE CHAIRPERSON: We know that one (1)
17 mic works, so it's probably the best bet. I'm not sure
18 if I pronounced your name properly or not. If you
19 wouldn't mind sort of introducing yourself, and if you
20 wouldn't mind, and then just proceed with your
21 presentation.

22

23 PRESENTATION BY CROWN LIMOUSINE:

24 MR. RIZWAN MUGHAL: Good afternoon,
25 everyone, Mr. Chairman and everyone that is in the room

1 there. I am a Crown Limousine owner. My name is Rizwan
2 Mughal. And I'm in the business more than in a year.
3 And I was the supervisor for the Unicity Taxi.

4 And airport situation, I know that for the
5 last sixteen (16) years. Like the gentleman said before,
6 the shuttle service, why they are -- every hotel has a
7 shuttle service, but they're not coming, because it's --
8 they don't want to come there, and we don't have a --
9 people like here in Winnipeg, because Winnipeg is a small
10 city.

11 And we don't have a traffic like Toronto
12 and other coun -- cities in Canada. And so far my
13 experience, I didn't see anybody require any shuttle
14 service in Winnipeg. They didn't ask for the shuttle
15 service here. And I don't think we need Avion like
16 always asking for the shuttle service. We are not going
17 to be successful.

18 If you put the shuttle service, it's not a
19 point to put shuttle service. We don't have that kind of
20 people from -- Winnipeg is a flat city. It is nothing
21 here for anything like to risk coming here like Toronto,
22 Vancouver.

23 So I don't thinks -- I'm against for that.
24 I don't thinks we require any shuttle service for -- in
25 Winnipeg city. Like taxi service is standing here for

1 hours and hours. We don't have the business for the taxi
2 people, where the people going for shuttle, they don't
3 know how to wait for shuttle service. Like shuttle
4 service, if they want to take it they have to be wait for
5 long time, and nobody want to wait for -- they always
6 take a taxi, so that's how I have to be safe on this
7 date.

8 THE CHAIRPERSON: Do you operate an
9 executive car now from the airport?

10 MR. RIZWAN MUGHAL: Yes, sir, I operate
11 executive car since the -- put -- executive car. I'm
12 using executive car for -- since a few month, and I'm
13 okay for that.

14 THE CHAIRPERSON: Well, thank you very
15 much for your presentation.

16 MR. RIZWAN MUGHAL: Thank you very much
17 --

18 THE CHAIRPERSON: Appreciate your coming.

19 MR. RIZWAN MUGHAL: -- for everybody.

20 THE CHAIRPERSON: The next gentleman that
21 wants to speak, is it Mr. Brar? Are you present, sir?

22

23 (BRIEF PAUSE)

24

25 THE CHAIRPERSON: If you wouldn't mind

1 just introducing yourself and your affiliation with your
2 firm, and then you could just make your presentation.

3

4 PRESENTATION BY LUXURY PLUS LIMO ET. AL.:

5 MR. JOE BRAR: My name is Joe Brar. I've
6 been in the limousine business for about seven/eight
7 (7/8) years now, as an owner for about two (2) or three
8 (3).

9 I'm speaking -- I own Luxury Plus Limo,
10 but I'm speaking on behalf of the following companies:
11 Five Star Limousine, Winnipeg Limousine, Empire
12 Limousine, A-Royal Limousine, Crown Limousine, Ambassador
13 Limousine, Friendly Limousine, Platinum Limousine,
14 Rainbow Limousine, Executive Limousine, Ruby Limousine,
15 Nationwide Limousine, and A-1 Limousine. I have
16 signatures from the owners, if you need it.

17 THE CHAIRPERSON: Yes, we will take that.
18 Thank you.

19 MR. JOE BRAR: Okay. We, as an industry
20 right now, are still a little bit puzzled as to how this
21 application has come in front of the Public Utility
22 Board. Any vehicle that is charging passengers for
23 transportation services must either be under the Taxicab
24 Board or the Transport Board.

25 It raises a little bit of suspicion to the

1 industry as why the government would allow a private body
2 such as Avion to bypass these two (2) Boards, and end up
3 at the Public Utility Board. It seems that the Winnipeg
4 Airport Authority and Avion are commingled in some sort
5 of scheme.

6 By doing this and hearing this Application
7 in this manner, the government is directly hurting the
8 investment of small businessmen like myself and my
9 colleagues that I have mentioned.

10 There's eco -- economic turmoil going on
11 throughout the world right now, and I understand that we
12 as an industry here in Winnipeg are a very small portion
13 of that world economy, but we are a portion and we do
14 have responsibilities. We have families and homes that
15 depend on us working hard and earning a decent living.
16 Working a seven (7) day week, and twelve (12) to eighteen
17 (18) hour shifts every day, is not an uncommon thing for
18 us.

19 Now it's hard -- it gets harder and harder
20 to earn a living when the government we rely on, it seems
21 like they have their own agendas and sees us as an
22 obstacle.

23 Our ten (10) passenger stretched
24 limousines that we made investments of up to a hundred
25 and forty thousand dollars (\$140,000) for each one (1)

1 were pretty much kicked out of the airport for space
2 issues. They didn't have enough space there.

3 The Winnipeg Airport Authority has been
4 against limos for many years now. They make us stand
5 outside in minus forty (40) degree weather for hours on
6 end waiting for a fair. We're not even allowed to stand
7 inside the doors.

8 These ten (10) passenger vehicles were
9 doing exactly the same thing that this Applicant wants to
10 do. The only thing that is different is that we were
11 profi -- providing a more professional service at a more
12 reasonable rate.

13 Our service for ten (10) passengers to go
14 downtown was thirty dollars (\$30). For those ten (10)
15 passengers, your Applicant will charge a hundred and ten
16 (110). I've a calculator if you guys want to do the math
17 as to which is the better deal.

18 Who is wanting these vehicles? Has -- has
19 there been any -- any requests from anybody other than
20 the Hotel Board or your Applicant? In -- in my
21 experience, I -- I haven't seen anybody come down and get
22 angry at the City that there's no shuttle going to
23 downtown. Tourists or people coming into the City, they
24 don't make their decision based if there's a shuttle or
25 an air -- airport service going downtown. If they're

1 going to come, they're going to come.

2 The ex -- explanation that we're getting
3 is that larger cities have this option, and that's just
4 crazy. Their downtowns are usually a little bit farther
5 than ours. An average cab ride from Winnipeg Airport
6 going to downtown is in between thirteen (13) to sixteen
7 dollars (\$16).

8 There's absolutely no viable reason that
9 Winnipeg should even be considering this Application.
10 We, as an industry, are calling upon the Public Utility
11 Board to strike down this Application.

12 In such unstable economic times, it is the
13 government's job to regulate. Our neighbours down south
14 have learned this lesson in a very hard way. Plain and
15 simple, people that were in charge did not do their jobs
16 and because of that, millions are jobless, tens of
17 thousands are homeless, and millions of people have seen
18 their investments dwindle away to nothing. I'm sure if
19 they had the option to go back in time and do things a
20 little bit different, this is where they would start.

21 Close to 50 percent of our income comes
22 from the -- the Winnipeg Airport. And if any -- any cut
23 into that is going to affect us at -- all. We've already
24 been affected a lot by the fact that our stretches have
25 been -- have limited access to customers and the increase

1 in licences issued.

2 Our market is already oversaturated, and
3 we are competing with a large number of illegal operators
4 in the city as well. At this time, we are requesting
5 that the -- Government of Manitoba to stand up and
6 tighten your belts, do your job and regulate the
7 industry, and don't try to push us out of it. Our
8 investments, and jobs, and a whole lot more depends on
9 you doing your job.

10 Thank you.

11 THE CHAIRPERSON: Thank you, sir. Are
12 you operating out of the airport now?

13 MR. JOE BRAR: I have executive cars that
14 operate out of the airport.

15 THE CHAIRPERSON: Oh, I see. So your
16 limousines are just used for other services now.

17 MR. JOE BRAR: Yeah, they're used for
18 weekends, pretty much. They usually just sit around
19 during the week, whereas before, they were working the --
20 working the door, taking larger groups to and from
21 downtown wherever. So that -- that's a bunch of business
22 that we have lost, yeah.

23 THE CHAIRPERSON: Did you have a notice
24 of the change in the rules in April?

25 MR. JOE BRAR: From the airport?

1 THE CHAIRPERSON: Yes.

2 MR. JOE BRAR: I guess you can call it a
3 notice. They told us it was going to happen. There
4 wasn't a meeting or anything about it. They just told us
5 this is going to happen, this is the way it's going to
6 work.

7 And then we had to push our way into just
8 getting one (1) spot way at the side somewhere. You
9 know, it's not -- it's not a real visible spot. You
10 know, if -- if the airport wants to provide this service,
11 they should give us the visible spot. We can provide the
12 same service for a lot less cost to the customer, to the
13 passenger.

14 THE CHAIRPERSON: Thank you for your
15 presentation.

16 MR. JOE BRAR: Thank you.

17 MS. SUSAN PROVEN: I do have one (1)
18 question. When you say "illegal operators," like what
19 does that mean? Does that mean somebody coming in and --
20 and charging for a ride and not being...

21 MR. JOE BRAR: Yeah, that's exactly what
22 I mean.

23 MS. SUSAN PROVEN: You mean just anybody?

24 MR. JOE BRAR: Yeah, that happens all the
25 time. Go -- go out on a Friday or Saturday night.

1 That's what we're competing with.

2 MS. SUSAN PROVEN: And so they're not a
3 taxi.

4 MR. JOE BRAR: They're not a taxi.
5 They're not limo. They're not anything. They're just
6 someone that bought a vehicle, gave out their phone
7 number, and is competing against us.

8 MS. SUSAN PROVEN: Thank you.

9 MR. JOE BRAR: You're welcome.

10 THE CHAIRPERSON: Okay. Thank you again,
11 Mr. Brar.

12 I am working with Mr. Gaudreau's writing,
13 which is almost as bad as my own. Is there a Mr. Parveen
14 Sihdu here?

15

16 (BRIEF PAUSE)

17

18 THE CHAIRPERSON: Okay. And Mr. Gur --
19 you're the same, okay. Thank you very much. Mr.
20 Akinola, is he here now?

21 Okay, well, then that will be the end of
22 the presentations. Thank you.

23

24 (BRIEF PAUSE)

25

1 THE CHAIRPERSON: So, Mr. Edwards, we are
2 over to you and Ms. Tataryn.

3 MR. PAUL EDWARDS: Thank you very much,
4 Mr. Chair. And I'm going to thank my friend for allowing
5 us -- we'll just stay seated where we are, if that's all
6 right. That will assist in terms of any documents Ms.
7 Tataryn needs to see.

8 THE CHAIRPERSON: That's fine.

9 MR. PAUL EDWARDS: Ms. Tataryn, I wonder
10 if you could just describe your position with the
11 Applicant, and how long you've been in that position.

12 MS. SHELLEY TATARYN: I've been General
13 Manager of Avion since May of 2005.

14 MR. PAUL EDWARDS: And could you just --
15 oh --

16 MR. WALTER SARANCHUK: We have to swear
17 in the witness.

18 THE CHAIRPERSON: The Chair is asleep at
19 the switch here.

20

21 SHELLEY TATARYN, Sworn

22

23 THE CHAIRPERSON: Thank you, Mr.
24 Saranchuk.

25

1 EXAMINATION-IN-CHIEF BY MR. PAUL EDWARDS:

2 MR. PAUL EDWARDS: So Ms. Tataryn, I'll
3 just assume that first answer was -- was correct and
4 factual. Let me move on. Thank you very much to the
5 Board Registrar.

6 Can you indicate what the relationship is
7 between Avion and the Winnipeg Airports Authority?

8 MS. SHELLEY TATARYN: Avion is a wholly
9 owned subsidiary of the Winnipeg Airport Authority. We
10 are owned 100 percent by the Airport Authority. We are a
11 separate legal entity, however, and we have our own
12 mandate and operating policies.

13 MR. WALTER SARANCHUK: Can we just ask
14 the witness to get a little closer to the mic, please.
15 Thank you. We're have a little difficulty hearing you.
16 Thank you.

17

18 CONTINUED BY MR. PAUL EDWARDS:

19 MR. PAUL EDWARDS: And when you say
20 mandate, Ms. Tataryn, can you just indicate for the Board
21 what -- what the mandate of Avion is, and specifically is
22 it a for-profit operation.

23 MS. SHELLEY TATARYN: Yes. Our mandate
24 is to provide value to our customers in our areas of
25 expertise, and we are a for-profit company.

1 MR. PAUL EDWARDS: And can you indicate
2 what the current range of businesses that Avion operates
3 are?

4 MS. SHELLEY TATARYN: We operate parking
5 services, retail services, and security services. Within
6 each of those we have a number of different entities that
7 we work -- or that we operate for the airport and for
8 other areas.

9 MR. PAUL EDWARDS: And can you just
10 indicate your clients, other than the airport itself.
11 How many are there, and are they -- what provinces are
12 they in, et cetera.

13 MS. SHELLEY TATARYN: Actually, to be
14 perfectly honest, I don't know how many clients we have.
15 We operate in Saskatchewan and Manitoba. We provide
16 services -- we provide security services to a large
17 number of clients in both provinces. For example,
18 Saskatoon Airport Authority, Canada Safeway in
19 Saskatchewan. In Manitoba we work for the City of
20 Winnipeg.

21 We work for small clients, too, such as
22 the Manitoba Clinic. We provide retail services under
23 our UPS store. We provide baggage storage services.
24 Those are some of the types of services we do.

25 MR. PAUL EDWARDS: Is the Winnipeg

1 airport the only airport that Avion provides services to?

2 MS. SHELLEY TATARYN: No. We work for
3 Saskatoon Airport Authority also. We provide security
4 services for them and ground transportation services.

5 MR. PAUL EDWARDS: Now perhaps you could
6 just identify for the Board how this concept of a shuttle
7 service got started, and take the Board, if you would,
8 through the -- the process of bringing it forward.

9 MS. SHELLEY TATARYN: Part of my mandate
10 when I took over the position as General Manager was to
11 grow the business. And so one (1) of the things that I
12 did when I went into the job was to put the team
13 together, and for us to come up with ideas for services
14 that we currently didn't have at the Winnipeg airport, or
15 on that same line, other avenues of service.

16 So one (1) of the things that did come out
17 of that sort of brainstorming session was shuttle service
18 that was not at the airport, and so we kicked it around.
19 We also looked at, you know, a number of other services
20 that we could possibly offer, and different cl -- clients
21 and customers that, you know, we could target. That was
22 all part of that brainstorming session that we put
23 together.

24 MR. PAUL EDWARDS: Okay. Once you'd
25 finished that internal brainstorming, what -- how did you

1 pursue the idea?

2 MS. SHELLEY TATARYN: Well, we pulled
3 together what -- you know, as much information as -- as
4 we could, in terms of what we thought would be the
5 correct avenues to follow. Since there was nothing to
6 reference it on in terms of, you know, existing
7 businesses to compare, or that kind of thing, we sort of
8 put together numbers that we felt were, you know,
9 reasonably understandable.

10 We took a look at was it really, you know,
11 something that the Airport Authority would be interested
12 in, was it something that, you know, they had requests
13 for? We talked to the hotels: Was it something that
14 they'd be interested in? And we did some legwork to see
15 if it was possible or made sense.

16 And then we continued on our path kind of
17 under the belief that, you know, we should go the Taxi
18 Board with this. And, you know, this was kind of the
19 numbers that we had put together, based on arriving and
20 departing passengers at the airport.

21 MR. PAUL EDWARDS: When you say "arriving
22 and departing passengers at the airport," what -- what
23 data did you have about that and -- and what did you
24 conclude from it?

25 MS. SHELLEY TATARYN: Well, the Airport

1 Authority publishes the ari -- their passenger stats.
2 And so we took a look at how many people were coming into
3 the airport and, you know, was there an -- a number that
4 possibly we could extract out of all those people that
5 didn't have someone coming to pick them up, or that maybe
6 weren't taking a taxi, or that maybe wanted an option to
7 a service that we could maybe target as potential
8 customers.

9 MR. PAUL EDWARDS: Okay. So you looked
10 at the -- some of the statistics about traffic at the
11 airport. You said you spoke to some of the hotels.
12 Let's go back for a second.

13 There is a letter which is before this
14 Board, dated September 26th, 2008, from the Winnipeg
15 Airport Authority, and this is attached to PUB/AVION
16 Number 10. Let me just get that in front of you.

17

18 (BRIEF PAUSE)

19

20 MR. PAUL EDWARDS: This was attached to
21 the May 22nd, '09 letter that I referenced earlier.

22

23 (BRIEF PAUSE)

24

25 MS. SHELLEY TATARYN: I got it.

1 MR. PAUL EDWARDS: Oh.

2 MS. SHELLEY TATARYN: Sorry.

3 MR. PAUL EDWARDS: Okay. Does the Board
4 have a copy of that letter? Okay. Ms. Tataryn, this
5 letter indicates, in December 2006, Avion approached WA
6 about the concept of providing a shuttle service for
7 customers at the airport.

8 Does that coincide with your recollection
9 as well?

10 MS. SHELLEY TATARYN: Yes.

11 MR. PAUL EDWARDS: And it goes on to say
12 WA -- this is the second sentence of the second
13 paragraph:

14 "WA agrees in principle that WA will
15 charge Avion on a per trip basis, just
16 like other commercial vehicles using
17 the airport for transportation
18 services."

19 Now, on that issue, has there been any
20 conclusion at this point as to what that per trip fee
21 will be?

22 MS. SHELLEY TATARYN: No.

23 MR. PAUL EDWARDS: When it says:

24 "just like other commercial vehicles
25 using the airport for transportation

1 services,"

2 What do you take that to reference?

3 MS. SHELLEY TATARYN: I would assume that
4 would be the per fee charge that the taxis and limos
5 would pay.

6 MR. PAUL EDWARDS: Do you know what the
7 taxis and limos currently pay on a per trip fee at the
8 airport?

9 MS. SHELLEY TATARYN: No, I don't.

10 MR. PAUL EDWARDS: Do you know what it
11 was or -- or what --

12 MS. SHELLEY TATARYN: I know that --

13 MR. PAUL EDWARDS: I'm sorry.

14 MS. SHELLEY TATARYN: Sorry. I know that
15 it was, I think at one point, a dollar thirty-five
16 (\$1.35) per trip.

17 MR. PAUL EDWARDS: In the financial
18 projections that we'll get to a little later, what have
19 you built into the calculations in terms of your estimate
20 as to what that per trip fee is likely to be?

21 MS. SHELLEY TATARYN: We use five dollars
22 (\$5) per trip, just as kind of a round number. And based
23 on the fact that we would possibly be carrying a few more
24 passengers than a taxi or a limo maybe, that I use that
25 number, or we used that number.

1 MR. PAUL EDWARDS: This letter goes on to
2 say:

3 "Once Avion gets all the appropriate
4 licences in place, then a final
5 agreement will be negotiated at current
6 commercial rates."

7 So do -- do we take it this Board takes it
8 that that final agreement with the Airport Authority
9 needs to have approval from this Board in place, first?

10 MS. SHELLEY TATARYN: I'm sorry, I don't
11 understand.

12 MR. PAUL EDWARDS: Do I take it -- do you
13 understand from that sentence that the -- Avion needs to
14 have the approval of this Board before going to negotiate
15 a final agreement with the WAA?

16 MS. SHELLEY TATARYN: Yes. Yes.

17 MR. SIDNEY SORONOW: Mr. Chairman,
18 wouldn't it have been easier to have the author of a
19 letter tell us what he meant than to have this witness
20 simply guess as to what the man meant?

21 THE CHAIRPERSON: I think we will let Mr.
22 Edwards carry on with his cross.

23

24 CONTINUED BY MR. PAUL EDWARDS:

25 MR. PAUL EDWARDS: Thank you very much.

1 Now you mentioned the hotels. What is the extent of
2 Avion's discussion and/or commitments from any of the
3 downtown hotels?

4 MS. SHELLEY TATARYN: We have no solid
5 commitments from any of the hotels. It was strictly a
6 discussion in principle, whether or not it would be
7 considered a viable option for their clients, whether or
8 not they've ever had any requests for such a -- a
9 service, and really whether or not they would be
10 interested in participating, but we never had anything
11 solid.

12 MR. PAUL EDWARDS: When you say "solid,"
13 are you referring to any written agreements?

14 MS. SHELLEY TATARYN: Exactly.

15 MR. PAUL EDWARDS: Okay. So on those
16 issues you've described in your discussions with the
17 hotel, what -- what was their response?

18 MS. SHELLEY TATARYN: That they would be
19 interested definitely in having that option for their
20 customers.

21 MR. PAUL EDWARDS: Did you get into any
22 discussions with those hotels, or was there any
23 discussion about this issue of existing shuttle services
24 that some of them currently operate?

25 MS. SHELLEY TATARYN: No. We had a

1 number of conversations with a number of different
2 hotels. A lot of it was anecdotal. That the costs of
3 their shuttles was quite exorbitant, and you know, if the
4 service was there they could possibly get rid of that.
5 Some hotels have contracts that they have to provide that
6 service. So there's just -- it becomes a very individual
7 thing.

8 MR. PAUL EDWARDS: Now there are nine (9)
9 hotels listed in the Application document itself as
10 potential hotels you would drop off and pick up at.

11 How -- how do -- how did you arrive at
12 that number? Were there any hotels that said flat out,
13 No. Is there a maximum number that you feel you could
14 do, or a minimum number? How do you anticipate that
15 breaking down, should this business go ahead?

16 MS. SHELLEY TATARYN: What we tried to
17 target was just the hotels that were downtown close
18 proximity to each other so that a shuttle ride wouldn't
19 become onerous to any passenger, that it would be fairly
20 close and -- and easy to drop and pick up people. We
21 never looked at how many hotels we would absolutely have
22 to have. That never occurred to us, actually.

23 MR. PAUL EDWARDS: Were there hotels that
24 were approached downtown that -- any of it said flat out
25 they weren't interested?

1 MS. SHELLEY TATARYN: No, and one (1) of
2 the hotels we didn't approach and they called us about it
3 when they heard about -- that it was a possibility. That
4 they wanted to let us know that they were interested.

5 MR. PAUL EDWARDS: Now there's been some
6 discussion in -- in the comments from Mr. -- questions to
7 Mr. Baker about how hotels might facilitate having their
8 customers use the shuttle service, whether or not they
9 would actually promote it, sell the tickets, collect it,
10 make it part of the hotel bill, what are your thoughts on
11 any of that?

12 Is -- is that expected or anticipated in
13 terms of how this will actually work?

14 MS. SHELLY TATARYN: When we were putting
15 this project together the hotels had indicated that they
16 didn't really think there was any interest on their part
17 to participate. They would be happy to let us know if
18 there was customers, they would be happy to, you know,
19 allow some signage. But, you know, we'd have to further
20 discuss with them if there was going to be ticket sales
21 available.

22 They had indicated to us that a number of
23 their guests, when they called to make reservations, ask
24 if there's a shuttle service, can they put it on their
25 bill. They have those kinds of questions regularly, to

1 which they have to respond no. So, you know, from our
2 perspective, that would just be one (1) of those things
3 we would talk to the hotels once we had it -- an ability
4 to go forward.

5 MR. PAUL EDWARDS: Now you've heard some
6 -- lots of discussion over the -- this process, and again
7 here in the pre -- presentations here, that people say,
8 Well there's no need. And there's all kinds of reasons
9 associated with that. The cab service is good, distance
10 between the airport and the downtown is not as great as
11 in other cities, the city is not big enough to -- to --
12 to need this. Various other reasons -- well, and indeed,
13 Unicity itself having tried this and -- and it -- it not
14 continuing.

15 So what do you -- what do you say to all
16 that, the naysayers who say, Look, there's all kinds of
17 reasons, you know, this is going to fail, what -- what's
18 your response?

19 MS. SHELLY TATARYN: The biggest driving
20 force to our belief that this would be a viable operation
21 is the fact that Winnipeg is growing. The passenger
22 traffic is increasing. It may not be in the last three
23 (3) months, but it has substantially increased. And
24 passengers -- people travelling like to have options.

25 It just becomes a customer service

1 feature. If you have the ability to say, you can have a
2 taxi, you can have a limo, you can have a shuttle,
3 there's a wide variety of things that people like to do
4 and have the option to do when they're travelling.

5 MR. PAUL EDWARDS: Now, have you done any
6 -- any kind of detailed surveying of potential customers?
7 That is travellers coming to and from Winnipeg to verify
8 what the level of interest in -- in purchasing a service
9 might be?

10 MS. SHELLY TATARYN: No. We've done no
11 real extensive market research at all.

12 MR. PAUL EDWARDS: And why -- why is
13 that?

14 MS. SHELLY TATARYN: When we put this
15 idea together we had viewed it as a very simple idea, a
16 very simple process, we believed at that point. And
17 basically just adding service for customers coming to
18 Winnipeg.

19 MR. PAUL EDWARDS: Now, when you say,
20 "Simple", and the -- some of the financial documents
21 provided show the expenses, did you believe that any kind
22 of cost associated with detailed market study was -- was
23 warranted? What -- was -- was there an analysis of what
24 that cost would be vis-a-vis the overall risk associated
25 with just -- with -- with the start-up costs of this

1 business?

2 MS. SHELLY TATARYN: Normally when you
3 look at market research you're looking at, you know,
4 twenty/thirty thousand dollars (20/\$30,000) worth of --
5 of dollars to be spent for some serious market research
6 to tell you.

7 We just didn't believe that this business
8 could sustain that kind of expense.

9 MR. PAUL EDWARDS: Now you've heard from
10 Mr. Baker, the presenter as well, and you've seen the
11 letters from Travel Manitoba Destination Winnipeg.

12 Can you indicate what your view is on what
13 they're saying in terms of a potential market and
14 desirability for the overall options for travellers to
15 Winnipeg?

16 MS. SHELLEY TATARYN: Well, I think it
17 just goes to what I had indicated, is that it provides an
18 option for the customers coming into the city.

19

20 (BRIEF PAUSE)

21

22 MR. PAUL EDWARDS: There's been some
23 discussion as to downtown hotels versus hotels out near
24 the airport. Is it -- and -- and I note the city of
25 Winnipeg motion, which requires the fee to be a certain

1 level, four (4) times the -- the bus -- normal bus fare.

2 What are the current thoughts on whether
3 or not this business might expand to the ho -- the -- the
4 airport area, whether or not that would be viable?

5 MS. SHELLEY TATARYN: Currently, based
6 on, you know, having a rate that's four (4) times higher
7 than the bus fare, it wouldn't be feasible for, you know,
8 hotels that were, you know, in close proximity to the
9 airport. Those rates would be just too much for people
10 to want to pay.

11 MR. PAUL EDWARDS: Now, I have with me,
12 Mr. Saranchuk, and I -- I don't know that I need to enter
13 it as an exhibit. I'll just suggest to you that, in
14 fact, the 2009 current bus fare is two dollars and thirty
15 cents (\$2.30), you're -- you're aware of that, Ms.
16 Tataryn?

17 MS. SHELLEY TATARYN: Yes.

18 MR. PAUL EDWARDS: I'll just accept that
19 as a fact, yeah.

20 THE CHAIRPERSON: We'll accept that.

21

22 CONTINUED BY MR. PAUL EDWARDS:

23 MR. PAUL EDWARDS: Just going back to the
24 start of this idea and moving forward, you've heard Mr.
25 Soronow's questions this morning about -- to Mr. Kozubal

1 about going to the Taxicab Board, application denied.

2 Did -- were you ever advised or did you
3 ever know or were told why that was denied?

4 MS. SHELLEY TATARYN: Not to my
5 recollection. I remember asking if we could have the
6 reasons, and we were told that they did not have to
7 release the reasons for denial.

8 MR. PAUL EDWARDS: Okay. So now, between
9 when that happened at the Taxicab Board and you end up
10 applying to the City of Winnipeg, how -- how did -- how
11 did that happen?

12 What -- what caused Avion to say, well,
13 we're going to take, essentially, the same application
14 and go this different route through the -- City of
15 Winnipeg and the City of Winnipeg charter?

16 MS. SHELLEY TATARYN: Prior to going --
17 well, up to and including the application to the Taxicab
18 Board, we had never consulted legal counsel. We had --
19 we went to the presentation on our own. We didn't have
20 legal counsel present. We had never really discussed it
21 with anyone outside of our management team, other than
22 to, you know, bounce it off, as I said, the hotel and a
23 few other areas.

24 Once they said that it was denied, we felt
25 that maybe it was time to pursue and -- and get a legal

1 opinion on whether or not we were, you know, in the right
2 ballpark, or not, or, you know, what we could do, and
3 that's what we did at that time.

4

5 (BRIEF PAUSE)

6

7 MR. PAUL EDWARDS: Moving back for a
8 moment to some of the -- the work done leading up to --
9 to this business being developed as a concept, as an
10 idea. You mentioned that there was no market research
11 done, per se, but yet in front of the Board we have a
12 document from Probe Consulting, three (3) questions, a
13 public opinion survey in the City of Winnipeg, which is
14 dated I believe in the spring of 2008.

15 What -- what led to deciding to ask -- to
16 have those questions asked?

17 MS. SHELLEY TATARYN: One (1) of the
18 comments that we had heard repeatedly over the extent of
19 period of time that we were involved in this, was that
20 the public didn't want it. And so we thought that maybe
21 we should really get a gauge on whether that was accurate
22 or not.

23 While, you know, we looked at the Winnipeg
24 population and that's not necessarily who the customer
25 would be. When we were considering arriving and

1 departing passengers, we just thought it would be
2 interesting to find out for ourselves whether or not the
3 citizens of Winnipeg were really opposed to the idea of a
4 shuttle service.

5 MR. PAUL EDWARDS: Now that polling was
6 done after the five (5) hearings at the City of Winnipeg.
7 Who -- who was saying that the PUB -- that the -- that
8 people didn't want it or that it was unnecessary?

9 MS. SHELLEY TATARYN: Anyone who was
10 objecting to the service repeatedly said that, you know,
11 the public didn't want it.

12 MR. PAUL EDWARDS: Who was objecting to
13 the service?

14 MS. SHELLEY TATARYN: Well, during
15 Council meetings there was, you know, some of the City
16 Councillors made that statement, Unicity/Duffy's, and
17 their opposition to it. It was just a repeated statement
18 that, you know, the public didn't need it, it didn't want
19 it.

20 MR. PAUL EDWARDS: Having seen the Probe
21 questions, what -- what are your thoughts currently on
22 public willingness, at least in Winnipeg, to -- to adopt
or accept this service?

23 MS. SHELLEY TATARYN: Based on what we
24 got back from the Probe research was that the majority of
25 Winnipeggers thought it was a good idea to provide that

1 service.

2 MR. PAUL EDWARDS: Now, you mentioned
3 cost as being a factor with the other research that you
4 didn't do.

5 What -- what was the cost of these three
6 (3) questions on this Omnibus poll?

7 MS. SHELLEY TATARYN: Approximately two
8 thousand dollars (\$2,000).

9

10 (BRIEF PAUSE)

11

12 MR. PAUL EDWARDS: Despite what you had
13 thought and the -- and you've termed relatively small
14 start-up costs of this business, how would you assess the
15 risk of this business in terms of whether or not it's
16 likely to succeed or not?

17 What -- what was your assessment there?

18 MS. SHELLEY TATARYN: We've always viewed
19 this as high risk because we have nothing to base any of
20 our information on. It's kind of a, you know, make-or-
21 break situation. It either is going to do business or
22 it's not.

23 MR. PAUL EDWARDS: Flowing from that,
24 your projections here, financial projections, show that
25 this can make, once it's up and going, years two (2)

1 through four (4), several hundred thousands dollars net
2 profit per year.

3 Do you have any comfort that those are
4 likely or -- or -- what -- what do you base those
5 projections on?

6 MS. SHELLEY TATARYN: The projections
7 were based on extrapolated information, percentages that,
8 you know, we thought were conservative. Do I believe
9 that, you know, it's an absolute? No. I don't believe
10 it's an absolute.

11 Do I believe that there's a need for this
12 business in this city? Yes.

13 MR. PAUL EDWARDS: You mentioned that
14 Avion's mandate is to -- to make a profit. What if this
15 business doesn't make a profit, is this something that
16 you would continue, that Avion would continue, if it was
17 financially viable?

18 MS. SHELLEY TATARYN: Our normal practice
19 in looking at everything that we do, when we put together
20 an operation, we give it, you know, twelve (12) to
21 eighteen (18) months to ensure whether or not it's gonna
22 make or break and then we make the decisions at that
23 point.

24 MR. PAUL EDWARDS: Prior to this process,
25 this PUB process, were you aware that Unicity itself had

1 tried a similar shuttle service?

2 MS. SHELLEY TATARYN: No, I was
3 completely unaware of that.

4 MR. PAUL EDWARDS: If you -- Avion were
5 to receive approval from this Board, what is your
6 expected period of time before the business actually
7 became operational, what -- what's your expectation?

8 MS. SHELLEY TATARYN: We would be looking
9 at anywhere from a four (4) to five (5) month, maybe --
10 possibly even six (6) month ramp up period.

11 MR. PAUL EDWARDS: When you say "ramp
12 up," is -- is there -- is -- is a part of that, or what
13 part of that is related to needing to advertise, and --
14 and ensure public awareness that the service is being
15 provided?

16 MS. SHELLEY TATARYN: Pretty much all of
17 that, because based on current economics we would have to
18 source out vans, and we've been researching some of that.
19 There's some difficulty in finding some appropriate vans
20 at this point, so we'd have to look a little harder.

21 MR. PAUL EDWARDS: Now you are aware that
22 the Public Utilities Board, under Section 163(3B), has an
23 ongoing ability to essentially supervise, or at least
24 oversee the operations, and what are your thoughts on
25 that, and do you accept that as part of the -- the

1 business that -- if you -- if Avion were successful in --
2 in gaining approval from this Board?

3 MS. SHELLEY TATARYN: Avion would accept
4 whatever conditions the Board imposed upon us. I think
5 that they would be interested in seeing how the business
6 is doing, which would be, you know, fairly simple and
7 easy to report on.

8 MR. PAUL EDWARDS: Now, the business
9 itself, and -- and the -- the -- it's obvious the genesis
10 of the opposition from Unicity/Duffy's is based around
11 potential negative impact on cabs -- on the cab/taxi
12 business in -- in Winnipeg, in particular Unicity, and
13 the statement that a significant contributor of the
14 economy of that industry is -- is the airport.

15 What -- what do you say to that -- to that
16 basic premise that, you know, this business may -- may
17 hurt the cab industry? What -- can you just say to the
18 Board what your response to that general statement is,
19 which is -- is obviously a key concern of -- of the
20 Intervenor and -- and the people that are associated with
21 the Intervenor?

22 MS. SHELLEY TATARYN: Well, I understand
23 that any business starting has the ability to impact
24 similar businesses, or somewhat similar businesses as it
25 goes forward. It's hard to speculate on what impact

1 there would be, but generally in a competitive economy
2 that's what the economy is about, stimulating competition
3 and providing customer service for the customers using
4 the services.

5 MR. PAUL EDWARDS: Moving now to the
6 Application documents, and there were two (2). There was
7 an initial document filed in '07, and then a -- an
8 updated revised version in May -- on May 29th of 2008.

9 One (1) of the -- on the front cover of
10 that document, and perhaps I can just -- we'll just spend
11 a few moments on it. That's a van with the City Connect
12 insignia, and it's an artist rendering obviously.

13 Would Avion envision having that type of
14 insignia on its vans?

15 MS. SHELLEY TATARYN: Yes.

16 MR. PAUL EDWARDS: One (1) of the items
17 that is spoken of in the Application document, and in
18 particular...

19

20 (BRIEF PAUSE)

21

22 MR. PAUL EDWARDS: Get the right one in
23 front of me. In particular, on page 7, I'm -- I'm
24 looking at the May 29th, '08, document, there is a
25 section about passengers with disabilities. There's a

1 clear indication that Avion will seek to accommodate
2 individual with disabilities.

3 What's -- what's the current thinking on
4 that from Avion's perspective? What's the intention?

5 MS. SHELLEY TATARYN: Our intention, and
6 it always has been our intention as good corporate
7 citizens, to provide as much service to passengers as
8 possible. If there's something that we can do to
9 accommodate that passenger, if that passenger is somehow
10 not able to be accommodated by us, then we would do
11 whatever was possible to assist them in ensuring that
12 they got the service that they needed.

13 MR. PAUL EDWARDS: And so in terms of
14 attempting to meet that need for disabled passengers,
15 what is the plan?

16 MS. SHELLEY TATARYN: We had originally
17 visioned (sic) that we would outfit one (1) of the vans
18 to somewhat -- to accommodate passengers with disable --
19 disabilities. We had looked at the regulations and
20 considered that as a possibility.

21 Since we were using the third van which
22 would -- to be our extra van in case of repairs or
23 additional requirements, you know, it would be sort of an
24 on-call. And we had considered that possibly, you know,
25 we could ask for reservations so that we knew when and if

1 that was a service that was needed.

2 MR. PAUL EDWARDS: Would the company
3 explore the possibility of an arrangement with an
4 existent handy transit provider to -- to meet the
5 occasional needs of disabled clients?

6 MS. SHELLEY TATARYN: Based on --
7 currently looking at all of our expenses and how we would
8 proceed, we would certainly want to put that as something
9 that would be sort of the first option at this point in
10 time.

11 MR. PAUL EDWARDS: The other indication
12 in this document is that the -- the vans will be fifteen
13 (15) passenger vans, and the earlier document had said
14 nine (9) passengers, plus a driver for a total of ten
15 (10).

16 Can you explain that inconsistency, and
17 what the current -- what -- what the situation is?

18 MS. SHELLEY TATARYN: The situation is
19 that it would need to be more than seven (7) and less
20 than ten (10). And when the '08 document was prepared it
21 was just pr -- an error on Avion's part.

22 MR. PAUL EDWARDS: Now if you go to the
23 website, and you'll check as -- as Mr. Soronow's
24 indicated in prior appearances before this Board, and you
25 check the, for instance, the Dodge Sprinter van, you'll

1 see it has a seating capacity of, I think, approximately
2 fifteen (15).

3 So how do you -- how does that reconcile
4 with the -- your state -- statements now that it would
5 not have more than ten (10) passengers?

6 MS. SHELLEY TATARYN: The seating
7 capacity of any of the vans out there, whether it's the
8 Dodge Sprinter or any other van, is based on the van
9 putting in as many seats as possible. There's no
10 consideration given that some of those seats would have
11 to be removed for luggage cap -- capacity.

12

13 (BRIEF PAUSE)

14

15 MR. PAUL EDWARDS: The -- you mentioned
16 the Dodge Sprint (sic); it's -- it's -- there's some
17 documentation in the materials about the Dodge Sprint.
18 You have now just mentioned competitors.

19 Are there other competitor vans that Avion
20 would look at, potentially? I mean, this document is now
21 two (2) or three (3) years old to -- to service the --
22 the business?

23 MS. SHELLEY TATARYN: Absolutely. GM has
24 passenger vans. In the case of the Dodge Sprinter it has
25 the raised roof, which would make it a little easier for

1 people to use. Ford also has a van. It would really
2 depend on what's in the market and what's accessible to
3 us.

4 MR. PAUL EDWARDS: Has there been a -- a
5 final decision as to whether or not to lease or buy these
6 three (3) vans?

7 MS. SHELLEY TATARYN: Based on current
8 market we would probably have to be looking at buying
9 because most companies aren't leasing any longer.

10

11 (BRIEF PAUSE)

12

13 MR. SIDNEY SORONOW: I missed that
14 answer. Could I hear that answer?

15 MS. SHELLEY TATARYN: I said, based on
16 current market conditions leasing's not really an option
17 any long with a lot of the -- the companies. A lot of
18 the auto dealers don't lease any longer.

19

20 CONTINUED BY MR. PAUL EDWARDS:

21 MR. PAUL EDWARDS: Now, as for the rate
22 to be charged, that as well, because of the duration
23 here, was changed and there was a -- in the Exhibit AVION
24 Number 3, a -- a letter dated October 21st, 2008,
25 indicated that that price had gone up to eleven dollars

1 (\$11) for a one (1) way fare, twenty-one dollars (\$21)
2 for a return fare.

3 Can you indicate -- and -- and it says,
4 "Inclusive of taxes" -- what -- what -- do we know what's
5 -- what's payable on that? Is it GST and PST or wh --
6 what's the percentage to be applied?

7 MS. SHELLEY TATARYN: We had calculated
8 PST and GST.

9 MR. PAUL EDWARDS: And as you've
10 indicated with the rate -- the bus rate going to two
11 dollars and thirty cents (\$2.30), four (4) times that
12 being nine dollars and twenty cents (\$9.20), so the
13 eleven dollar (\$11) and ten fifty (10.50), if it's a
14 return fare, would still be in excess of that minimum
15 requirement?

16 MS. SHELLEY TATARYN: Yes.

17 MR. PAUL EDWARDS: In terms of
18 communication, just a question about that. You mentioned
19 two (2) way radios. Who's on those radios? What --
20 what's -- what's envisaged in terms of communication
21 between the vans and -- and -- and Avion centrally?

22 MS. SHELLEY TATARYN: We had viewed it
23 that the drivers of the two (2) vans would need to talk
24 to each other so they knew where they were or if there
25 was, you know, something they needed to relay. And added

1 to that would be the coordinator position so that he or
2 she would know where they were at what time.

3

4

(BRIEF PAUSE)

5

6

7

8

MR. PAUL EDWARDS: I'm still dealing with
the application document, but I just wanted to reference
the city of Winnipeg motion. Sub (e) of that says:

9

10

11

12

13

14

15

16

"Avion's Services Corporation be
required to comply with Regulation
76.94, the period mandatory vehicle
inspection regulation, as amended from
time to time, even if the vehicle is
used for the proposed city connect
shuttle service or not within the
definition of a bus."

17

18

19

You're aware and Avion accepts that that
periodic maintenance would be a requirement of -- of this
operation?

20

MS. SHELLEY TATARYN: Yes.

21

22

MR. PAUL EDWARDS: Sub (f) deals with
insurance requirements:

23

24

25

"Five (5) million dollars in insurance
with the City is an additional named
insured containing a cross-liability

1 clause."

2 That's the insurance that is -- has been
3 costed in the expense documentation is it?

4 MS. SHELLEY TATARYN: Yes.

5

6 (BRIEF PAUSE)

7

8 MR. PAUL EDWARDS: Now in terms of the
9 drivers, it's mentioned in the document that they are to
10 be uniformed and trained, and Appendices A and B speak to
11 that. You've heard some discussion this morning in
12 questioning from Mr. Soronow about training of those
13 drivers, if they were to be required to deal with
14 disabled passengers.

15 What -- what's the -- is -- is there any -
16 - been any discussion, and of course this would be
17 premised on Avion operating a -- a vehicle for disabled
18 people itself, as opposed to contracting it out, but were
19 that to be necessary, what -- what would the plan be, in
20 terms of meeting any training requirements in dealing
21 with disabled individuals?

22 MS. SHELLY TATARYN: We would investigate
23 providers of that training and select a provider and --
24 and train our employees accordingly.

25 MR. PAUL EDWARDS: You've also heard

1 discussion about other training, a forty-five (45) hour
2 training program for taxicab drivers generally, which
3 includes, I think some language proficiency as well as
4 other things.

5 What -- what's the training plan for the
6 drivers that would be driving these -- these shuttles?

7 MS. SHELLY TATARYN: Well, during our
8 interview process, we would definitely be screening for
9 people that had the appropriate licencing, looking for
10 customer service skills. But we would also be training
11 on, you know, Avion policy procedures.

12 Avion has an in-house customer service
13 program that we currently provide to our staff. We also
14 have first aid and CPR that we currently provide to our
15 own staff. So all of those things would be rolled out to
16 new employees.

17 MR. PAUL EDWARDS: I want to turn to the
18 financial documentation. This was initially supplied to
19 the Board, I believe June '08. Just...

20

21 (Brief Pause)

22

23 MR. PAUL EDWARDS: Sorry. This was
24 supplied October 21st, '08. And then there was one (1)
25 revised page, which was forwarded on November 24th, '08.

1 And just to be clear, for the Board, this constitutes
2 eight (8) pages, the last four (4) of which are year one
3 (1) through year four (4), revenue and expense. The
4 first four (4) -- the first page has financial forecast
5 summary, then protective revenue analysis, and perf --
6 and expense analysis, two (2) pages of expense analysis.

7 Just a few questions on that.

8

9 (BRIEF PAUSE)

10

11 MR. PAUL EDWARDS: Let's turn to the
12 second page, the projected revenue analysis. There's a -
13 - a number of hotel names, nine (9) to be exact, and
14 beside some of them it says a percentage of Delta, 75
15 percent Delta, 50 percent Delta, 75 percent Delta, et
16 cetera.

17 What -- what's that mean? How -- how was
18 that arrived at?

19 MS. SHELLY TATARYN: We had talked to the
20 hotels and asked them if they could provide approximation
21 numbers for us on guests arriving and departing to the
22 airport. Some of the hotels provided the information,
23 some of the hotels didn't provide the information, so we
24 used -- in this case we used the Delta's numbers, because
25 they provided them, and -- and discounted it based on

1 that.

2 MR. PAUL EDWARDS: So, for instance,
3 Radisson, 75 percent Delta, is that because the Radisson
4 did not provide any de -- detailed information, and so
5 you've just unilaterally applied a percentage of the
6 Delta figures to -- to the Radisson?

7 MS. SHELLEY TATARYN: Yes.

8 MR. PAUL EDWARDS: And in terms of the
9 data provided, the guests per day travelling so/from,
10 let's take the Delta or -- or the -- and -- and the
11 hotels that did provide information, over what period of
12 time were they asked for information, in terms of the
13 numbers of trips coming and -- and leaving their hotels?

14 MS. SHELLEY TATARYN: We asked if they
15 could just monitor it over a week, you know, just to give
16 us some idea of what the number could look like.

17 MR. PAUL EDWARDS: Okay. The figures
18 there in that first column, sixty-two (62), fifty-nine
19 (59), forty-four (44), and so on and so forth, you heard
20 the discussion this morning, my understanding is that
21 those represent return trips.

22 MS. SHELLEY TATARYN: Yes.

23 MR. PAUL EDWARDS: Now, the Avion's
24 projected market capture, 50 percent, where -- what --
25 what rationale is there for suggesting that, of those

1 round trips to and from these hotels, even based on the
2 sort of speculated percentages applied to some of them,
3 where does the 50 percent come from?

4 MS. SHELLEY TATARYN: There's no real
5 reason for it. It was just a number that was selected.

6 MR. PAUL EDWARDS: Is that a hoped for
7 number?

8 MS. SHELLEY TATARYN: Absolutely.

9 MR. PAUL EDWARDS: Might it be less,
10 might it be more? Do you know?

11 MS. SHELLEY TATARYN: We have no idea.

12 MR. PAUL EDWARDS: And when you get to
13 the bottom there, the sixty-eight thousand seventy-three
14 (68,073), and look directly to the right of that, you've
15 got revenue based on return fare, which is eighteen
16 dollars and seventy-five cents (\$18.75) net -- net of
17 taxes. So that one point two seven six three five nine
18 (1.276359), that number --

19 MS. SHELLEY TATARYN: Yes.

20 MR. PAUL EDWARDS: -- that's the annual
21 projected revenue -- is that in the first year?

22 MS. SHELLEY TATARYN: In this case it
23 would be, yes.

24 And sorry, I should clarify that. It
25 would be based on fully operational.

1 MR. PAUL EDWARDS: So after the first
2 year.

3 MS. SHELLEY TATARYN: Yeah.

4 MR. PAUL EDWARDS: Now, the -- Avion's
5 projected revenue is 70 percent.

6 MS. SHELLEY TATARYN: Yes.

7 MR. PAUL EDWARDS: Why 70 percent?

8 MS. SHELLEY TATARYN: To err on the side
9 of conservatism.

10 MR. PAUL EDWARDS: So that represents a
11 further just a 30 percent reduction in the -- the 50
12 percent estimate.

13 Is that correct?

14 MS. SHELLEY TATARYN: Yes.

15 MR. PAUL EDWARDS: So that's the
16 revenues. Turning now to the expense, the analysis with
17 the list of expense codes. Just take a minute there.

18 Salaries, the first one (1), you've got
19 three hundred and forty-eight thousand six hundred and
20 ninety-eight dollars (\$348,698).

21 How many employees to you anticipate
22 having?

23 MS. SHELLEY TATARYN: We -- sorry, we had
24 anticipated I think approximately eight (8) drivers and
25 one (1) coordinator.

1 MR. PAUL EDWARDS: And, to be clear, the
2 schedule here was a total of thirty-two (32) circuits,
3 round trips, per day, except for Saturday, which was down
4 to twenty-nine (29).

5 Is that correct?

6 MS. SHELLEY TATARYN: Yes.

7 MR. PAUL EDWARDS: You've got, about five
8 (5) lines down here, the significant number, a hundred
9 and eight-two thousand four hundred and thirty-eight
10 (182,438) travel.

11 What -- what's that number represent?

12 MS. SHELLEY TATARYN: That represents our
13 fuel and oil changes.

14 MR. PAUL EDWARDS: Okay. Is that vehicle
15 maintenance: Gas and oil changes, repairs, tires,
16 washes?

17 MS. SHELLEY TATARYN: Yes.

18 MR. PAUL EDWARDS: Okay. So if you turn
19 the next page on that one (1), broken down here, in terms
20 of expense analysis, you've got kilometres, gas, diesel,
21 oil change, general repairs, tires, washes, those are the
22 figures that were used?

23 MS. SHELLEY TATARYN: Yes.

24 MR. PAUL EDWARDS: I see the price of gas
25 per litre, you've got at a dollar fifty (\$1.50). That

1 would've been the fall of '08?

2 MS. SHELLEY TATARYN: Yes.

3 MR. PAUL EDWARDS: Is that going to be --
4 it's going to have enough impact on the expenses,
5 hopefully?

6 MS. SHELLEY TATARYN: We would expect.

7 MR. PAUL EDWARDS: Moving down the
8 expense analysis: Management fee, forty-five thousand
9 dollars (\$45,000), what -- what's that relate to?

10 MS. SHELLEY TATARYN: That's the cost of
11 accounting services, HR services, basically our overhead
12 costs to run the business.

13 MR. PAUL EDWARDS: So is that a number
14 shift then of -- of part of Avion's overall overhead
15 expenses just shifting to this business, is that what
16 that is?

17 MS. SHELLEY TATARYN: Yes.

18 MR. PAUL EDWARDS: And you got bank
19 charges. That seems like a lot, seventeen thousand two-
20 hundred and ninety-six dollars (\$17,296).

21 Why such a high number there?

22 MS. SHELLEY TATARYN: You pay for every
23 transaction, debit, credit card, all of those
24 transactions cost.

25 MR. PAUL EDWARDS: Those are the charges

1 associated with customers purchasing by debit or credit
2 card?

3 MS. SHELLEY TATARYN: Yes.

4 MR. PAUL EDWARDS: I'm tempted to say the
5 legal's a little light, given the protracted -- but --
6 but I won't. The -- yeah.

7 Just on that, this expense analysis, was
8 there any consideration in here of the licencing costs,
9 Ms. Tataryn?

10 MS. SHELLEY TATARYN: Licencing...?

11 MR. PAUL EDWARDS: Costs of going through
12 the process, this Board and the City and now the Court of
13 Appeal?

14 MS. SHELLEY TATARYN: No.

15 MR. PAUL EDWARDS: In addition, the
16 income tax expense at twenty-five thousand (25,000), I
17 mean, what's that relate to?

18 MS. SHELLEY TATARYN: That was strictly a
19 number that we put in sort of as contingency based on not
20 really knowing what, you know, our net income would look
21 like.

22 MR. PAUL EDWARDS: Now, the corporate tax
23 rate being what it is, your first-year projection of, I
24 think, somewhere in the range of a -- a thirty-thousand
25 dollar (\$30,000) income, obviously that income tax is not

1 -- you're not going to pay anywhere near that income tax
2 that year.

3 Is that correct?

4 MS. SHELLEY TATARYN: True.

5 MR. PAUL EDWARDS: So, that's based on an
6 operational up-and-running basis, is it?

7 MS. SHELLEY TATARYN: Yes.

8 MR. PAUL EDWARDS: Okay. The start-up
9 costs of seventy thousand forty (70,040), these were
10 discussed in the Avion's letter to the Board of November
11 24th, 2008.

12 Can you just describe what -- what's some
13 of the costs which go into that?

14 MS. SHELLEY TATARYN: Startup costs were
15 for advertising, cellphones, debit machines, uniforms,
16 radios, painting of the vehicles, those kinds of things.

17 MR. PAUL EDWARDS: So a number of those
18 would not repeat in future years?

19 MS. SHELLEY TATARYN: No.

20 MR. PAUL EDWARDS: The last one I'll take
21 you to is the cost of capital, sixty thousand nine
22 hundred and seventy-five dollars (\$60,975).

23 Wh -- what's that relate to?

24 MS. SHELLEY TATARYN: That was our
25 assumed cost for the vehicles for outfitting them with,

1 you know, computers or whatever they needed, and any
2 other equipment that we needed. That would be our annual
3 cost.

4 MR. PAUL EDWARDS: Now, the vehicles you
5 had -- and -- and in these projections you had projected
6 purchasing the vehicles.

7 And over what period of time did you
8 project that they were to be paid off?

9 MS. SHELLEY TATARYN: Four (4) years.

10 MR. PAUL EDWARDS: And in terms of the
11 expenses and the in -- increase over time, what
12 percentage was used just as -- as -- for inflationary
13 costs of increase?

14 MS. SHELLEY TATARYN: We used a 3 percent
15 number.

16 MR. PAUL EDWARDS: Now, if you look --
17 and I'm looking at the expense analysis, second expense
18 analysis sheet, this shows a -- under equipment,
19 Estimated airport fee per month, that's the five dollars
20 (\$5) you spoke of per departure from the airport?

21 MS. SHELLEY TATARYN: Yes.

22 MR. PAUL EDWARDS: I just want to take
23 you to the Year 1 document very briefly. I notice that
24 the first four (4) months, this is under the Revenue
25 Expectation heading, January, February, March and April,

1 if you look at the second line, it's got zero point two
2 five (0.25), zero three five (0.35), zero point five
3 (0.5), zero point seven five (0.75), and then it moves to
4 one (1).

5 What -- what does that represent?

6 MS. SHELLY TATARYN: That represents our
7 ramp up time, that we believe it would take at least four
8 (4) months before we actually had a full bus.

9 MR. PAUL EDWARDS: So in addition to the
10 other percentages we've talked about, are you saying you
11 applied those percentages to the first four (4) months
12 just as a cautionary prediction?

13 MS. SHELLY TATARYN: Yes.

14 MR. PAUL EDWARDS: I'm just going to show
15 you a document, and Mr. Saranchuk, I would like to just
16 pret -- add this as an exhibit. I'm just going to --
17 it's a very brief document. I'm just going to have the
18 witness take a brief look at it. I'll provide a copy to
19 my friend.

20

21 (BRIEF PAUSE)

22

23 THE CHAIRPERSON: Mr. Edwards, if you
24 don't mind, I think we're just going to take a short
25 break now.

1 MR. PAUL EDWARDS: Oh, absolutely.

2 THE CHAIRPERSON: I'm sure you can
3 probably use it as well. It's getting warm in here.

4

5 --- Upon recessing at 2:25 p.m.

6 --- Upon resuming at 2:42 p.m.

7

8 THE CHAIRPERSON: Okay. Welcome back.

9 Mr. Edwards...?

10 MR. PAUL EDWARDS: Thank you very much.
11 I provided just a one (1) page summary sheet, and I just
12 want to have a couple of questions for the witness on it.
13 Any objections to marking it, Mr. Soronow? I -- I can
14 simply refer to it as opposed to it being an exhibit. I
15 -- I'm not fussed about it either way.

16 MR. SIDNEY SORONOW: Yeah, I'd rather --
17 I'd rather withhold or ment -- saying whether I have any
18 objection. Perhaps you can question the witness. By the
19 time you're finished, I may have no objection anyways.

20

21 CONTINUED BY MR. PAUL EDWARDS:

22 MR. PAUL EDWARDS: That's not a problem.
23 Let -- let me just ask Ms. Tataryn, on these financial
24 projections, with all of the caveats and reservations
25 that you've put on them. Once the business is up and

1 running, more or less years two (2) through -- two (2)
2 through four (4), it looks like expenses run about
3 seventy thousand dollars (\$70,000) per month, give or
4 take.

5 Is that -- is that about accurate?

6 MS. SHELLY TATARYN: Yes.

7 MR. PAUL EDWARDS: And again, on the
8 revenue side, all of the caveats and speculation that
9 you've talked about, accepted, it looks like the
10 projection -- the hopeful projection has you running
11 about a hundred and eight thousand dollars (\$108,000) a
12 month revenue.

13 Is that pre -- more or less?

14 MS. SHELLY TATARYN: Yes.

15 MR. PAUL EDWARDS: Okay. So I -- I'm
16 just seeking to get those numbers out. That doesn't
17 include the -- the ramp up period, the one (1) year --
18 the Year 1 period, and that -- what's proposed, if you
19 run the numbers on the schedule is six (6) days a week
20 there would be thirty-two (32) round trips, or sixty-four
21 (64) one (1) way trips.

22 And then on Saturdays that goes down
23 slightly to twenty-nine (29) round trips, fifty-eight
24 (58) one (1) way trips.

25 Is that correct?

1 MS. SHELLY TATARYN: Yes.

2 MR. PAUL EDWARDS: Okay. Now my rough
3 calculation. And it is rough because -- but if you take
4 the amount that you're gonna bring in in revenue,
5 slightly less if it's a return trip, deduct the 12
6 percent taxes, if you average those two (2) and assume
7 that 50 percent of the purchasers are round trips,
8 50 percent are one (1) way trips, you end up with about a
9 nine dollar and sixty cent (\$9.60) per trip average
10 revenue after tax.

11 Is that correct?

12 MS. SHELLEY TATARYN: Yes.

13 MR. PAUL EDWARDS: Okay. So again I'm
14 applying simple math here but if you take that nine
15 dollars and sixty (\$9.60), I'm just interested to know
16 on a -- on a -- what the break-even basis is, passengers
17 per trip, and what I see here is that every single one
18 (1) way trip, to break even, you're going to need
19 approximately between three point five (3.5) and four (4)
20 passengers. You're going to need about three point eight
21 (3.8) passengers, give or take, you know, every trip down
22 and back.

23 And again that's a rough estimate and
24 that's in a nine (9) passenger van. That -- that's my
25 estimate. Do you -- do you accept that?

1 MS. SHELLEY TATARYN: Yes.

2 MR. PAUL EDWARDS: Okay. So I simply
3 draw that to the Board's attention, given some of the
4 issues that we've dealt with earlier and -- and that's --
5 that's a break-even point hoped for.

6 And just one (1) la -- one (1) other
7 question, Ms. Tataryn. With respect to the decision this
8 Board's going to make and in the knowledge that Unicity
9 itself has tried this type of service and -- do you have
10 any final comments to the board or -- or submissions you
11 -- you'd like to make to them with respect to this
12 application?

13 MS. SHELLEY TATARYN: My only comment on
14 this situation or on this application would be that this
15 was not done as any sort of business decision to change
16 the landscape of Winnipeg's economy. It was done in
17 order to add service to our city as it continues to grow.

18 I was unaware that Unicity had previously
19 done this. I have not been able to find any
20 documentation or any -- any information on what or -- or
21 how they approached it. But my understanding is that it
22 was some twenty (20) some years ago or more.

23 So customers have changed, business has
24 changed, the way people travel has changed, all of those
25 things have changed. And as we continue to grow we have

1 to look at changing. And so that's really all my
2 comments.

3 MR. PAUL EDWARDS: Thank you. Those are
4 my questions in direct.

5 THE CHAIRPERSON: Mr. Soronow..?

6 MR. SIDNEY SORONOW: Thank you, Mr.
7 Chairman.

8 Oh, just one (1) second. Give me a
9 moment, Mr. Chair.

10

11 CROSS-EXAMINATION BY MR. SIDNEY SORONOW:

12 MR. SIDNEY SORONOW: Just to start, since
13 it was perhaps one (1) of the last things that you
14 referenced, there was that sheet that your counsel showed
15 you entitled "Passengers per trip summary."

16 Have you that handy?

17 MS. SHELLEY TATARYN: Yes.

18 MR. SIDNEY SORONOW: Okay. And I'm
19 trying to understand: "Average per month,"

20 I'm looking at the third line:

21 "Average per month one (1) way trips,
22 Monday to Friday."

23 That's sixty-four (64) trips per day, is
24 that what that represents, the sixty-four (64)?

25 MS. SHELLEY TATARYN: Yes.

1 MR. SIDNEY SORONOW: And then that's
2 multiplied by five (5)?

3 MS. SHELLEY TATARYN: Yes.

4 MR. SIDNEY SORONOW: But it -- it says:

5 "Average per month one (1) way trips."

6 So if sixty-four (64) is per day and you
7 have five (5) days in a week, you would be only
8 disclosing at that moment the weekly, correct? And then
9 you multiply it out.

10 MS. SHELLEY TATARYN: Right.

11 MR. SIDNEY SORONOW: Okay. But
12 Saturdays, I'm trying to understand. Are -- you're
13 saying, because I notice it's not broken down, you know,
14 it's -- it's just fifty-eight (58), so are you telling us
15 that you're going to run twenty-nine (29) trips to run
16 fifty-eight (58) passengers?

17 OBJ MR. PAUL EDWARDS: I'm -- I'm sorry, I'm
18 just going to object. Sorry, I -- I don't mean to
19 interject. I -- I -- that -- that's my document, Mr.
20 Soronow. If -- if it helps to explain what's on it, that
21 -- no, that's twenty-nine (29) trips and one (1) day, so
22 that's fifty-eight (58) one (1) way trips on a Saturday,
23 trying to get the weekly total of four forty-two (442).

24 MR. SIDNEY SORONOW: To be clear, is it
25 the indication here that on a Saturday you will run --

1 admittedly, this is estimates, but you're talking about
2 fifty-eight (58) passengers?

3 MR. PAUL EDWARDS: No, that's trips,
4 fifty-eight (58) one (1) way trips.

5 MR. SIDNEY SORONOW: Fifty-eight (58) one
6 (1) way trips.

7 MR. PAUL EDWARDS: That's what it says,
8 yeah.

9 MR. SIDNEY SORONOW: Got you, okay.

10 THE CHAIRPERSON: This is the document
11 you were talking about before, Mr. Edwards. I guess we
12 better have it as an exhibit then so we can see it.

13 MR. SIDNEY SORONOW: Sure.

14 THE CHAIRPERSON: Mr. Gaudreau, if you
15 could find a number for it.

16 Okay, so it will be Avion 8, and we will
17 have a chance to have a look at it too. Thank you.

18

19 --- EXHIBIT NO. AVION-8: Passenger per trip summary

20

21 CONTINUED BY MR. SIDNEY SORONOW:

22 MR. SIDNEY SORONOW: For ease of
23 reference, would it bother you if I called you Shelley?

24 MS. SHELLEY TATARYN: No, that's okay.

25 MR. SIDNEY SORONOW: Okay. Shelley,

1 there has been, at least I've seen, three (3) different
2 business plans, a 2006, a 2007, and a 2008, is that
3 consistent with your recollection as the number of
4 business plans that have produced, or at least shown to
5 the public? I count myself as part of the public.

6 MS. SHELLEY TATARYN: I would think so.
7 I can't honestly answer that for you.

8 MR. SIDNEY SORONOW: Well, are you aware
9 that there was a 2006 plan that was produced and has been
10 made public?

11 MS. SHELLEY TATARYN: Yes.

12 MR. SIDNEY SORONOW: Okay. Are you aware
13 that there was a 2007 plan, business plan, that was
14 produced by you and made public?

15 MS. SHELLEY TATARYN: I'm not sure of
16 that one (1), Mr. Soronow.

17 MR. SIDNEY SORONOW: Okay. Is it not the
18 case that, with your application to this tribunal, you
19 initially submitted a 2007 business plan?

20 MS. SHELLEY TATARYN: Yes, but it should
21 have been a replica of 2006.

22 MR. SIDNEY SORONOW: Okay, whether
23 replica or not, there was one (1) dated in '06, one (1)
24 in '07, and then an updated called an '08.

25 MS. SHELLEY TATARYN: Yes.

1 MR. SIDNEY SORONOW: Okay. Your counsel
2 was asking you about the issue of nine (9) passengers, do
3 you recall that?

4 MS. SHELLEY TATARYN: Yes.

5 MR. SIDNEY SORONOW: Okay. Now, I'd like
6 -- did I understand you to say that, although your
7 earlier business plans show that you would carry -- have
8 vehicles that were going to be carrying nine (9)
9 passengers, your 2008, you will agree, shows fifteen (15)
10 passengers, correct?

11 MS. SHELLEY TATARYN: Correct.

12 MR. SIDNEY SORONOW: Okay. Were you
13 explaining that away as being a typographical error?
14 What --

15 MS. SHELLEY TATARYN: No, I was
16 explaining that away as being a personnel error. The
17 first two (2) business plans had been written by someone
18 else, and when I updated this one (1), I mistakenly
19 updated it, so it was my error.

20 MR. SIDNEY SORONOW: Okay. So let's not
21 characterise it as a typographical error. You're saying
22 it was your error. It was -- in 2008, when you updated
23 it, it was intended that the numbers should have read
24 nine (9), nine (9) passengers.

25 MS. SHELLEY TATARYN: It was intended to

1 reflect our understanding of the business. I mistakenly
2 had a number in my head that was incorrect.

3 MR. SIDNEY SORONOW: Okay. And -- and
4 could you do me a favour? Take the financials that are
5 attached to Mr. Edwards' letter of October 21 and turn to
6 page -- it's called "Projection -- projected revenue and
7 expenses year 1."

8 MS. SHELLEY TATARYN: Yeah.

9 MR. SIDNEY SORONOW: And then it's
10 followed by similar kinds of sheets, but they're for Year
11 2, Year 3, Year 4. Okay, would you -- and -- and if you
12 look -- well, it's easiest, we'll -- we'll look at the
13 Year 2 for simplicity, and the bottom entry is bodies per
14 trip, and it goes from twelve point eight nine (12.89) up
15 to thirteen point eight (13.8).

16 Could you explain to me and to this
17 Tribunal how you're going to have thir -- twelve (12) or
18 thirteen (13) bodies per trip in a nine (9) passenger
19 vehicle short of strapping the four (4) people to the
20 roof of the vehicle?

21 MS. SHELLEY TATARYN: The only
22 explanation is we were using those two (2) lines,
23 "bodies/day," to reach revenue, and "bodies per trip"
24 based on numbers that we were extrapolating from the top.

25 And these documents were submitted without

1 checking the formulas on them, and there's really no
2 explanation as to how or what, but if you look at the
3 numbers above them, those numbers don't come into play in
4 any way. We were only using them for our information and
5 taking that forward from there. If you try to calculate
6 the bodies per day back to the numbers, you can't get a
7 correlation between that number.

8 MR. SIDNEY SORONOW: Well, I see an
9 entry, "bodies per day to reach revenue." Well, explain
10 to me -- are -- are you saying that those numbers are
11 correct?

12 MS. SHELLEY TATARYN: No.

13 MR. SIDNEY SORONOW: Those numbers are
14 also not correct.

15 MS. SHELLEY TATARYN: Yeah.

16 MR. SIDNEY SORONOW: So, basically, the
17 financials that you sent into the Board contain a
18 significant error.

19 MS. SHELLEY TATARYN: I wouldn't agree
20 with that.

21 MR. SIDNEY SORONOW: You don't say that.

22 MS. SHELLEY TATARYN: No.

23 MR. SIDNEY SORONOW: I see. So if you
24 had the opportunity to redo it, you're saying you
25 wouldn't bother to correct the errors, or you would

1 correct the errors?

2 MS. SHELLEY TATARYN: The only thing I
3 would do would be to remove those two (2) lines because
4 they serve no purpose to the previous six (6) lines.

5 MR. SIDNEY SORONOW: Okay, well then what
6 is the average bodies per tri -- if we're in Year 2 and
7 we were to take as an example, February, what is the
8 number of bodies per trip that is accurate, since you're
9 telling me the entry is inaccurate?

10 MS. SHELLEY TATARYN: Mr. Edwards
11 provided you that on the passenger per trip sheet.

12 MR. SIDNEY SORONOW: So you're saying, if
13 I understand you, it's actually five point six (5.6) --

14 MS. SHELLEY TATARYN: Yes.

15 MR. SIDNEY SORONOW: -- that should
16 appear at the bottom.

17 MS. SHELLEY TATARYN: Yes.

18 MR. SIDNEY SORONOW: Now, were you
19 involved at the time the matter was dealt with by the
20 City of Winnipeg?

21 MS. SHELLEY TATARYN: Yes.

22 MR. SIDNEY SORONOW: Okay. And at that
23 juncture, you were telling the City that it would be a
24 nine dollar (\$9) fare, correct?

25 MS. SHELLEY TATARYN: Correct.

1 MR. SIDNEY SORONOW: And the nine dollar
2 (\$9) fare is what is reflected in your 2006 business
3 plan, correct?

4 MS. SHELLEY TATARYN: Correct.

5 MR. SIDNEY SORONOW: Okay. And City
6 Council passed a resolution, which is the resolution you
7 are relying on for being here, is that correct? In other
8 words, you're relying on the fact that City Council
9 passed the resolution, and that's your springboard, if
10 you will, to apply to the Public Utilities Board,
11 correct?

12 MS. SHELLEY TATARYN: Yes.

13 MR. SIDNEY SORONOW: But at the time that
14 City of Winnipeg resolution was passed, you were telling
15 them you were going to have a nine dollar (\$9) fare,
16 correct?

17 MS. SHELLEY TATARYN: Correct.

18 MR. SIDNEY SORONOW: So you've changed
19 your service proposal not once but twice. First you
20 changed it to ten dollars (\$10), correct?

21 MS. SHELLEY TATARYN: Mm-hm.

22 MR. SIDNEY SORONOW: Is that --

23 MS. SHELLEY TATARYN: Yes.

24 MR. SIDNEY SORONOW: -- correct?

25 And then as more recently, October 21st,

1 2008, you advised the Board that it was now eleven
2 dollars (\$11).

3 MS. SHELLEY TATARYN: Correct.

4 MR. SIDNEY SORONOW: And you seem pretty
5 good with mathematics so you have increased the fare
6 basically, what, 22 percent, since garnering the approval
7 of the City of Winnipeg, correct? More than 22 percent?

8 MS. SHELLEY TATARYN: Well, it really had
9 nothing to do with the approval of the City of Winnipeg.

10 MR. SIDNEY SORONOW: Oh, --

11 MS. SHELLEY TATARYN: It had to --

12 MR. SIDNEY SORONOW: -- you say that.

13 How do you know that?

14 MS. SHELLEY TATARYN: It had to with the
15 fact the bus fare's gone up.

16 MR. SIDNEY SORONOW: No, no, no. No.
17 Just hang on. You were tell -- how much is -- are you
18 able to charge, in order to meet the requirement of four
19 (4) times, how -- how -- how much would you have to
20 charge?

21 MS. SHELLEY TATARYN: We need to charge
22 four (4) times higher than bus fare.

23 MR. SIDNEY SORONOW: And what is the
24 current bus fare?

25 MS. SHELLEY TATARYN: Two thirty (2.30).

1 MR. SIDNEY SORONOW: Okay. And what is
2 four (4) times that?

3 MS. SHELLEY TATARYN: Nine twenty (9.20).

4 MR. SIDNEY SORONOW: Oh, okay. So, --

5 MS. SHELLEY TATARYN: But there's no hi'
6 -- there's no limit.

7 MR. SIDNEY SORONOW: So --

8 MS. SHELLEY TATARYN: It's a minimum.

9 MR. SIDNEY SORONOW: Okay, so you're
10 telling me that it doesn't matter that we told the City
11 of Winnipeg we were going to charge nine dollars (\$9), we
12 could now charge fourteen dollars (\$14), that's our
13 business, doesn't matter that we secured agreement from
14 the City, based on a specific service proposal.

15 That's your position?

16 MS. SHELLEY TATARYN: I don't view it
17 that way, Mr. Soronow.

18 MR. SIDNEY SORONOW: I'm sorry?

19 MS. SHELLEY TATARYN: I don't view it
20 that way, Mr. Soronow. The City gave their requirement
21 saying that the fare had to be four (4) times higher than
22 bus fare. Bus fare has continued to increase.

23 MR. SIDNEY SORONOW: But I understand you
24 -- I -- I mean, you make a presentation to a Board, a
25 Tribunal, you secure an answer from them based on your

1 presentation. You told them it would be nine dollars
2 (\$9). But now you're here saying it was ten (10), and
3 now you're up to eleven (11).

4 Doesn't it bother you that you secured
5 approval from the City of Winnipeg on a premise that
6 you've now changed?

7 THE CHAIRPERSON: I think she has
8 explained her position, Mr. Soronow.

9

10 CONTINUED BY MR. SIDNEY SORONOW:

11 MR. SIDNEY SORONOW: Okay. Well, let me
12 ask you this: You -- you're familiar with your 2006
13 business plan, generally speaking, correct?

14 MS. SHELLEY TATARYN: Generally --

15 MR. SIDNEY SORONOW: Okay.

16 MS. SHELLEY TATARYN: -- speaking.

17 MR. SIDNEY SORONOW: And that was the
18 business plan that was in effect at the time you were
19 seeking approval from the City of Winnipeg, correct?

20 MS. SHELLEY TATARYN: Yes.

21 MR. SIDNEY SORONOW: Okay. And I'm going
22 to refer you to firstly, your 2008 business plan because
23 -- and then invite you note that as relates to the issue
24 I'm going to refer you to, it's identical. So I'd like
25 you to turn to page 7. And you have a whole section here

1 about passengers with disabilities.

2 MS. SHELLEY TATARYN: Yes.

3 MR. SIDNEY SORONOW: And just so that I
4 can reference it and just read it into the record, Avion
5 writes:

6 "Avion is committed to providing
7 exceptional guest service for our
8 customers with disabilities, including
9 those who use wheelchairs. We are
10 therefore committed to the following
11 principles:

- 12 1. Customers with disabilities are
13 entitled to the full and equal
14 enjoyment of the transportation
15 services provided by City Connect.
- 16 2. All customers will be provided with
17 quality service regardless of whether
18 they are disabled or not.
- 19 3. Customers requiring the use of
20 accessible transportation are
21 encouraged to make reservations for
22 trips at least two (2) hours in
23 advance, specify the need for
24 accessible transportation. As to such
25 reservations, City Connect will use its

1 best efforts to fulfill such
2 reservations within fifteen (15)
3 minutes of the requested pickup time.

4 4. All potential customers inquiring
5 into transportation services with City
6 Connect, whether by telephone or
7 through the internet, will be informed
8 of the existence of accessible
9 transportation.

10 5. All City Connect drivers will be
11 trained in the use of securement
12 systems, ramps and lifts, and will be
13 available to assist customers with
14 disabilities, as requested in entering
15 and existing accessible vehicles."

16 So, isn't -- and -- and correct me if I'm
17 wrong, that's the identical wording in the 2006 business
18 plan, is it not?

19 MS. SHELLY TATARYN: Yes.

20 MR. SIDNEY SORONOW: Okay. And so when
21 you presented yourselves to the City, you were presenting
22 to them that you were committed to the degree of
23 commitment to the disabled community and the wheelchair
24 community as set out on page 7, correct?

25 MS. SHELLY TATARYN: Yes.

1 MR. SIDNEY SORONOW: Okay. So I am now
2 trying to understand. I listened to the questions that
3 your counsel put to you today concerning the disabled
4 community, and I walked away trying to understand what,
5 if any, commitment you are prepared to make, are making.

6 So I'd like now for you to tell us quite
7 clearly, what is -- are you standing by this commitment?

8 MS. SHELLY TATARYN: Yes.

9 MR. SIDNEY SORONOW: You are? Okay. Can
10 you tell me how you are going to perform that commitment?
11 Let me back up. In 2006, you specifically told that you
12 would have a van that would be outfitted with an
13 appropriate lift system. Are you -- are you still going
14 to have that?

15 MS. SHELLY TATARYN: Today, based on
16 current economic conditions, that would have to be
17 something that we would have to look at again.

18 MR. SIDNEY SORONOW: Okay. So your
19 answer is you will look at it. Isn't that a change? I
20 mean, will you acknowledge to me that's a change? Before
21 you were committed to it. It's a done deal. We will
22 have this. We will have it on the Internet, we'll have
23 it for people who telephone. They're going to know full
24 bore, we have the availability of these services to the
25 disabled.

1 That's what you said before. Now you're
2 telling this Board that, well, we'll look at it. Am I
3 catching you correctly?

4 MS. SHELLY TATARYN: No.

5 MR. SIDNEY SORONOW: What? No?

6 MS. SHELLY TATARYN: No.

7 MR. SIDNEY SORONOW: Okay. Then please,
8 you know, provide me with some edification. What is your
9 commitment? Is your commitment to look at it or to do
10 it?

11 MS. SHELLY TATARYN: Everything in this
12 document, both of these documents, says that the
13 customers are entitled to full and equal treatment. If
14 that means that we have to contract the service, if that
15 means that we have to provide the service, it doesn't say
16 one (1) way or the other. We are committed. And it's
17 what I stated before. We are committed to provide
18 whatever service we can to our customers.

19 MR. SIDNEY SORONOW: Whatever service you
20 can, or whatever service you said you were going to
21 provide? Which is it?

22 THE CHAIRPERSON: Mr. Soronow, I think we
23 have your point and we understand the witness.

24

25 CONTINUED BY MR. SIDNEY SORONOW:

1 MR. SIDNEY SORONOW: Okay. Well, I've
2 got a question for you. Sorry, Mr. Chairman.

3 I've got a question for you: The original
4 approval from the City of Winnipeg appears to contemplate
5 that you can't contract out any of these services.

6 How do you propose, therefore, to contract
7 out these services?

8 OBJ MR. PAUL EDWARDS: I'm going to object.

9 MR. SIDNEY SORONOW: Pardon me?

10 MR. PAUL EDWARDS: I object to that
11 question. If that calls for a legal conclusion, Mr.
12 Soronow, I mean --

13 MR. SIDNEY SORONOW: Well --

14 MR. PAUL EDWARDS: -- what are you...

15 MR. SIDNEY SORONOW: Well, Avion --
16 subparagraph (g),

17 "Avion Services Corp. not be permitted
18 to assign or sublet the agreement
19 without the consent of the Director of
20 Transit."

21 MR. PAUL EDWARDS: Just a minute.

22 MR. SIDNEY SORONOW: So I'm curious how
23 it is you are going to be subletting some of these
24 services.

25 MR. PAUL EDWARDS: Just a minute. Don't

1 answer.

2 THE CHAIRPERSON: We're going to be here
3 for a while, Mr. Soronow, so why don't you move on and
4 Mr. Edwards can take it as an undertaking.

5 MR. SIDNEY SORONOW: Yeah. What is the
6 undertaking?

7 THE CHAIRPERSON: Well he'll undertake to
8 respond to your question, and then you'll be given an
9 opportunity to return to it.

10

11 --- UNDERTAKING NO. 1: Avion to indicate how they
12 will contract out services
13 that the approval from the
14 City of Winnipeg states
15 cannot be contracted out

16

17 CONTINUED BY MR. SIDNEY SORONOW:

18 MR. SIDNEY SORONOW: Okay. Well, I'll
19 turn to something else in a related fashion.

20 You have said in subparagraph (5) on page
21 7, which is a complete identical version of the 2006,
22 which was the basis of going to the city of Winnipeg, you
23 said that all your driver's will be trained in the use of
24 securement systems. Ramps and lifts will be available to
25 assist customers with disabilities as requested in

1 entering and exiting accessible vehicles.

2 If you're not planning necessarily to have
3 lifts, are you still training these people to handle the
4 accessible equipment?

5

6 (BRIEF PAUSE)

7

8 MS. SHELLEY TATARYN: Under the training
9 programs that are out there, people can always use the
10 education in case they're put in a --

11 MR. SIDNEY SORONOW: People can
12 always...? I'm sorry, I couldn't...

13 MS. SHELLEY TATARYN: Use the education,
14 use the training process. Whether or not they use it,
15 it's possible that they could get it.

16 MR. SIDNEY SORONOW: So now, instead of
17 the commitment which said the drivers will be trained,
18 you are saying they might be trained, am I correct?
19 Well, that's your answer, Madam.

20 MR. PAUL EDWARDS: Let her answer.

21 MR. SIDNEY SORONOW: That was your
22 answer, that --

23 MR. PAUL EDWARDS: Calm down, Sid.

24 MR. SIDNEY SORONOW: Well, I -- I'm
25 trying to get to the truth here.

1 MR. PAUL EDWARDS: Just calm down.

2 MS. SHELLEY TATARYN: If our drivers are
3 put in a situation where they're driving a van, I said
4 that our drivers would be trained to whatever legislation
5 or requirement that is needed.

6 MR. PAUL EDWARDS: I can answer --

7 MR. SIDNEY SORONOW: But --

8 MR. PAUL EDWARDS: Do you want me to
9 answer the undertaking now?

10 MR. SIDNEY SORONOW: Okay.

11 MR. PAUL EDWARDS: Do you want me to
12 answer your question now --

13 MR. SIDNEY SORONOW: Sure, the
14 undertaking.

15 MR. PAUL EDWARDS: -- if that's all
16 right?

17 MR. SIDNEY SORONOW: Yeah.

18 MR. PAUL EDWARDS: I just had a brief
19 look at this, and certainly, what Mr. Soronow's
20 referencing is sub (g) of the city council resolution,
21 which says:

22 "Avion Services Corporation not be
23 permitted to assign or sublet the
24 agreement without the consent of the
25 Director of Transit."

1 The agreement says absolutely nothing
2 about requirements in terms of services to disabled
3 individuals. The position of Avion would be that, if
4 that commitment were contracted out to others, as is
5 proposed potentially, that would certainly not offend
6 this agreement, Mr. Soronow.

7

8 CONTINUED BY MR. SIDNEY SORONOW:

9 MR. SIDNEY SORONOW: Oh, okay. Well, let
10 me understand, so Shelley -- because you authorized me to
11 call you Shelley -- Shelley, so you're not -- you have no
12 discomfiture from the fact that you presented to the City
13 of Winnipeg a program with this commitment to the
14 disabled and now are waffling as to whether you're really
15 going to perform that commitment? That doesn't bother
16 you at all?

17 MS. SHELLEY TATARYN: I don't believe
18 we're waffling, Mr. Soronow.

19 MR. SIDNEY SORONOW: Well, okay, you say
20 you're not waffling. At that time, in 2006, you said you
21 were outfitting a van with a -- with a system, like a
22 lift, for wheelchair bound passengers.

23 Today you're not making that commitment to
24 this Board, are you?

25 OBJ MR. PAUL EDWARDS: I object. This

1 question has been asked and answered many times. Mr.
2 Soronow may not like the answer, but he's gotten it.

3 MR. SIDNEY SORONOW: Well, I've gotten
4 confusion and waffling, yes.

5 THE CHAIRPERSON: I think, Mr. Soronow,
6 the Board has heard you and you have the opportunity at
7 the end to make your closing argument. I think you have
8 made your point on this.

9 MR. SIDNEY SORONOW: Thank you. I think
10 so too.

11

12 (BRIEF PAUSE)

13

14 CONTINUED BY MR. SIDNEY SORONOW:

15 MR. SIDNEY SORONOW: Now, in your 2006
16 business plan -- well, let's look at your 2008, page 1,
17 under executive summary. And I'm going to refer you to
18 the third paragraph -- actually, last line of the third
19 paragraph:

20 "Only first class equipment and
21 operators, uniformed, customer service
22 trained, will be utilized."

23 Sorry, second to last sentence:

24 "Only first class equipment..."

25 I understood from your evidence here today

1 that, at this juncture, you can't even tell this Board
2 what equipment you're going to be using as vehicles, is
3 that correct?

4 MS. SHELLEY TATARYN: That is correct.

5 MR. SIDNEY SORONOW: So you can't tell
6 this Board what the characteristics of the vehicle will
7 be since you haven't even selected one (1)?

8 MS. SHELLEY TATARYN: Correct.

9 MR. SIDNEY SORONOW: And, indeed, you
10 told us that there was some difficulty in -- in, you
11 know, identifying a proper vehicle. Did I understand you
12 correctly?

13 MS. SHELLEY TATARYN: I don't think --

14 MR. SIDNEY SORONOW: You were talking
15 about some difficulties.

16 MS. SHELLEY TATARYN: There's
17 difficulties in obtaining. Right now, if I --

18 MR. SIDNEY SORONOW: Obtaining.

19 MS. SHELLEY TATARYN: -- if I was to
20 order or try to get a Dodge Sprinter, you're looking at
21 six (6) to eight (8) months.

22 MR. SIDNEY SORONOW: Okay.

23 MS. SHELLEY TATARYN: If you can get it
24 at all.

25 MR. SIDNEY SORONOW: So basically, in

1 terms of educating this Board on your business plan,
2 simply put, you can't tell them what vehicle you will be
3 using or the characteristics of that vehicle?

4 MS. SHELLEY TATARYN: No.

5 MR. SIDNEY SORONOW: Okay. Now, tell me,
6 what feature of your vehicle is planned to deal with
7 people who, while not wheelchair-bound, have a disability
8 such as using a walker. And -- and I preface it by, I'm
9 sure you're aware that there are city buses where they
10 can I'll call it "kneel" so as to better accommodate
11 people who have disabilities, albeit not wheelchair-
12 bound.

13 What features will you have on your
14 vehicle to address that need, or do you know?

15 MS. SHELLEY TATARYN: I do not know at
16 this time.

17 MR. SIDNEY SORONOW: At the time you made
18 your application, when you started this whole process,
19 were you aware that limousines, and particularly stretch
20 limousines, had the capacity of six (6), eight (8), ten
21 (10) people that could be carried at the same time? Did
22 you know that?

23 MS. SHELLEY TATARYN: Yes.

24 MR. SIDNEY SORONOW: You did? Did you
25 know at the time you made this application that there was

1 a special provision in the schedule, the tariff rates,
2 which at that time allowed the same service that you're
3 talking about, taking somebody from the airport to
4 downtown, for nine dollars and seventy cents (\$9.70) to a
5 maximum of thirty-two dollars (\$32) for the whole load
6 using the stretch limo? Did you know that?

7 MS. SHELLEY TATARYN: I don't recall that
8 information, no.

9 MR. SIDNEY SORONOW: You don't recall
10 knowing that?

11 MS. SHELLEY TATARYN: Yeah.

12 MR. SIDNEY SORONOW: Wouldn't that have -
13 - would that make -- had you had that knowledge -- I
14 mean, you explained to us how that process came about.
15 You said, We got together, we started brainstorming,
16 somebody came up with this idea of a shuttle and then,
17 you know, the rest is history, you've been running with
18 it.

19 Would not it have made a difference to you
20 if you had become aware of the fact that the same number
21 of passengers can be carried for virtually the same cost,
22 or less, by stretch limousines which were already in
23 existence, authorized through the Taxicab Board?
24 Wouldn't that have made a difference to you?

25 MS. SHELLEY TATARYN: No.

1 MR. SIDNEY SORONOW: It wouldn't have?

2 MS. SHELLEY TATARYN: No.

3 MR. SIDNEY SORONOW: I see. Well, tell
4 me something. If -- if you were authorized by -- by this
5 Board to operate the shuttle service and then someone
6 else came along and says, We want to start a shuttle
7 service, would you oppose that application?

8 OBJ MR. PAUL EDWARDS: I'm going to object.
9 I object to that question, it calls for speculation.
10 It's completely irrelevant to the issues here, Mr.
11 Soronow.

12 MR. SIDNEY SORONOW: Well, okay. You
13 know, I'll even withdraw. I'm not going to argue with
14 you. I could, but I won't.

15

16 CONTINUED BY MR. SIDNEY SORONOW:

17 MR. SIDNEY SORONOW: So it wouldn't have
18 made a difference to you? It wouldn't have made a
19 difference to you if you had known about the availability
20 of stretch limos offering a similar service, similar in
21 the sense that it was multi-passenger, same capacity
22 load, about the same price, it wouldn't have made a
23 difference?

24 OBJ MR. PAUL EDWARDS: Objection. Objection.
25 You just asked that question, you got an answer.

1 MR. SIDNEY SORONOW: That's not an
2 objection.

3 MR. PAUL EDWARDS: That's an objection.

4 MR. SIDNEY SORONOW: Fine.

5 MR. PAUL EDWARDS: You can't ask the same
6 question twice.

7 MR. SIDNEY SORONOW: I'm just trying to
8 make sure I've got her answer.

9

10 (BRIEF PAUSE)

11

12 CONTINUED BY MR. SIDNEY SORONOW:

13 MR. SIDNEY SORONOW: It would be fair to
14 say, though, that had you known that at the time, you
15 might have recognized that the service being offered by
16 those stretch limos might well be a cheaper service if
17 you had, you know, several passengers? Do you realize it
18 was a cheaper service even today?

19 THE CHAIRPERSON: You've asked that a
20 couple of times, Mr. Soronow.

21 MR. SIDNEY SORONOW: Well, not as to the
22 cost.

23 THE CHAIRPERSON: It's the same end.

24 MR. SIDNEY SORONOW: Okay.

25 THE CHAIRPERSON: By the way, Mr.

1 Soronow, I have to say, Ms. Tataryn is representing
2 Avion. Avion is the one that made the application.

3 MR. SIDNEY SORONOW: Yeah.

4 THE CHAIRPERSON: So I think it is a
5 distinction between an individual, if you want, and the
6 Corporation. The Corporation made the Application, so
7 when you are asking her for her opinion, she is a
8 witness, you got a right to ask it and she has got a
9 right to answer it, but in the end of the day, the
10 Application comes from Avion.

11

12 CONTINUED BY MR. SIDNEY SORONOW:

13 MR. SIDNEY SORONOW: Well, okay. On that
14 footing, are the answers you are giving here today
15 binding on Avion, or are they not?

16 MS. SHELLEY TATARYN: Yes, they are.

17 MR. SIDNEY SORONOW: They are, okay. You
18 heard this morning the concerns expressed by -- or maybe
19 it was this afternoon -- by limousine operators, correct?

20 MS. SHELLEY TATARYN: Correct.

21 MR. SIDNEY SORONOW: Yeah. And there was
22 reference, not only by them but by Mr. Kozubal, to the
23 fact that there was a change by WAA, by the Winnipeg
24 Airport Authority, in relation to their willingness to
25 have the limo operators utilize the stretch limos, you're

1 aware of that change that took place in April 2009?

2 MS. SHELLEY TATARYN: Yes.

3 MR. SIDNEY SORONOW: Okay. And is it --
4 did -- did you have any input or involvement or did Avion
5 have any participation in the thinking or decision that
6 resulted from the thinking that changed that perspective
7 by WAA?

8 MS. SHELLEY TATARYN: No.

9 MR. SIDNEY SORONOW: So it's purely
10 fortuitous that a decision was made by your parent
11 corporation that will, for lack of a better term, clear
12 the way from competition, just fortuitous?

13 MS. SHELLEY TATARYN: I have no idea and
14 no input into any of that.

15 MR. SIDNEY SORONOW: Okay, but you will
16 agree that, whether you had an input or not, the change
17 will, quote, "clear the field" for Avion in a way that
18 wouldn't have existed otherwise?

19 MS. SHELLEY TATARYN: I don't know that,
20 Mr. Soronow. You'd need to ask the Airport Authority
21 that.

22 MR. SIDNEY SORONOW: Okay, we'll leave
23 that for argument. Now, with your counsel you went
24 through -- let me just get my notes out.

25

1 (BRIEF PAUSE)

2

3 MR. SIDNEY SORONOW: You went through the
4 fact that Avion has not yet entered into any written
5 agreement with the airport -- Winnipeg Airport Authority,
6 correct?

7 MS. SHELLEY TATARYN: Correct.

8 MR. SIDNEY SORONOW: Yeah. And you also
9 confirmed for this Board that no fee has actually been
10 finalized and agreed upon that would be reflective of
11 what Avion is to pay for each trip that leaves the
12 airport?

13 MS. SHELLEY TATARYN: Correct.

14 MR. SIDNEY SORONOW: And your business
15 plan is built on the idea or notion that you will take
16 trips from the airport to specified hotels in the
17 downtown area, and then also offer a shuttle service for
18 passengers from the downtown hotel to the airport,
19 correct?

20 MS. SHELLEY TATARYN: Correct.

21 MR. SIDNEY SORONOW: Yes. And -- but as
22 you have explained, and I appreciate your explanation,
23 you had some discussions or casual discussions with the
24 hotels. You actually have no written agreements with any
25 hotels?

1 MS. SHELLEY TATARYN: No.

2 MR. SIDNEY SORONOW: At the time you made
3 the application, were you aware that the hotels by and
4 large that you're referencing are hotels that already
5 have concession agreements with either Unicity or
6 Duffy's? Were you aware of that when --

7 MS. SHELLEY TATARYN: Yes.

8 MR. SIDNEY SORONOW: You were?

9 MS. SHELLEY TATARYN: Yes.

10 MR. SIDNEY SORONOW: Okay. Did it
11 concern you at all at that time, or even today, that
12 under those agreements, and you've had a chance to see
13 them now, that those taxicab companies have allocated
14 location for queuing up for -- to provide services to
15 those hotels.

16 MR. PAUL EDWARDS: Just for
17 clarification, I -- I -- Mr. Soronow references
18 agreements that we've seen.

19 Can he refer us to the exhibit?

20 MR. SIDNEY SORONOW: Well, I think there
21 were a couple attached on -- to the information response.
22 That's our letter of April 3rd.

23 MR. PAUL EDWARDS: April 3rd, '09?

24 MR. SIDNEY SORONOW: Yeah.

25 MR. PAUL EDWARDS: Okay. Well, we'll

1 just take it...

2 MR. SIDNEY SORONOW: Well, okay. Sure.

3

4 (BRIEF PAUSE)

5

6 CONTINUED BY MR. SIDNEY SORONOW:

7 MR. SIDNEY SORONOW: I'm back. I'm not
8 sure if you're ready for it. My -- my question was,
9 simply: Did it concern you at the time you started down
10 the path of these many proceedings, that there was
11 concession agreements with Duffy's and Unicity, an
12 obvious lack -- or potential lack of space for the Avion
13 shuttle to park, load, and unload at various of these
14 hotels?

15 Did that concern you at all?

16 MS. SHELLY TATARYN: No, it wasn't
17 something we considered.

18 MR. SIDNEY SORONOW: It wasn't...?

19 MS. SHELLY TATARYN: Something we
20 considered.

21 MR. SIDNEY SORONOW: And someone
22 developed your whole scheduling, because attached to your
23 business plan you have -- you sort of, I'll call it the
24 pro forma scheduling for the vans; that is the -- the
25 times that they will go to the -- from the airport to

1 downtown, et cetera, correct?

2 MS. SHELLY TATARYN: Correct.

3 MR. SIDNEY SORONOW: Okay. I'm curious,
4 for example, in the timeframe from nine o'clock to 12:00
5 a.m., that is 9:00 a.m. to noon, seems to allow fifteen
6 (15) minutes to get -- to load people at the airport,
7 take them all the way downtown, and unload them on
8 fifteen (15) minutes.

9 Is that realistic?

10 MS. SHELLY TATARYN: I don't know what
11 page you're referring to?

12 MR. SIDNEY SORONOW: Your schedule. It's
13 page --

14 MS. SHELLY TATARYN: Well, there's a
15 couple of them.

16 MR. SIDNEY SORONOW: Well, Appendix E.

17

18 (BRIEF PAUSE)

19

20 MS. SHELLY TATARYN: I'm sorry, could you
21 repeat the question?

22 MR. SIDNEY SORONOW: I'm trying to ask
23 you if it's realistic, what schedule you have produced to
24 provide to the Public Utilities Board, when for example
25 you seem to be talking about fifteen (15) minutes, in the

1 timeframe from 9:00 a.m. to noon, for a vehicle at the
2 airport, your shuttle, to load, maybe even off-load the
3 passengers they're coming with, load, get to the downtown
4 hotels and unload.

5 Is fifteen (15) minutes really realistic?

6 MR. PAUL EDWARDS: Sorry. Mr. Soronow,
7 where are you getting the fifteen (15) from? What --
8 what cha -- what -- what box on that chart are you
9 looking at?

10 MR. SIDNEY SORONOW: Just one (1) second.

11

12 (BRIEF PAUSE)

13

14 CONTINUED BY MR. SIDNEY SORONOW:

15 MR. SIDNEY SORONOW: Well, okay, it's --
16 let me back up. The times referenced here, they would
17 include the time it takes to load and unload?

18 MS. SHELLEY TATARYN: No, just driving
19 time.

20 MR. SIDNEY SORONOW: Okay. So your -- in
21 your view, the times are realistic, is that what you're
22 saying?

23 MS. SHELLEY TATARYN: In our view when we
24 put this together it was based on our best guess.

25 MR. SIDNEY SORONOW: Okay, I'll accept

1 that. You -- you told us in your evidence earlier that
2 because this was a start-up you -- you didn't engage in
3 what some people might contemplate as a market study. A
4 market study you said would -- would take, you know,
5 twenty (20) -- thirty thousand dollars (\$30,000) so you
6 didn't -- you didn't engage in one (1).

7 Is that correct?

8 MS. SHELLEY TATARYN: That is correct.

9 MR. SIDNEY SORONOW: So it's fair to say
10 then that you haven't developed any profile of a typical
11 Avion customer?

12 MS. SHELLEY TATARYN: That is correct.

13 MR. SIDNEY SORONOW: Okay. Have you done
14 any research to -- well, let me -- let me back up.
15 Wouldn't you agree that if two (2) people are travelling
16 together, a husband and wife, and they can take a taxi
17 for thirteen (13) to sixteen dollars (\$16), that would be
18 a more economical way of travelling to downtown than it
19 would be for the same two (2) people to pay twenty-two
20 dollars (\$22) on your shuttle?

21 MS. SHELLEY TATARYN: Based on that, that
22 is an accurate statement.

23 MR. SIDNEY SORONOW: And have you done
24 any research to determine what percentage of travellers
25 who land at the Winnipeg airport are comprised of in

1 effect two (2) people -- a couple, two (2) businessmen?

2 Have you -- you haven't done any such
3 research have you?

4 MS. SHELLEY TATARYN: No.

5 MR. SIDNEY SORONOW: No, and so you also
6 have -- you are aware that -- are you aware or were you -
7 - are you aware today that taxicabs are authorized to
8 have four (4) passengers.

9 MS. SHELLEY TATARYN: I heard that today.

10 MR. SIDNEY SORONOW: Is it the case that
11 you heard it today not having known that at a previous
12 time? I mean when you started this application, did you
13 realize that four (4) people could travel from the
14 airport by taxi for a singular fare of thirteen (13) --
15 well, it might have been less then, but in today's world
16 thirteen (13) to sixteen (\$16)?

17 MS. SHELLEY TATARYN: I can't say whether
18 it I knew it or not.

19 MR. SIDNEY SORONOW: Well, would that
20 impact on your thinking? Wouldn't -- would it have
21 impacted on your thinking?

22 Just put yourself back in the position you
23 might have been as you were canvassing in your mind --
24 and I say "you," I mean Avion, because your answers are
25 binding on them, tell me would it have made a difference

1 to your thinking had you then had an appreciation of the
2 capac -- capability, the capacity, the taxis could have
3 four (4) people and travel at thirteen (13) to sixteen
4 dollars (\$16)?

5 OBJ MR. PAUL EDWARDS: Again, I'm going to
6 object. This is absolutely speculation that's being
7 called for in my view. Had -- it's actually speculation
8 on speculation: Had you known, what might you have done?

9 She said she can't recall when she learned
10 about the four (4) passengers. I'm not sure how this
11 gets us anywhere and it's -- it's clearly improper
12 questioning as -- as calls for double speculation.

13 MR. SIDNEY SORONOW: Well, I happen to
14 disagree with My Friend. This Tribunal of all tribunals
15 is so involved in the public interest and I would think
16 that anything that speaks to that issue and -- and speaks
17 to the degree to which an applicant here before this
18 Tribunal has given thought to those kinds of issues would
19 be relevant and would be relevant for this Board to know
20 about.

21 Admittedly, it requires her to try to
22 visualize herself back to the beginning of this process,
23 but I -- I think that is a question which I certainly am
24 kind of interested in and I'd hope the Board might be.

25 Obviously, we're all subject to the

1 Board's rulings.

2 THE CHAIRPERSON: We heard you question
3 the witness, we heard her answer to it. I think you can
4 just move on, Mr. Soronow.

5

6 (BRIEF PAUSE)

7

8 THE CHAIRPERSON: We understand the
9 points that you are making, Mr. Soronow. It is just,
10 from our perspective, unnecessary to repeat them --

11 MR. SIDNEY SORONOW: Okay.

12 THE CHAIRPERSON: -- several times to
13 her. We are following what you are saying.

14 MR. SIDNEY SORONOW: Perfectly fine.
15 Thank you, Mr. Chairman.

16

17 CONTINUED BY MR. SIDNEY SORONOW:

18 MR. SIDNEY SORONOW: It strikes me, and
19 maybe you can confirm, that you have not done any market
20 research to determine what percentage of the travellers
21 who come through the airport are what we call business
22 travellers.

23 Would it be fair to say you don't have --
24 you haven't conducted any research to determine that?

25 MS. SHELLEY TATARYN: We did not do any

1 market research.

2 MR. SIDNEY SORONOW: Okay. Does -- you
3 would recognize, would you not, that business travellers,
4 typically, would be people whose cost of travelling from
5 the airport to their hotel is not going to be part of
6 their own personal expense, but will be a corporate
7 expense?

8 OBJ MR. PAUL EDWARDS: I'm going to object,
9 that -- there's absolutely no evidence before this Board
10 as to what percentage are business travellers, what their
11 -- what their patterns are in terms of ground
12 transportation.

13 I -- I think that's a way out question
14 that has absolutely no basis in -- other than Mr.
15 Soronow's speculation, I don't -- I don't know how it
16 assists the Board at all.

17 MR. SIDNEY SORONOW: Mr. Chairman, I will
18 not pursue the question. I think all of it is relevant.
19 I mean we have an applicant here who's asking for the
20 benefit of this Board's decision. One would like to
21 think they know who their customers are, but, okay,
22 that's fine, if they don't, they don't.

23

24 CONTINUED BY MR. SIDNEY SORONOW:

25 MR. SIDNEY SORONOW: Tell me something,

1 Shelley. Can you get in front of you for a moment your
2 2008 business plan and turn to page 1? Just one (1)
3 second, I might have the wrong page number down.

4

5 (BRIEF PAUSE)

6

7 MR. SIDNEY SORONOW: Oh, okay, no. On
8 that page, if you would be kind enough to look at the
9 second sentence of the second paragraph, reading "The
10 business will start with a scheduled service" -- before
11 completing the question, Mr. Chairman, I just turned and
12 noted that my Unicity and Duffy's and people who instruct
13 me have -- are not sitting next to me.

14 Might we take a one (1) minute break so I
15 can find out? I would prefer to withhold my questions
16 while they're not here.

17 THE CHAIRPERSON: Yes, that is fine.

18 MR. SIDNEY SORONOW: Maybe we -- it is
19 extremely hot in here, and I think we're more than
20 meeting the time table. Could we maybe have a five (10)
21 or ten (10) minute break?

22 THE CHAIRPERSON: For sure.

23

24 --- Upon recessing at 3:39 p.m.

25 --- Upon resuming at 3:57 p.m.

1 THE CHAIRPERSON: Okay, we are back.

2 Mr. Soronow, any time you are ready.

3

4 CONTINUED BY MR. SIDNEY SORONOW:

5 MR. SIDNEY SORONOW: Thank you, Mr.

6 Chairman.

7 Back to what I was pointing you to, and --
8 and I hadn't finished but I had directed you to your
9 business plan and in particular, page 1, and I'd like to
10 direct your attention to the second sentence of the
11 second paragraph, reading:

12 "The business will start with a
13 scheduled service from the downtown
14 hotels, and/or other locations as
15 determined, to the airport."

16 Can you tell me, what other locations are
17 being referenced?

18 MS. SHELLEY TATARYN: No, I can't.

19 MR. SIDNEY SORONOW: Okay. And then on
20 page 5 of your business plan you say, and I'm looking
21 under the heading, "Segments of the Market," and the
22 second bullet point:

23 "Our secondary target market for
24 expanding the business, conference
25 centres and events."

1 Tell me, what is being -- can you explain
2 that? What -- what are you referring to as a -- an
3 expanded shuttle service by that commentary?

4 MS. SHELLEY TATARYN: By that statement
5 we would have been looking at a specific convention,
6 could book the shuttle, just, you know, special events
7 coming into the city so that, you know, the service is
8 available to them.

9 MR. SIDNEY SORONOW: Just -- okay, let me
10 understand. You're saying as -- a convention might book
11 the shuttle?

12 MS. SHELLEY TATARYN: Possibly.

13 MR. SIDNEY SORONOW: Well, how -- how
14 would you meet your schedule to service the airport if
15 you're going to be having vehicles that are dedicated to
16 a convention?

17 MS. SHELLEY TATARYN: Well, then that
18 would certainly fall under expanding the business and,
19 you know, did we need to do something special for that
20 particular event? It was entered into the business plan
21 as, you know, some future idea.

22 MR. SIDNEY SORONOW: Okay. Well, let me
23 kind of ask you a -- a -- a question, then I'll come back
24 to that. To what extent, if any, and you can say there
25 wasn't any if that's your answer, but to what extent, if

1 any, did you consider the impact that this shuttle
2 service would have on the viability of taxies in
3 Winnipeg?

4 MS. SHELLEY TATARYN: We didn't.

5 MR. SIDNEY SORONOW: You didn't? Okay.
6 And is it likely the case that you also did not consider
7 the impact on taxies by extensions of your service
8 whether to other designated locations or by involving
9 yourself in conference centres and events.

10 You -- you put that forward in your
11 business plan but without any consideration as to the
12 impact of those extensions on the taxi or limo
13 industries?

14 MS. SHELLEY TATARYN: Correct.

15 MR. SIDNEY SORONOW: Okay. Are you aware
16 of the fact that in a letter dated March 1st, 2007, the
17 Public Utilities Board wrote to your counsel and
18 identified for him what they called minimum filing
19 requirements, and that amongst those filing requirements
20 was your indication of the impact of your proposed
21 service on other stakeholders such as taxis, limousines,
22 hotel shuttle services, et cetera?

23 Are you aware of that letter of March 1st?

24 MS. SHELLEY TATARYN: No.

25 MR. SIDNEY SORONOW: Okay. Well, if

1 you're not aware of it, I'm not going to ask you anymore
2 questions --

3 MR. PAUL EDWARDS: Mr. Soronow, you know
4 that was answered as well and that's a matter of public
5 record. It was answered on behalf of the Applicant.

6 MR. SIDNEY SORONOW: Well, I don't know.
7 I only know that she doesn't even know about the letter.
8 That's fine --

9 MR. PAUL EDWARDS: That was
10 correspondence between the Board and -- and us as counsel
11 for Avion.

12 MR. SIDNEY SORONOW: Okay.

13

14 CONTINUED BY MR. SIDNEY SORONOW:

15 MR. SIDNEY SORONOW: You -- is it fair to
16 say, though, that you do recognize, without quantifying
17 it, that you do recognize that this service will have an
18 impact on the taxi industry and the limo industry?

19 You do recognize that, do you not?

20 MS. SHELLEY TATARYN: I recognize that
21 there will be a change in ground transportation from the
22 Airport Authority.

23 MR. SIDNEY SORONOW: Yeah. Well, that
24 for sure, but do you not think the next step to
25 recognize, that there will be an adverse impact on the

1 taxi industry and the limo industry? I'm not trying to
2 get you to quantify it, but you must --

3 MS. SHELLEY TATARYN: I don't know that.

4 MR. SIDNEY SORONOW: You don't know that?
5 Okay.

6 Tell me something, you heard conversation
7 this morning or answers being given this morning, quite a
8 bit of it, about the Winnipeg taxi study that was
9 commissioned by the Government and experts from Canada
10 and the United States sought the opportunity to produce
11 it, and one (1) was selected and then did conduct a study
12 which is in the exhibits before these proceedings.

13 Have you read it?

14 MS. SHELLEY TATARYN: No.

15 OBJ MR. PAUL EDWARDS: I'm going to object.
16 Mr. Soronow, I'm going to object. What -- what relevance
17 does that have to the issues before this Board, as to
18 what this Witness has read of -- of studies done?

19 I'm -- I'm lost, with respect to your --

20 MR. SIDNEY SORONOW: I'll answer you.

21 I'll let you finish and then I'll answer you.

22 It has been known for a considerable
23 period of time that this tribunal was interested in and
24 saw as part of its mandate to examine into issues such as
25 the impact that this service would have on other

1 stakeholders, including the taxi industry and the
2 limousine industry. And here we have a document, a
3 complete study, that was performed subsequent to this
4 Application and I would have thought that Shelley has a
5 concern --

6 THE CHAIRPERSON: Mr. Soronow, one (1)
7 thing. I would appreciate it if you would address the
8 Witness for Avion as Ms. Tataryn. We know you mean no
9 harm by it.

10 MR. SIDNEY SORONOW: No, but she
11 authorized me to use it.

12 THE CHAIRPERSON: No, I realize that she
13 did, but the -- it is not like we are sitting around in a
14 pub sharing a friendly drink with each other. You are
15 questioning her I think fairly said fairly strenuously
16 and we would appreciate it if you wouldn't mind.

17 MR. SIDNEY SORONOW: Certainly.

18

19 CONTINUED BY MR. SIDNEY SORONOW:

20 MR. SIDNEY SORONOW: I would have though
21 that Ms. Tataryn would have familiarized herself with
22 that study, being aware that the Tribunal itself has a
23 concern about the impact on stakeholders. So I -- I'm
24 just trying to determine whether she took the time or
25 effort to familiarize herself with it.

1 MR. PAUL EDWARDS: I'm --

2 MR. SIDNEY SORONOW: If she did, she did;
3 if she didn't, she didn't.

4 MR. PAUL EDWARDS: I'm counsel for Avion.
5 I asked question of Mr. Kozubal with respect to that
6 report, as you may recall. We're certainly familiar with
7 the report, it's a matter of public record.

8 I don't -- I still don't gra -- grasp what
9 Ms. Tataryn's personal knowledge, personal knowledge, not
10 corporate knowledge, personal knowledge of that report
11 has to do with anything and I object to the question.

12 MR. SIDNEY SORONOW: Well, I'm suggesting
13 that she has -- Ms. Tataryn has advised you that her
14 answers speak for Avion, are binding on Avion.

15 And I'm just trying to determine whether
16 the chief spokesperson for Avion actually familiarized
17 herself with a document that came into being, of great
18 importance, a landmark, a watershed document, and that
19 has an impact on the questions and -- and will help this
20 Tribunal, and perhaps even help the applicant in terms of
21 thinking about the service they are applying for.

22 It seems to me pretty harmless to want to
23 know whether she has familiarized herself with it.
24 Either she has or hasn't.

25 THE CHAIRPERSON: I believe she answered

1 the question.

2 MR. SIDNEY SORONOW: Okay.

3

4 (BRIEF PAUSE)

5

6 CONTINUED BY MR. SIDNEY SORONOW:

7 MR. SIDNEY SORONOW: Would you agree with
8 me that the proposed service would not be in the public
9 interest if, in fact, it were determined by this Board
10 that it would adversely impact on the taxi industry and
11 on the limo industry?

12 OBJ MR. PAUL EDWARDS: I object. That's the
13 issue for this Board, the public interest. It's not a
14 fair question to this witness.

15 MR. SIDNEY SORONOW: I'll let the -- I'll
16 let the Board decide.

17 THE CHAIRPERSON: I think that is for
18 your argument, Mr. Soronow.

19 MR. SIDNEY SORONOW: Okay.

20

21 (BRIEF PAUSE)

22

23 MR. SIDNEY SORONOW: Give me a moment,
24 Mr. Chairman. I have asked all of these questions
25 without referring to my notes of her evidence, and I'd

1 like now to refer to my notes of her evidence.

2 THE CHAIRPERSON: That is fine.

3

4 (BRIEF PAUSE)

5

6 CONTINUED BY MR. SIDNEY SORONOW:

7 MR. SIDNEY SORONOW: Does Avion currently
8 operate a shuttle service at any other airport?

9 MS. SHELLEY TATARYN: No, we don't.

10 MR. SIDNEY SORONOW: And in your
11 evidence, your counsel asked you about the mandate of
12 Avion, and you described the mandate as

13 "to provide a value to customers in
14 areas of your expertise."

15 Are you suggesting that you have an
16 expertise in shuttle services that you've never operated?

17 MS. SHELLEY TATARYN: No, what I
18 suggested was that we had expertise under retail
19 services, which our shuttle service would fall under.

20 MR. SIDNEY SORONOW: But your retail
21 services are not transportation services to the public?

22 MS. SHELLEY TATARYN: No.

23 MR. SIDNEY SORONOW: Okay. I thought I
24 heard you mention Saskatoon, and you referred to the
25 Saskatoon Airport and you said security and ground

1 transportation.

2 What service is from Avion?

3 MS. SHELLEY TATARYN: Yes.

4 MR. SIDNEY SORONOW: What are the ground
5 transportation services that you're referencing?

6 MS. SHELLEY TATARYN: We provide the
7 ground transportation liaison.

8 MR. SIDNEY SORONOW: Liaison?

9 MS. SHELLEY TATARYN: Mm-hm.

10 MR. SIDNEY SORONOW: I see. And what
11 ground transportation is that?

12 MS. SHELLEY TATARYN: It's the person
13 that orchestrates the cabs and the limos or whatever
14 service is required on the curb in Saskatoon.

15 MR. SIDNEY SORONOW: It's a -- it's a
16 gentleman that stands curbside --

17 MS. SHELLEY TATARYN: Yes, yes.

18 MR. SIDNEY SORONOW: Okay, I got you.

19 And in your responses to your counsel you
20 were talking about the process by which you were
21 brainstorming and you said you -- amongst your comments
22 was, you tried to figure out who you could target as a
23 customer?

24 Who did you determine you could target as
25 a customer? Who is your target or do you know yet?

1 MS. SHELLEY TATARYN: I'm not sure I
2 recall what you're referring to. Do you have the whole
3 context of that statement?

4 MR. SIDNEY SORONOW: Well, okay, without
5 citing to you or reminding you of your evidence, have you
6 identified who your target customer is?

7 MS. SHELLEY TATARYN: I --

8 MR. SIDNEY SORONOW: Not yet?

9 MS. SHELLEY TATARYN: -- I wouldn't say
10 that. I'm not sure that that's how I stated that, Mr.
11 Soronow, and that's why I asked you.

12 MR. SIDNEY SORONOW: No, I'm not asking
13 you to revisit your evidence, I'm asking you --

14 MS. SHELLEY TATARYN: Have we targeted a
15 shuttle customer?

16 MR. SIDNEY SORONOW: Yeah, who your
17 target --

18 MS. SHELLEY TATARYN: No.

19 MR. SIDNEY SORONOW: No. Okay.

20

21 (BRIEF PAUSE)

22

23 MR. SIDNEY SORONOW: You -- you told us
24 that you expended I believe it was some two thousand
25 dollars (\$2,000) to have a Probe research opinion poll;

1 do you recall that?

2 MS. SHELLEY TATARYN: Yes.

3 MR. SIDNEY SORONOW: And can -- were --
4 were you involved personally in -- in arranging that, in
5 arranging for the Probe survey? Were -- did you have an
6 involvement? I don't mean did you conduct it because
7 that's why you hired Probe but were you involved in the
8 process of retaining Probe?

9 MS. SHELLEY TATARYN: Yes.

10 MR. SIDNEY SORONOW: Okay. And are you
11 able to tell us what -- what -- you would -- the -- the
12 people they polled were Winnipeggers, correct?

13 MS. SHELLEY TATARYN: Correct.

14 MR. SIDNEY SORONOW: So they would not
15 typically be people who would be using the Avion shuttle,
16 correct?

17 MS. SHELLEY TATARYN: Correct.

18 MR. SIDNEY SORONOW: Okay. And your
19 original or your business plan -- sorry, your original
20 filing about the opinion poll, you will recall, did not
21 include the third question that was asked; are you -- do
22 you recall that?

23 MS. SHELLEY TATARYN: Correct, yes.

24 MR. SIDNEY SORONOW: And the third
25 question that was asked was from those who felt they

1 weren't in favour of it and these again are all
2 Winnipeggers. They were asked why they didn't -- you
3 know, why they were against it.

4 Am I correct that 38 percent of the people
5 said they were against it because it would impact
6 negatively on the taxi industry?

7 OBJ MR. PAUL EDWARDS: I'm going to object.
8 This is the subject, the very subject of a filing. It's
9 expert evidence from a -- a polling company and there has
10 been a specific submission on behalf of Avion responding
11 to that very question which is before this Board. It
12 wouldn't be appropriate to ask this witness that expert
13 opinion.

14 MR. SIDNEY SORONOW: No, I'm not asking--

15 MR. PAUL EDWARDS: I can -- Mr. Soronow,
16 I can refer you perhaps to the statement on that issue
17 which is before the Board from Scott MacKay, just give me
18 one (1) moment.

19 MR. SIDNEY SORONOW: But I'm not asking
20 her about the expert opinion, I'm asking her if she is
21 aware of the fact that 38 percent of the respondents said
22 the taxi -- they were against it because the taxi service
23 would be negatively affected.

24 MR. PAUL EDWARDS: Well, yes, you are
25 asking an expert question by virtue of the -- the wording

1 you've used -- 38 percent of the respondents. That is
2 what Scott MacKay spoke to, that specific -- and the
3 complete unreliability of the -- of that answer and I'll
4 just -- perhaps you haven't seen that --

5 MR. SIDNEY SORONOW: No, I've seen it.
6 I'm simply asking the witness if she's aware of that
7 result, not as to the impact of that result, but is she
8 aware of it? I'm not asking her for expert opinion, I'm
9 merely asking if she became aware of that having
10 occurred.

11 What is objectionable about that?

12 THE CHAIRPERSON: Just give him a second.

13

14 (BRIEF PAUSE)

15

16 MR. WALTER SARANCHUK: If it will assist,
17 the information I think that is being sought is attached
18 to the November 24th, 2008 letter from Mr. Edwards'
19 office to the PUB and there's reference there to Section
20 2.3 of the Probe Research Report and an e-mail from Mr.
21 Scott MacKay, M-A-C capital K-A-Y, to Paul Edwards dated
22 November 24, 2008.

23 MR. PAUL EDWARDS: Thank you, Mr.
24 Soronow, and I -- just to clarify the objection that --
25 that was a specific issue raised by the Board as to that

1 third question and why it hadn't been included and -- and
2 its meaningfulness or lack therefore. That is the
3 subject of this November 24th, '08 comment from Mr.
4 MacKay.

5 That is an -- an expert opinion from a
6 polling company and I renew my objection it would not be
7 fair to ask this witness to comment on that. This
8 document from Mr. MacKay was put forward on behalf of
9 Avion and speaks to that issue.

10 MR. SIDNEY SORONOW: But I wasn't asking
11 her to comment. I'm asking her if she became aware that
12 that's what the polling person had as information,
13 namely, that 38 percent of the respondents against
14 identified as the reason that it would have a negative
15 effect on the taxi industry. I'm asking her if she
16 simply became aware of that.

17 MS. SHELLEY TATARYN: Yes.

18

19 CONTINUED BY MR. SIDNEY SORONOW:

20 MR. SIDNEY SORONOW: Okay. And similarly
21 did you become aware that 21 percent of the people said
22 either it wasn't needed or not enough population in
23 Manitoba to succeed?

24 MS. SHELLEY TATARYN: I'm not sure what
25 you're referring to, Mr. Soronow.

1 MR. SIDNEY SORONOW: Did you become aware
2 of that?

3 MS. SHELLEY TATARYN: No.

4 MR. SIDNEY SORONOW: You didn't? Okay.
5 But as to the 38 percent you did become aware of it?

6 MS. SHELLEY TATARYN: Yes.

7 MR. SIDNEY SORONOW: When was the poll
8 undertaken, like, when -- when would you have seen this
9 poll?

10 MS. SHELLEY TATARYN: Early July I
11 believe.

12 MR. SIDNEY SORONOW: Of what year?

13 MS. SHELLEY TATARYN: '08.

14 MR. SIDNEY SORONOW: '08. Did you at all
15 pause at that point, when you saw that, to be a little
16 bit concerned as to whether you ought to continue on with
17 this application?

18 MS. SHELLEY TATARYN: No.

19 MR. SIDNEY SORONOW: Okay.

20

21 (BRIEF PAUSE)

22

23 MR. SIDNEY SORONOW: The financials which
24 you presented and which are attached to Mr. Edwards'
25 October 21st, 2008 letter appear to show the expectation

1 that you will derive a profit, maybe not immediately, but
2 that it will, in due course, be a profitable operation to
3 operate the shuttle.

4 Is that correct?

5 MS. SHELLEY TATARYN: That is correct.

6 MR. SIDNEY SORONOW: Okay. Just so that
7 we have a balanced understanding of those financials, did
8 you, in these financials, at all allow for depreciation?
9 It may be there, but I -- I couldn't find it.

10 MS. SHELLEY TATARYN: I'm sure it was
11 here, I'm just not sure where at this moment.

12 MR. SIDNEY SORONOW: Okay, well maybe
13 take -- take a moment and see if you can -- I -- I wasn't
14 able to, so please...

15 MS. SHELLEY TATARYN: No.

16 MR. SIDNEY SORONOW: I -- I do see you've
17 got depreciation and amortization expense --

18 MS. SHELLEY TATARYN: Yeah.

19 MR. SIDNEY SORONOW: -- but you're
20 showing zero.

21 MS. SHELLEY TATARYN: Yeah, that's right,
22 we are. And if you look at the first page, it says "net
23 income before depreciation, interest, and expense," or
24 "interest and taxes."

25 MR. SIDNEY SORONOW: I'm sorry, if

1 you...?

2 MS. SHELLEY TATARYN: Look at the very
3 first page of that.

4 MR. SIDNEY SORONOW: You're talking about
5 before that page?

6 MS. SHELLEY TATARYN: Yes.

7 MR. SIDNEY SORONOW: Is that the
8 financial forecast summary? Whi -- which --

9 MS. SHELLEY TATARYN: Yes. It says the
10 net income is before depreciation, interest, and taxes.

11 MR. SIDNEY SORONOW: I see, okay. And
12 did you allow for the expense, for example, for accident
13 deductibles? I -- I couldn't find that.

14 MS. SHELLEY TATARYN: You'll notice there
15 a contingency line.

16 MR. SIDNEY SORONOW: So that would fall
17 into the contingency?

18 MS. SHELLEY TATARYN: Yes.

19 MR. SIDNEY SORONOW: Sorry, what line is
20 that?

21 MS. SHELLEY TATARYN: Fourth from the
22 bottom.

23 MR. SIDNEY SORONOW: I see some of them
24 are numbered.

25 MS. SHELLEY TATARYN: Yes, fourth from

1 the bottom.

2 MR. SIDNEY SORONOW: Fourth from the
3 bottom, okay.

4 And when -- when you did -- like where are
5 you housing items such as source deductions and your
6 contribution to CPP and EI, where is that housed?

7 MS. SHELLEY TATARYN: All in 1100.

8 MR. SIDNEY SORONOW: Item 1100, Salaries.

9 MS. SHELLEY TATARYN: Yes.

10 MR. SIDNEY SORONOW: Okay.

11 MS. SHELLEY TATARYN: The salaries
12 include source deductions and benefits for the employees.

13 MR. SIDNEY SORONOW: Okay. And holiday
14 pay --

15 MS. SHELLEY TATARYN: Yes.

16 MR. SIDNEY SORONOW: -- where -- where
17 does that appear?

18 MS. SHELLEY TATARYN: It's in salaries.

19 MR. SIDNEY SORONOW: I'm sorry?

20 MS. SHELLEY TATARYN: It's in the 1100
21 account.

22 MR. SIDNEY SORONOW: Line 1100, okay.

23

24 (BRIEF PAUSE)

25

1 MR. SIDNEY SORONOW: And the insurance,
2 line 7004, what insurance is that?

3 MS. SHELLEY TATARYN: That would be our
4 liability insurance.

5 MR. SIDNEY SORONOW: And where is your
6 vehicle insurance?

7 MS. SHELLEY TATARYN: That would be in
8 our startup costs.

9 MR. SIDNEY SORONOW: I'm sorry, where is
10 startup costs? Oh, at line XXXX?

11 MS. SHELLEY TATARYN: Yes.

12 MR. SIDNEY SORONOW: Okay. So startup
13 costs includes not simply what we'll call one (1) time
14 costs relating to a start-up, it also includes ongoing
15 costs, you know, repeating annual costs?

16 MS. SHELLEY TATARYN: There would be the
17 Autopac, yes.

18

19 (BRIEF PAUSE)

20

21 MR. SIDNEY SORONOW: Did I understand you
22 in response to your questions to Mr. Edwards to
23 characterize this proposed venture as high risk since you
24 have nothing to go on?

25 MS. SHELLEY TATARYN: Yes.

1 MR. SIDNEY SORONOW: Okay. You said in
2 your evidence to Mr. Edwards you believe there is a need
3 for this business, being the Avion shuttle, in the city.

4 On what is that based?

5 MS. SHELLEY TATARYN: It's based on my
6 personal experience in travelling. It's based on
7 anecdotal information from the public. It's just based
8 on a general overall sense that it's something that would
9 be good for the city.

10 MR. SIDNEY SORONOW: I see. And does it
11 make a difference to that kind of conclusion that -- that
12 other cities -- and I'll use an example, Halifax.
13 Halifax has about the same passengers coming and going at
14 their airport but their airport is 30 to 35 kilometres
15 from downtown and a cab ride is fifty (\$50) to sixty
16 dollars (\$60).

17 Does your conclusion that there is a need
18 for this business in -- in Winnipeg at all take into
19 account the fact that your -- that the taxi fare is in
20 the vicinity of thirteen (13) to sixteen dollars (\$16)
21 and -- and you're offering a shared ride service for
22 eleven dollars (\$11)?

23 Does -- does it take that into account?

24 Does --

25 MS. SHELLEY TATARYN: No.

1 MR. SIDNEY SORONOW: -- does economics
2 -- okay. And -- and you said that, you know, you'd
3 always give a service twelve (12) to eighteen (18) months
4 to see if it's profitable and then address, you know,
5 should it be discontinued.

6 Did I capture your thoughts there?

7 MS. SHELLEY TATARYN: I didn't say it
8 should be discontinued, I said it would be evaluated.

9 MR. SIDNEY SORONOW: Ah, a decision made.
10 Okay.

11 MS. SHELLEY TATARYN: Yes.

12 MR. SIDNEY SORONOW: My apologies.
13 You're quite correct on that. And that would be the
14 process followed presumably in this case?

15 MS. SHELLEY TATARYN: Yes.

16 MR. SIDNEY SORONOW: Okay. What would
17 motivate you to carry on with the service if you were --
18 from a financial point of view to have determined after
19 eighteen (18) months that it's just not profitable, there
20 just is no likelihood of it being profitable?

21 Would you be motivated to carry it on and
22 if so, why?

23 MS. SHELLEY TATARYN: Some of that review
24 would be whether or not there was anything that could be
25 changed. Is there a different way to market it? Is

1 there a different way to handle the business? There
2 would be a number of questions that would go into that
3 decision at that point in time.

4 MR. SIDNEY SORONOW: At the point at
5 which you had exhausted all your creativity and still
6 were not making any money, would it be logical to assume
7 you're likely to discontinue?

8 MS. SHELLEY TATARYN: It's an assumption.

9 MR. SIDNEY SORONOW: No, but is it a
10 reasonable assumption?

11 MS. SHELLEY TATARYN: Possibly.

12

13 (BRIEF PAUSE)

14

15 MR. SIDNEY SORONOW: You -- you
16 referenced the use of two-way radios that would be
17 utilized in the shuttle service.

18 Is that correct?

19 MS. SHELLY TATARYN: Yes.

20 MR. SIDNEY SORONOW: Yes. Would that
21 usage be impacted or would it not be impacted, in fact --
22 isn't it the case it would be impacted by the perspective
23 legislation that is being discussed to ensure that people
24 aren't utilizing such technology and cell phones and the
25 like whilst they're driving.

1 Wouldn't that be impacted on your use of
2 those two-way radios?

3 MR. PAUL EDWARDS: Well, that's a legal
4 question, Mr. Soronow. And it -- to the extent that that
5 legislation applies, or would apply, there's lots of two-
6 way radios in vans currently in this city, and Avion
7 would intend to comply in full compliance with the law,
8 all laws, including that one (1) if it had an impact.

9 MR. SIDNEY SORONOW: But at the moment
10 that is the communications mode that you're
11 contemplating, the two-way radio? That's part of the
12 service proposal?

13 MR. PAUL EDWARDS: Well, it's
14 contemplated as discussed, Mr. Soronow, that the vans
15 would be equipped with radios, which would be linked to
16 each other and to a central operator. As for the rules
17 governing the use, those would be in compliance with the
18 law.

19

20 (BRIEF PAUSE)

21

22 CONTINUED BY MR. SIDNEY SORONOW:

23 MR. SIDNEY SORONOW: In order to achieve
24 the schedule that you've laid out, I'm talking about the
25 schedule for trips to and from the hotels and the

1 airport, did that con -- is that based on three (3)
2 vehicles, is it based on two (2) vehicles, four (4)
3 vehicles?

4 MS. SHELLY TATARYN: It's based on two
5 (2) vehicles with one (1) available should requirement at
6 peak times be there.

7 MR. SIDNEY SORONOW: Okay.

8

9 (BRIEF PAUSE)

10

11 MR. SIDNEY SORONOW: When you did your
12 2008 business plan, you identified two (2), four (4) --
13 two (2), four (4), six (6), seven (7) hotels at page 3 of
14 your 2008 plan and indicate that none of them were
15 operating a shuttle.

16 That actually was not totally correct in
17 the end, was it?

18 MS. SHELLEY TATARYN: They don't op --
19 they don't operate a scheduled shuttle, no.

20 MR. SIDNEY SORONOW: Oh, a scheduled
21 shuttle, that's what you're referring to. I'm sorry.
22 Yeah, sorry, it didn't -- didn't actually say that. It
23 said "currently operates shuttle, no."

24 I -- I assumed you were saying, no, they
25 don't have a shuttle at all. What you intended to say is

1 they don't have a scheduled shuttle, okay.

2

3

(BRIEF PAUSE)

4

5

MR. SIDNEY SORONOW: I'm -- can you turn
6 to page 4 of your 2008 business plan and look at the
7 second -- at the bottom are "City Connect would provide,"
8 and there's two (2) bullet points, and the first of those
9 bullet points said:

10

11

12

"Shared ride transportation to or from
the airport in Winnipeg's downtown for
groups of one (1) to fifteen (15)."

13

14

15

Can you explain to us how you were
accommodating fifteen (15) people in a nine (9) passenger
van?

16

17

OBJ MR. PAUL EDWARDS: I object. That's been
asked and answered.

18

19

20

21

22

THE CHAIRPERSON: We've --

MR. SIDNEY SORONOW: No, that was by
reference to -- she said there was a mistake when she
described it in the executive summary. Is this also a
mistake?

23

24

25

MR. PAUL EDWARDS: I took all references
to the fifteen (15) passengers in this document to be
covered by the prior answer. I think that was clear.

1 MR. SIDNEY SORONOW: So it was an error.

2 MR. PAUL EDWARDS: Yeah.

3 MR. SIDNEY SORONOW: That's fine.

4

5 (BRIEF PAUSE)

6

7 MR. SIDNEY SORONOW: I'd like five (5)
8 minutes to confer with my clients. That may be the end.

9 THE CHAIRPERSON: Very good.

10 MR. SIDNEY SORONOW: You don't have a --
11 like a conference room where...?

12 THE CHAIRPERSON: Yes. Yes, we do.

13

14 --- Upon recessing at 4:38 p.m.

15 --- Upon resuming at 4:49 p.m.

16

17 THE CHAIRPERSON: Okay, Mr. Soronow.

18

19 CONTINUED BY MR. SIDNEY SORONOW:

20 MR. SIDNEY SORONOW: Just a couple more
21 questions. I just want to get a sense of the airport and
22 its operations, and Avion, I think you said, started in
23 2001, was that what...?

24 MS. SHELLEY TATARYN: No, I said I
25 started in 2005.

1 MR. SIDNEY SORONOW: No, no, but Avion
2 itself, when did it start?

3 MS. SHELLEY TATARYN: 2002.

4 MR. SIDNEY SORONOW: Okay. Around there,
5 that's -- that's good enough. Let me ask you something.
6 You said that Avion is -- provides security services at
7 the airport, is that correct?

8 MS. SHELLEY TATARYN: Yes.

9 MR. SIDNEY SORONOW: And what -- what
10 does that entail?

11 MS. SHELLEY TATARYN: We pro --

12 MR. SIDNEY SORONOW: Just in a global
13 sense. Give us a sense of it.

14 MS. SHELLEY TATARYN: We provide facility
15 security.

16 MR. SIDNEY SORONOW: Facility security,
17 okay. And -- and prior to -- do you know when Avion took
18 that over?

19 MS. SHELLEY TATARYN: Not exactly.

20 MR. SIDNEY SORONOW: Okay. But if we
21 went prior to 2002, it was a different service provider,
22 is that correct?

23 MS. SHELLEY TATARYN: I'm not sure.

24 MR. SIDNEY SORONOW: Well, it can't have
25 been Avion. If they only started in 2002, there had to

1 be a previous service provider, like Metropol Security or
2 one (1) of the other security service firms, correct,
3 obviously?

4 MS. SHELLEY TATARYN: Yes and no.

5 MR. SIDNEY SORONOW: Yes, and no, okay.
6 So explain the "yes" and "no" then.

7 MS. SHELLEY TATARYN: There was a
8 previous company that Avion was 50 percent of, prior to
9 2002, and I'm not sure about what they did or their
10 history at that point in time.

11 MR. SIDNEY SORONOW: When -- do you know
12 when WAA took over the airport?

13 MS. SHELLEY TATARYN: 1997.

14 MR. SIDNEY SORONOW: '97. Okay.

15 MS. SHELLEY TATARYN: Yeah.

16 MR. SIDNEY SORONOW: And but in any event
17 today Avion has the security contract, is that --

18 MS. SHELLEY TATARYN: Yes.

19 MR. SIDNEY SORONOW: Okay. And the
20 parking and the airport --

21 MS. SHELLEY TATARYN: Yes?

22 MR. SIDNEY SORONOW: -- Avion has that?

23 MS. SHELLEY TATARYN: We provide
24 technical support --

25 MR. SIDNEY SORONOW: Right.

1 MS. SHELLEY TATARYN: -- and general
2 control of spots and such.

3 MR. SIDNEY SORONOW: Okay. And that was
4 replacement of a previous service provider?

5 MS. SHELLEY TATARYN: Not that I'm aware
6 of.

7 MR. SIDNEY SORONOW: Well, who did it
8 before Avion existed?

9 MS. SHELLEY TATARYN: I don't know. I
10 don't know if there was a previous existence of someone
11 doing it, or it was created at that point in time when
12 Avion became in existence. I have no idea.

13 MR. SIDNEY SORONOW: Okay. Well, do you
14 oversee the food service at the airport in any manner?

15 MS. SHELLEY TATARYN: No.

16 MR. SIDNEY SORONOW: The management of
17 the space?

18 MS. SHELLEY TATARYN: No.

19 MR. SIDNEY SORONOW: Okay. Valet
20 parking, do you handle that?

21 MS. SHELLEY TATARYN: No.

22 MR. SIDNEY SORONOW: Who handles that?

23 MS. SHELLEY TATARYN: I'm not sure. I
24 think it's Impark.

25 MR. SIDNEY SORONOW: Okay. Are we

1 talking about the same thing, where -- where, you know,
2 someone will park you car?

3 Okay. Do you have any involvement in food
4 service delivery, Avion?

5 MS. SHELLEY TATARYN: No.

6 MR. SIDNEY SORONOW: Okay. And Avion is
7 a subsidiary corporation to WAA, wholly owned?

8 MS. SHELLEY TATARYN: Yes, yes.

9 MR. SIDNEY SORONOW: Okay. And the -- is
10 it fair to say that the endorsement of the shuttle
11 service for Avion by WAA was without tender to any other
12 parties? There was no public tender, was there?

13 MS. SHELLEY TATARYN: No.

14 MR. SIDNEY SORONOW: Okay. Those are my
15 questions, Mr. Chairman.

16 THE CHAIRPERSON: Thank you, Mr. Soronow.
17 I guess the real question comes -- it's easy for us
18 because we've already had our dinner brought in to us and
19 put into a fridge, so the issue is for the other parties
20 -- do you prefer to come back at six o'clock or 6:30?
21 We're at your convenience.

22 MR. SIDNEY SORONOW: I would prefer 6:30.

23 THE CHAIRPERSON: 6:30. So be it.

24

25 --- Upon recessing at 4:45 p.m.

1 --- Upon resuming at 6:34 p.m.

2

3 THE CHAIRPERSON: Okay. Welcome back
4 everyone.

5 Mr. Saranchuk...?

6

7 CROSS-EXAMINATION BY MR. WALTER SARANCHUK:

8 MR. WALTER SARANCHUK: Yes. Thank you,
9 sir. I have a few questions of you, Ms. Tataryn, and let
10 me begin with a couple that perhaps might better be
11 answered by your counsel, but I'll put the questions to
12 you.

13 My first one is: Does Avion agree that it
14 carries the onus of substantiating its Application before
15 this Board?

16 MR. PAUL EDWARDS: As the Applicant,
17 absolutely. The only caveat I put on that, Mr.
18 Saranchuk, is subject to the requirements that would need
19 to be met to satisfy the Board under Section 163(3) of
20 the Charter.

21 MR. WALTER SARANCHUK: Yes. And my
22 second question is that Avion appreciates, I take it,
23 that it has the obligation to produce sufficient
24 supporting evidence to enable the Board to decide this
25 issue before it, on its merits?

1 MR. PAUL EDWARDS: Again, yes, subject to
2 only to the same caveat, which is within the bounds of
3 the requirements of Section 163(3).

4 MR. WALTER SARANCHUK: And I take it that
5 Avion is aware that the Board's mandate is to protect and
6 advance the public interest?

7 MR. PAUL EDWARDS: Yes, certainly.
8 That's part of the PUB's Board and the Act, and I
9 recognize is -- and Avion recognizes is the overriding
10 concern. Again, I do note, and I -- I hate to be
11 repetitive, that this is a very unique task for the
12 Board, one (1) that I think the Board has not undertaken
13 previously. And so public interest is determined within
14 the realm of the task put before the Board.

15

16 CONTINUED BY MR. WALTER SARANCHUK:

17 MR. WALTER SARANCHUK: Thank you. Now,
18 Ms. Tataryn, do you agree with and adopt the contents of
19 the submissions made on behalf of Avion by your counsel,
20 and the evidence given in response to the Information
21 Requests?

22 MS. SHELLY TATARYN: Yes.

23 MR. WALTER SARANCHUK: And now turning to
24 those Information Requests, and Avion's responses, and in
25 particular I'm looking at the letter of November 24th,

1 2008, from your counsel to the PUB; that being, Exhibit
2 PUB/AVION Number 7.

3 And with reference, firstly, to the
4 response on the second page to the question Number 1(b),
5 this refers to the survey conducted by Mr. MacKay's firm
6 and, in particular, the Probe research study and question
7 Number 1 that was asked during the course of that study,
8 that is attached to that research study, the results are
9 attached to Exhibit AVION -- PUB/AVION Number -- I'm
10 sorry, to Avion's Exhibit Number 3 being its October
11 21st, 2008 letter.

12 And the question that was posed -- first
13 let me ask you, Ms. Tataryn, did Avion have any input in
14 advance of this research or this study being undertaken
15 as to what questions should be asked?

16 asking her if she simply became aware of that.

17 MS. SHELLEY TATARYN: Yes, we did.

18 MR. WALTER SARANCHUK: And could you just
19 elaborate to what extent?

20 MS. SHELLEY TATARYN: Mr. MacKay put the
21 questions together as he thought they should be worded
22 and reviewed them with me. I deferred to his expertise
23 in that area, but, we did discuss it.

24 MR. WALTER SARANCHUK: And so approved
25 these questions in advance of their being asked?

1 MS. SHELLEY TATARYN: Yes.

2 MR. WALTER SARANCHUK: Thank you. Now,
3 just turning to page 4 or 5 -- that is 4 of 5, dealing
4 with the research results and, in particular, Question
5 Number 1, it, as you will note, states as follows, quote:

6 "A local company has applied to the
7 Manitoba Public Utilities Board to
8 start a shuttle service which would
9 connect some downtown hotels to
10 Winnipeg International Airport. This
11 shuttle service would be similar to
12 those found in other major cities in
13 Canada. The trip between the airport
14 and downtown would take longer by
15 shuttle bus than by taxi but would cost
16 about half as much. Do you personally
17 support or oppose this plan to start a
18 shuttle service between the airport and
19 downtown Winnipeg?" End of quote.

20 So, there's the question that was asked
21 and, of course, is being -- as I understand it -- relied
22 upon by Avion in making this application.

23 But let me ask you: Do you agree that the
24 manner in which that question was asked relating to the
25 relative costs of the fare between the taxicab fare and

1 the shuttle service could be interpretative as
2 influencing the response to the question?

3 In other words, that the "cost was half as
4 much," do you see that perhaps that could be
5 interpretative as influencing the response?

6 MS. SHELLEY TATARYN: Possibly.

7 MR. WALTER SARANCHUK: You understand
8 where I'm coming from on that?

9 In other words, if there would not have
10 been the reference to the cost factor, the results could
11 possibly have been different? And I realize this is
12 speculation but you understand where I'm coming from? I
13 tried to explain. Do you see that?

14 MS. SHELLEY TATARYN: Yes

15 MR. WALTER SARANCHUK: Now, does Avion
16 still maintain that the cost of the shuttle would be
17 about half as much as a taxicab fare?

18 MS. SHELLEY TATARYN: In our response to
19 that on the November 24th, we still believe that it is
20 possible it could be half as much.

21 MR. WALTER SARANCHUK: In other words,
22 picking up on what you said there and the response today,
23 that is still your position?

24 MS. SHELLEY TATARYN: Yes.

25 MR. WALTER SARANCHUK: And could you just

1 explain that, given from what we've heard about the
2 changes in the fares or what the range of fares could be
3 for taxicabs and the change that we understand has taken
4 place insofar as your original estimate of nine dollars
5 (\$9) going to eleven (11).

6 MS. SHELLEY TATARYN: Well, it's very
7 difficult to -- to say with any certainty. A cab ride
8 has a range. It's based on traffic flows, and the
9 direction, and streets that are taken, and all of those
10 things come into the cost of the fare.

11 The shuttle ride is, you know, a flat fee,
12 so it's very difficult to say whether -- with all great
13 certainty that it would absolutely be 50 percent. I
14 don't know that depending on the taxi.

15 MR. WALTER SARANCHUK: So is this -- is
16 it, again, a situation, Ms. Tataryn, of this being
17 Avion's best guess, if you will?

18 MS. SHELLEY TATARYN: Oh, absolutely.

19 MR. PAUL EDWARDS: I'm sorry, Mr.
20 Saranchuk, the -- the answer -- the response given in the
21 November 24th letter has of course been adopted and
22 provides at least two (2) rationale. I'm assuming you're
23 not asking Ms. Tataryn to repeat that again. The
24 answer's just been adopted. And of particular note, of
25 course, is the issue that it's customary to tip a cab and

1 not the shuttle service. That -- that's in there.

2

3 CONTINUED BY MR. WALTER SARANCHUK:

4 MR. WALTER SARANCHUK: No, I appreciate
5 that, but we're talking about the basis for the estimate,
6 so to speak, and essentially, given what we've heard,
7 we've heard the answer, obviously.

8 So in terms of what is asserted in the
9 submission by Unicity/Duffy at page 5 of its written
10 submission, and I'd ask you to turn to that at page 25.

11

12 (BRIEF PAUSE)

13

14 MR. WALTER SARANCHUK: This is the middle
15 of the page. I would ask you to comment on this
16 quotation constituting that assertion. Quote:

17 "Secondly, the most fundamental and
18 fatal flaw in the survey is that the
19 participants (whose opinions were
20 solicited) were informed that the
21 proposed shuttle service would cost,
22 [quote], 'about half as much' [end of
23 quote], as taxi service. In fact, a
24 single person Avion fare would be
25 between 69 percent and 78 percent of a

1 taxicab fare, and for two (2) or more
2 passengers, the Avion fare would be --
3 [oh, sorry] would very substantially
4 exceed the taxicab fare." End of
5 quote.

6 Could you please comment on that
7 assertion, Ms. Tataryn?

8

9 (BRIEF PAUSE)

10

11 MS. SHELLEY TATARYN: I'm a little fuzzy
12 on what you're asking, Mr. Saranchuk. For me to comment
13 on whether or not the fare is going to be higher for two
14 (2) people, absolutely it would be, based on taxi being,
15 you know, thirteen (13) to sixteen (16) if that was a
16 reality.

17 MR. WALTER SARANCHUK: What about the
18 percentages that are quoted?

19 MS. SHELLEY TATARYN: I haven't
20 calculated those, sir.

21 MR. WALTER SARANCHUK: Can you -- with
22 any measure of confidence based on some information that
23 you might have confirm with the Board whether those
24 percentages are indeed realistic or unrealistic?

25 MS. SHELLEY TATARYN: Not with any

1 certainty. I would have to do some research.

2 MR. WALTER SARANCHUK: So at this
3 juncture, based on the information that you have at hand,
4 and I mean Avion --

5 MS. SHELLEY TATARYN: Mm-hm.

6 MR. WALTER SARANCHUK: -- you can't
7 comment on the validity of that assertion?

8 MS. SHELLEY TATARYN: No.

9 MR. WALTER SARANCHUK: Now moving onto
10 your response to the Information Request C -- 1C, this is
11 at the bottom of page 2, referring to Probes, Mr. MacKay,
12 and his email of November 24th, 2008. That's an
13 attachment. Let me know if you find -- when you find it.
14 All right. Thank you.

15 Referring to that email, would it be
16 reasonable concl -- to conclude that Probe's definition
17 of convenience in this case is not convenience of a
18 shuttle compared to a taxi, but simply a commentary on
19 the fact that another option is available, that is not
20 that the option is more convenient?

21 Would you agree with that?

22 MS. SHELLEY TATARYN: Yes, I would.

23 MR. WALTER SARANCHUK: Does this
24 therefore imply that Probe does not conclude that the
25 people surveyed think that the shuttles are more

1 convenient than taxis?

2 MS. SHELLY TATARYN: I --

3 MR. WALTER SARANCHUK: In other words,
4 just given that last answer of yours --

5 MS. SHELLY TATARYN: Yes.

6 MR. WALTER SARANCHUK: -- that -- that's
7 not a question that the option is more convenient. It's
8 just more a commentary on the fact that another option is
9 available.

10 Would you agree that Probe is not
11 suggesting that the people surveyed think that shuttles
12 are more convenient than taxis?

13 MS. SHELLY TATARYN: Yes.

14 MR. WALTER SARANCHUK: I'm sorry, I
15 didn't hear that?

16 MS. SHELLY TATARYN: Yes.

17 MR. WALTER SARANCHUK: Thank you. Could
18 you just move that mic a little bit closer to you. It'd
19 make things a little easier. Thank you.

20 Would it be reasonable to expect, Ms.
21 Tataryn, that the vast majority of potential customers of
22 a shuttle service would be visitors to Winnipeg?

23 MS. SHELLY TATARYN: Yes, that would be a
24 reasonable assumption.

25 MR. WALTER SARANCHUK: So let me ask you,

1 that being the case, can you advise why this survey was
2 not directed towards travellers, disembarking, or
3 boarding planes at the airport, as opposed to residents
4 of Winnipeg generally?

5 MS. SHELLY TATARYN: In order to do a
6 survey that would, you know, hit the visitors as opposed
7 to the general public, it would be much more expensive to
8 have people at the airport questioning, or trying to do
9 surveys is again, a cost that we didn't think was, you
10 know, justifiable at that point.

11 MR. WALTER SARANCHUK: What do you say to
12 the premise that the results would have been more
13 relevant if you had surveyed visitors as opposed to
14 residents of Winnipeg, would you agree with it?

15 MS. SHELLY TATARYN: Yes.

16 MR. WALTER SARANCHUK: And of course --

17 MR. PAUL EDWARDS: Mr. Saranchuk, I don't
18 mean to interrupt, and with leave of the Board, I -- I
19 would like to just add one (1) comment to -- to this --
20 to those questions. I -- I recognize that I don't want
21 to interrupt your questioning.

22 MR. WALTER SARANCHUK: But you are.

23 MR. PAUL EDWARDS: Well, then I'll stop.
24 And that's fine. If that's -- I'll leave it to my re-
25 examination.

1 MR. WALTER SARANCHUK: Thank you, sir.

2

3 CONTINUED BY MR. WALTER SARANCHUK:

4 MR. WALTER SARANCHUK: What I'm thinking,
5 Ms. Tataryn, is for example, would it have been that
6 costly a measure to hire a couple of University students
7 or high school student for, I don't know, eight (8)/ten
8 (10) bucks an hour, have them stand at the bottom of the
9 escalator, and interviewing, or say -- or surveying these
10 visitors disembarking a plane, or those about to embark,
11 and say, Would you -- what do you think of a shuttle
12 service, et cetera? I mean that's where I'm coming from.

13 You say that would be an exceptionally
14 burdensome cost?

15 MS. SHELLY TATARYN: Not in that simple -
16 - simplistic format. No, that would not have been. That
17 would have been something that we would have had to have
18 prior approval from the Airport Authority to do. The
19 Airport Authority regularly runs their own surveys. And
20 so it's not always easy to add additional people into the
21 airport asking questions.

22 MR. WALTER SARANCHUK: Now, attached to
23 Avion Exhibit Number 3, that's the letter of October 21,
24 2008, is provided a financial forecast summary, along
25 with projected revenue analysis and the projected revenue

1 and expenses.

2 With reference to the projected revenue
3 analysis, you have that before you? And of course, this
4 was amended, as I understand it, and then re-submitted as
5 an attachment to the November 24th, 2008 letter from your
6 counsel to the Board.

7 Do you see that?

8 MS. SHELLEY TATARYN: Yes.

9 MR. WALTER SARANCHUK: Yes, so I would
10 ask you to take a look at that amended document.

11

12 (BRIEF PAUSE)

13

14 MR. WALTER SARANCHUK: And, of course,
15 one of the most significant changes was the fact that
16 when you talk about Avion's projected market capture at
17 50 percent shown at approximately sixty-eight thousand
18 (68,000) trips, sixty-eight thousand and seventy-three
19 (68,873) to be exact, that is now exact -- let's say
20 exact, the 50 percent of the one hundred and thirty-six
21 thousand one hundred and forty-five (136,145) figure
22 shown to the left as a guest per day travelling to and
23 from the airport.

24 Do you see that? Now, with reference to
25 year 2 - and this goes back to the initial filing - how

1 do you reconcile the sixty-eight thousand (68,000)
2 passengers shown in the projected revenue analysis with
3 the \$1.3 million revenue figure from fares shown in the
4 projected revenue and expense?

5 MS. SHELLEY TATARYN: On year 2, if
6 you'll notice that towards the end of the year there was
7 an increase to the revenue and that is based on a point
8 zero five (.005) being in October which would normally be
9 the beginning of charter season. At that point in time
10 we felt that it was reasonable to think there would be
11 somewhat of a slight increase.

12 MR. WALTER SARANCHUK: I don't know
13 whether I made myself clear, Ms. Tataryn, I'm asking you
14 to reconcile your market share of some sixty-eight
15 thousand (68,000) trips shown in the projected revenue
16 analysis to the projection of \$1.3 million revenue in the
17 second year.

18 So, what I'm getting at is: How do you
19 related one to the other?

20 MS. SHELLEY TATARYN: I thought I'd done
21 that. I thought I had done that?

22 MR. PAUL EDWARDS: No. That's a return
23 trip.

24 MS. SHELLEY TATARYN: No, I know that but
25 in order to get to this number he has to understand that

1 there's a 3 percent increase or a slight increase.

2 Mr. Saranchuk...?

3 MR. WALTER SARANCHUK: Yes?

4 MS. SHELLEY TATARYN: The sixty-eight
5 thousand (68,000) number is -- been used at the beginning
6 of year 2 and, as I said, there's an increase projected
7 into that number that takes it into the 1.3 million which
8 makes it higher than the 1.2 million.

9

10 CONTINUED BY MR. WALTER SARANCHUK:

11 MR. WALTER SARANCHUK: So, essentially,
12 just looking at the figures, sixty-eight thousand
13 (68,000) for eleven (11) months -- sorry, eleven dollars
14 (\$11) -- sixty-eight thousand (68,000) at eleven dollars
15 (\$11) -- sixty-eight thousand (68,000) trips works out to
16 about three-quarters of a million dollars?

17 MS. SHELLEY TATARYN: Sorry, it's
18 eighteen seventy-five (\$18.75)? It's a return trip.

19 MR. WALTER SARANCHUK: I see.

20 THE CHAIRPERSON: And it's before taxes
21 too.

22 MR. WALTER SARANCHUK: All right.

23 MS. SHELLEY TATARYN: Yeah.

24 MR. WALTER SARANCHUK: Thank you.

25

1 CONTINUED BY MR. WALTER SARANCHUK:

2 MR. WALTER SARANCHUK: Now, according to
3 Avion, how many taxicab trips would be eliminated by
4 sixty-eight thousand (68,000) passengers taking the
5 shuttle service in Year 2?

6 MS. SHELLEY TATARYN: I have no idea.

7 MR. WALTER SARANCHUK: So that was not
8 some consideration that was taken into account by Avion?

9 MS. SHELLEY TATARYN: No.

10 MR. WALTER SARANCHUK: And so in terms of
11 how many taxicabs would be displaced, that wouldn't have
12 been taken into account either?

13 MS. SHELLEY TATARYN: No.

14 MR. WALTER SARANCHUK: Can I ask you,
15 just before proceeding with the next question, or next
16 line of questioning, is there a reason why these were not
17 taken into account, those considerations that I just
18 referred to?

19 MS. SHELLEY TATARYN: When we put this
20 concept together, the concept was based on customer
21 service, an option for the travelling public, and the
22 belief that travellers are going to choose to take a taxi
23 or choose to take a shuttle, or choose to use a limo or
24 any other form of transportation.

25 That in a competitive marketplace, the

1 point of the exercise is to create competitive business,
2 we did not take into consideration that. It would be the
3 same as if we opened a food stand at the airport. We
4 wouldn't consider what exactly we would be doing to the
5 competition. The whole point of the exercise is to
6 create competition and create a better product for the
7 customer.

8 MR. WALTER SARANCHUK: So, essentially,
9 the primary consideration, if you will, as I understand
10 your evidence, was service to the customer.

11 MS. SHELLEY TATARYN: Yes.

12 MR. WALTER SARANCHUK: With reference to
13 the response by Avion to the second Information Request,
14 this is on page 3 of the November 24th, 2008 letter
15 dealing with operating expenses, can you confirm that the
16 estimates provided in the financial forecast for the
17 first four (4) years of operation are still valid in
18 relative terms?

19 MR. PAUL EDWARDS: Can you just give us
20 the reference on page 3 again, Mr. Saranchuk?

21

22 CONTINUED BY MR. WALTER SARANCHUK:

23 MR. WALTER SARANCHUK: Yes, at the top,
24 operating expenses, the second question asked, and, of
25 course, this is with reference to the financial forecasts

1 in general.

2 And so my question is, Mr. Tataryn, can
3 you confirm that the estimates in the financial forecast
4 for the first four (4) years of operation are still valid
5 in relative terms?

6 MS. SHELLEY TATARYN: Yes, because we had
7 gone back in '08 and increased -- as Mr. Edwards pointed
8 out before, we had increased the price of gas to reflect
9 the current market. We had also looked at a number of
10 other costs at that point and -- to ensure that our costs
11 were still valid and reasonable.

12 MR. WALTER SARANCHUK: Yes, thank you.
13 Can you give the Board an indication as to whether or not
14 Avion proposes to review its fee schedule if the Board
15 were to grant this Application?

16 MS. SHELLEY TATARYN: Absolutely, we
17 would be reviewing everything should we have the okay to
18 go forward.

19 MR. WALTER SARANCHUK: Can you give us
20 any idea as to the frequency of the review?

21 MS. SHELLEY TATARYN: Well, we would be
22 reviewing it at least on an annual basis, just based on
23 our requirement to stay ahead of the fare -- bus transit
24 prices.

25 MR. WALTER SARANCHUK: So, just to get

1 this straight, when you intend to conduct this review,
2 provided your Application is granted, you'd be looking
3 more at ensuring that the requirement to have your fee at
4 least four (4) times the bus fare as being the primary
5 concern?

6 MS. SHELLEY TATARYN: Yes.

7 MR. WALTER SARANCHUK: What about the
8 profitability factor?

9 MS. SHELLEY TATARYN: Well, we would be
10 reviewing that as a whole process of the operation.

11 MR. WALTER SARANCHUK: That would be a
12 rather major consideration, would it not?

13 MS. SHELLEY TATARYN: Yes.

14 MR. WALTER SARANCHUK: Now, I have a
15 number of questions dealing with the Application in
16 general and getting some background information to
17 benefit the Board, Ms. Tataryn, so let me begin by asking
18 you, and I think you touched on this a little bit earlier
19 but -- could you describe for the Board just how this
20 concept of the airport shuttle service first arose?

21 I mean, you talked about it perhaps being
22 something that was your initiative but, I mean, how did
23 that process work? Did you just wake up one night and
24 say, this is going to be a good idea or how did you go
25 about it?

1 MS. SHELLEY TATARYN: No, not quite like
2 that. We put together our management team and when I say
3 that you have to understand that Avion's management team
4 is very small and back in '05 when we began this process
5 it was even smaller than it is today, so, I think there
6 was all of four (4) people.

7 MR. WALTER SARANCHUK: What positions did
8 they hold, without having to get at the names?

9 MS. SHELLEY TATARYN: We had a --

10 MR. WALTER SARANCHUK: Although you can
11 give names if you want.

12 MS. SHELLEY TATARYN: We had a market
13 analyst, we had a sales consultant and we had an
14 operations manager.

15 MR. WALTER SARANCHUK: And yourself.

16 MS. SHELLEY TATARYN: And myself

17 MR. WALTER SARANCHUK: Okay, please
18 proceed. Sorry for the interruption.

19 MS. SHELLEY TATARYN: And our exercise
20 was to find new sources of revenue for Avion. So, we put
21 ourselves in the boardroom with a white board and went
22 through a myriad of different possible options of
23 ventures that we could look at or we could examine.

24 One of the things that we held as a
25 mandate was services at the airport. What sort of

1 services do we have or do not have at the airport that we
2 could possibly offer to the public that would become a
3 viable operation.

4 MR. WALTER SARANCHUK: And were there
5 other options that you considered, other than a shuttle
6 service?

7 MS. SHELLEY TATARYN: Absolutely. We
8 considered -- did you want me to give you a for instance?

9 MR. WALTER SARANCHUK: Sure, mm-hm.

10 MS. SHELLEY TATARYN: At that time it was
11 prior to valet, so, valet was one (1) of them. We
12 looked at considering a small mini shuttle somewhat, you
13 know, within the campus of the airport so people didn't
14 have to walk so far. We looked at a gas station. We
15 looked at buying, you know, some businesses close to the
16 airport that are competitors in some ways. We just
17 looked at a number of ideas. It was really a
18 brainstorming session.

19 MR. WALTER SARANCHUK: In the truest
20 sense of the word?

21 MS. SHELLEY TATARYN: Absolutely.

22 MR. WALTER SARANCHUK: And was there any
23 one (1) final factor that came into the consensus to
24 proceed with the shuttle service? Was there anything
25 that drove that particular decision?

1 MS. SHELLEY TATARYN: Other than the
2 enthusiasm and the idea of the four (4) people in that
3 room believing that, you know, it was really something
4 that was a good idea for the City, that it was something
5 that we could do that didn't require, you know, millions
6 of dollars to start and that was really it.

7 MR. WALTER SARANCHUK: Did the Winnipeg
8 Airport Authority have any input in the decision-making
9 process?

10 MS. SHELLEY TATARYN: No.

11 MR. WALTER SARANCHUK: Was there any
12 consultation with WAA, the Winnipeg Airport Authority, by
13 Avion after -- before or after arriving at the decision
14 to proceed with the shuttle service?

15 MS. SHELLEY TATARYN: Not before at all;
16 after we came up with the concept and sort of had kind of
17 the conceptual picture, I took it forward to the board.

18 MR. WALTER SARANCHUK: Which board?

19 MS. SHELLEY TATARYN: The board that I
20 report, that Avion reports to.

21 MR. WALTER SARANCHUK: Which board is
22 that?

23 MS. SHELLEY TATARYN: It's a management
24 board.

25 MR. WALTER SARANCHUK: So this is a

1 management board within Avion or is this a board within
2 the Winnipeg Airport Authority?

3 MS. SHELLEY TATARYN: Within Airport
4 Authority.

5 MR. WALTER SARANCHUK: So you made this
6 present --

7 MR. PAUL EDWARDS: I'm sorry to
8 interrupt, you mean Avion's board?

9 MS. SHELLEY TATARYN: Yeah.

10 MR. PAUL EDWARDS: Avion has -- Avion as
11 a separate corporation has its own board.

12 MR. WALTER SARANCHUK: No, I appreciate
13 that but I didn't understand which board this witness
14 meant so --

15 MR. PAUL EDWARDS: Yeah, I thought there
16 was confusion there.

17 MR. WALTER SARANCHUK: Right.

18

19 CONTINUED BY MR. WALTER SARANCHUK:

20 MR. WALTER SARANCHUK: So just to clear
21 up that confusion, after you made this decision, you took
22 this matter to your board so to speak, Avion's board of
23 directors?

24 MS. SHELLEY TATARYN: Yes, yes.

25 MR. WALTER SARANCHUK: And my question

1 was: Was there any consultation with Winnipeg Airport
2 Authority, following this decision?

3 MS. SHELLEY TATARYN: Other than to
4 discuss with them if they felt it was a good idea, did
5 they think it was viable from their perspective, was it
6 something that their ground transportation would be
7 interested in.

8 MR. WALTER SARANCHUK: So after this
9 review of the decision with your Board, so to speak, the
10 matter was then taken up with Winnipeg Airport Authority?

11 MS. SHELLEY TATARYN: Yes.

12 MR. WALTER SARANCHUK: And who
13 represented Avion in that process, was it you?

14 MS. SHELLEY TATARYN: Yes.

15 MR. WALTER SARANCHUK: And where did you
16 go with this idea, going to Winnipeg Airport Authority?

17 MS. SHELLEY TATARYN: I went to their
18 operations group.

19 MR. WALTER SARANCHUK: And can you give
20 us an idea of who comprises that group?

21 MS. SHELLEY TATARYN: Their operations
22 group is made up of their ground transportation, their
23 airfield operations, their ground side operations. All
24 of those pieces, the parking, all of that's made into
25 their operations.

1 MR. WALTER SARANCHUK: And your idea
2 found favour with that group?

3 MS. SHELLEY TATARYN: Yes.

4 MR. WALTER SARANCHUK: Did you, I'm
5 talking about Avion now, have to seek the Airport
6 Authority approval to proceed?

7 MR. PAUL EDWARDS: Are -- are you
8 referring to the letter that's already before the Board,
9 Mr. Saranchuk, or some other form of approval?

10

11 CONTINUED BY MR. WALTER SARANCHUK:

12 MR. WALTER SARANCHUK: No, I'm talking
13 about whether or not, after this discussion with this
14 group at WAA, there was any further step that you took on
15 behalf of Avion with WAA to seek its approval to proceed?

16 MS. SHELLEY TATARYN: No.

17 MR. WALTER SARANCHUK: And, of course, we
18 heard that there hasn't been any formal agreement entered
19 into between Avion and WAA as yet.

20 MS. SHELLEY TATARYN: No.

21 MR. WALTER SARANCHUK: Was Avion aware of
22 the fact that its parent had entered into an agreement
23 with the taxicab operators for airport access rights for
24 a fee at the time of this idea to proceed with the
25 airport shuttle?

1 MS. SHELLEY TATARYN: I -- we knew that
2 the taxicabs paid a fee to come to the airport and we
3 knew that there was an agreement between the Airport
4 Authority and Unicity.

5 MR. WALTER SARANCHUK: And then let me
6 ask you, was it considered by Avion that the operation of
7 a shuttle service could be interpreted as contravening
8 the spirit of that agreement between the WAA and, for
9 example, Unicity regarding airport access privileges?

10 MS. SHELLEY TATARYN: No.

11 MR. WALTER SARANCHUK: That wasn't given
12 any consideration, or was it given consideration and then
13 thought not to be the case?

14 MS. SHELLEY TATARYN: We didn't believe
15 it would contravene anything.

16 MR. WALTER SARANCHUK: I'm not talking
17 about documentation specifically or contractual
18 arrangements. I'm talking about the spirit of the
19 agreement.

20 MS. SHELLEY TATARYN: No, because there
21 are a number of vehicles that come to and from the
22 airport on a regular basis that pick up people and drop
23 people off.

24 MR. WALTER SARANCHUK: So there was no
25 thought or suggestion in Avion's consideration that this

1 arrangement of the operation of a shuttle service might
2 put its parent, WAA, in a conflict position?

3 MS. SHELLEY TATARYN: No.

4 MR. WALTER SARANCHUK: And I believe you
5 have been asked this question by My Learned Friend, Mr.
6 Soronow, in the context of his client's considerations,
7 but let me ask you from the Board's standpoint as counsel
8 to the Public Utilities Board.

9 What does Avion say in response to an
10 assertion that the proposed shuttle service would
11 seriously impact the ability of taxicab operators to earn
12 an income?

13 MS. SHELLEY TATARYN: I believe, and it
14 has been our belief from the beginning of this exercise,
15 that there is more than enough business for all different
16 types of services, that it's not strictly exclusive to
17 one (1) type or -- or one (1) mode of transportation, and
18 that's been our belief from the beginning.

19 MR. WALTER SARANCHUK: And, of course,
20 there were no studies or any feasibility inquiries that
21 were conducted by or on behalf of Avion in advance of
22 coming to this conclusion that you just spoke about?

23 MS. SHELLEY TATARYN: No.

24 MR. WALTER SARANCHUK: And, of course, I
25 -- I think you did -- and correct me if I'm wrong, you

1 did indicate that Avion did not give any consideration as
2 to what impact the shuttle service would have on the taxi
3 industry, and I think you said was because that it was
4 difficult to speculate but that it was competition and
5 customer service that were the main criteria that Avion
6 took into account.

7 Is that correct?

8 MS. SHELLEY TATARYN: That is correct.

9 MR. WALTER SARANCHUK: Now, there has
10 been a suggestion that there could be a reduction of some
11 twenty-two thousand one (22,100)-- twenty-two thousand
12 (22,000) in round figures single trips per year or also
13 an equal number of return trips making for approximately
14 forty-five thousand dollar (\$45,000) -- sorry, forty-five
15 thousand (45,000) trips per year that would be
16 effectively eliminated so far as the cabbies are
17 concerned.

18 Would you -- given that figure, and I'm
19 not holding you to the amounts actually, but would you
20 agree that that would -- I'm talking about Avion -- would
21 you agree that that would represent a material revenue
22 loss for the taxi industry?

23 OBJ MR. PAUL EDWARDS: Mr. Saranchuk, with
24 respect I'm going to object to that question. It's not
25 for this witness to opine as to what is a material

1 effect. She's given the clear answer repeatedly to this
2 Board I think from all of us that Avion's view is that
3 the impact on the taxicab industry if any would not be
4 material. She has indicated that in response to two (2)
5 questions ago from you that there's enough business to
6 accommodate this.

7

8 CONTINUED BY MR. WALTER SARANCHUK:

9 MR. WALTER SARANCHUK: Given your
10 counsel's comments, and given what you indicated as to
11 what the main criteria were for Avion's consideration of
12 the shuttle service, isn't it a fact really, Ms. Tataryn,
13 that Avion didn't care whether there was any impact on
14 the taxi industry?

15 OBJ MR. PAUL EDWARDS: I'm going to object,
16 Mr. Saranchuk. The word "care" I don't think is
17 appropriate in this context. Of course, it's not about
18 caring with respect, sir. Perhaps you'd choose another
19 term.

20 MR. WALTER SARANCHUK: Okay. Let me try
21 it this way.

22

23 CONTINUED BY MR. WALTER SARANCHUK:

24 MR. WALTER SARANCHUK: Ms. Tataryn, was
25 any regard at all paid by Avion to the impact on the

1 taxicab industry if a shuttle service were to be operated
2 by you?

3 MS. SHELLEY TATARYN: No.

4 MR. WALTER SARANCHUK: Thank you. Now,
5 in terms of Unicity/Duffy's submission at page 11 there's
6 a statement made that I'm going to ask you to address and
7 that's on page 11 of their submission which in the middle
8 of the page there it says, quote:

9 "In its submission Avion makes the
10 passing suggestion that, quote, 'hotel
11 customers have experienced a thirty
12 (30) to forty (40) minute wait for
13 transport at certain periods.' End of
14 Quote.

15 "This is a self-serving statement by
16 Avion without any factual or
17 evidentiary foundation." End of quote.

18 Given that that statement was made at some
19 time or other by Avion, is there any evidence or any
20 material that Avion relies on in making that assertion,
21 that you know of?

22 MS. SHELLEY TATARYN: Other than
23 complaints that were filed with the Airport Authority and
24 with some of our security people on the curb about the
25 long waits that they had for taxicabs I have no evidence

1 per se. Most of the information we would have is
2 anecdotal or a complaint, you know sent to us.

3 MR. WALTER SARANCHUK: How did Avion come
4 to get wind of these complaints that you're talking
5 about, that you heard?

6 MS. SHELLEY TATARYN: People will call
7 us. Our supervisor on the floor in the terminal will let
8 us know that, you know, there was a forty-five (45)
9 minute wait on a Sunday night for cabs, that there was a
10 line-up, you know, down the sidewalk after the, you know,
11 one (1) of the flights came in. That kind of
12 information.

13 MR. WALTER SARANCHUK: Was this an
14 employee of Avion's that was reporting this?

15 MS. SHELLY TATARYN: Yes.

16 MR. WALTER SARANCHUK: And in what
17 circumstances would this information come to light? Is
18 this something in the way of information that Avion would
19 be seeking from time-to-time, or what?

20 MS. SHELLY TATARYN: Our security
21 supervisors report to us every day on what happens in the
22 terminal and on the curb.

23 MR. WALTER SARANCHUK: Now were the
24 complaints that you're indicating were made, can you give
25 me some idea as to how many in number?

1 MS. SHELLY TATARYN: No, I couldn't tell
2 you how many.

3 MR. WALTER SARANCHUK: So, for example,
4 you couldn't tell me if there were two (2), five (5),
5 twenty-five (25) or five hundred (500)?

6 MS. SHELLY TATARYN: No, I couldn't.

7 MR. WALTER SARANCHUK: And you couldn't
8 tell me over what period of time these complaints were
9 made, can you?

10 MS. SHELLY TATARYN: No, I don't real --
11 I don't recollect, actually.

12 MR. WALTER SARANCHUK: Can you give me an
13 idea as to whether it was before or after your decision
14 to proceed with a shuttle service?

15 MS. SHELLY TATARYN: It would have been
16 in this period that this has been ongoing.

17 MR. WALTER SARANCHUK: Give me the
18 timelines, timeframe, then, please?

19 MS. SHELLY TATARYN: Well, we started
20 this process in 2005. This is now 2009. In four (4)
21 years we've had a number of complaints, none of which
22 have, you know, made us say yes or no to what we were
23 doing on the shuttle.

24 MR. WALTER SARANCHUK: So whatever you
25 heard, in the way of complaint, didn't influence your

1 decision one way or another?

2 MS. SHELLY TATARYN: No. For us it only
3 boosted (sic) our belief that what we were doing was
4 the right thing to be doing.

5 MR. WALTER SARANCHUK: And that's
6 regardless of the number of complaints that you think you
7 received?

8 MS. SHELLY TATARYN: Right.

9 MR. WALTER SARANCHUK: And we're talking
10 about complaints over a four (4) year period?

11 MS. SHELLY TATARYN: I -- honestly, I
12 can't say it's been the entire four (4) years. It could
13 be the last three (3) years. It could have been the
14 first two (2) years. I don't remember.

15 MR. WALTER SARANCHUK: It could have been
16 the first -- the entire four (4) year period?

17 MS. SHELLY TATARYN: Yes.

18 MR. WALTER SARANCHUK: And you don't know
19 what number? You can't give me a number of complaints?

20 MS. SHELLY TATARYN: No.

21 MR. WALTER SARANCHUK: And can you tell
22 me whether those complaints were received when the
23 weather was inclement, whether there was a storm outside,
24 or anything like that?

25 MS. SHELLY TATARYN: Um...

1 MR. WALTER SARANCHUK: Or you don't know?

2 MS. SHELLY TATARYN: I can't -- I can't
3 recall. I'm sorry.

4 MR. WALTER SARANCHUK: All right. On --
5 on page 18 of Unicity/Duffy's submission, there's
6 reference to Federal Regulation D409 that's shown in the
7 middle paragraph there, and -- where it says in part,
8 quote:

9 "Furthermore, Avion indicates an
10 intention to provide services to
11 customers with disabilities, including
12 those with -- who use wheelchairs.
13 However, the Avion submission does not
14 indicate any awareness on the part of
15 Avion or the Federal Regulation known
16 as D409, and the vehicle and equipment
17 requirements therein set out." End of
18 quote.

19 Can you tell me whether Avion was aware of
20 that regulation when it made this Application to the
21 Public Utilities Board?

22 MS. SHELLY TATARYN: Yes, we were.

23 MR. WALTER SARANCHUK: Were you aware of
24 the Application when you made -- sorry, of that
25 regulation, when you made the application to the City of

1 Winnipeg?

2 MS. SHELLY TATARYN: Yes, we were.

3 MR. WALTER SARANCHUK: And how did you
4 come to learn about that regulation in the first
5 instance?

6 MS. SHELLY TATARYN: We learned about
7 that prior to going to the Taxicab Board.

8 MR. WALTER SARANCHUK: And was that a
9 regulation that you were mindful of and had the -- the
10 contents of which you took into account in preparing your
11 Application?

12 MS. SHELLY TATARYN: Yes.

13 MR. WALTER SARANCHUK: And did you take
14 that regulation into account to the extent that you had
15 intended, and do intend, even today, if your application
16 is granted, to abide by that regulation?

17 MS. SHELLY TATARYN: We would abide --
18 abide by all regulations, sir.

19 MR. WALTER SARANCHUK: Do you know any
20 others that apply?

21 MS. SHELLY TATARYN: Reg --

22 MR. PAUL EDWARDS: You're talking about
23 apply on the specific issu -- issue of dealing with
24 disabled individuals?

25 MR. WALTER SARANCHUK: Yes, sir.

1 MS. SHELLEY TATARYN: No, I'm not aware
2 of any others.

3

4 CONTINUED BY MR. WALTER SARANCHUK:

5 MR. WALTER SARANCHUK: Now, Ms. Tataryn,
6 in viewing or reviewing this Application, I would suggest
7 to you that based on the information that we have in the
8 documented material filed on behalf of Avion and given
9 your testimony today, that there is a significant portion
10 of this Application in terms of financial details, in
11 terms of what future intentions are, that are rather
12 speculative and unsubstantiated by a thorough analysis,
13 such as market research.

14 Would you agree with that?

15 MS. SHELLEY TATARYN: Yes.

16 MR. WALTER SARANCHUK: And in particular,
17 we heard some of your testimony and read some of the
18 information filed on behalf of Avion, wherein many of the
19 answers allude to such words as, quote "estimated," quote
20 -- end of quote -- well let me put this all in one (1)
21 quote: "estimated, anticipated, approximated, hoped for,
22 projected, best guess."

23 Would you agree that those kinds of
24 comments can be interpreted as speculative?

25 MS. SHELLEY TATARYN: Absolutely.

1 MR. WALTER SARANCHUK: And so even when
2 you talk about the number of hotels that would agree to
3 the shuttle service, if it were -- if Avion's Application
4 were to be granted, you're not sure, or Avion is not
5 sure, as to how many of those would be in number?

6 MS. SHELLEY TATARYN: No, we're not.

7 MR. WALTER SARANCHUK: And, indeed, when
8 you prepared your projected revenue analysis, you used
9 Delta as the benchmark; that's the Delta Hotel, is that
10 correct?

11 MS. SHELLEY TATARYN: That's correct.

12 MR. WALTER SARANCHUK: And was there any
13 particular reason why you used Delta as the benchmark?

14 MS. SHELLEY TATARYN: No, specific
15 reason. They were happy to provide whatever information
16 and were in agreement with the idea, the concept. So, it
17 was -- it was just, you know, one (1) hotel in the
18 downtown area.

19 MR. WALTER SARANCHUK: And the reason
20 they qualified for the -- setting the bar, if you will,
21 is because they provided you with the most information
22 that you were seeking?

23 MS. SHELLEY TATARYN: Yes.

24 MR. WALTER SARANCHUK: And so when you
25 talk in terms of some other hotels, as you do in that

1 revenue analysis, representing perhaps a 50 percent share
2 of the market, I think you indicated that that was not
3 for any particular reason, but it was a hoped-for result.

4 Is that correct?

5 MS. SHELLEY TATARYN: That's correct.

6

7 (BRIEF PAUSE)

8

9 MR. WALTER SARANCHUK: And in terms of
10 your trip schedule that was filed in the evidence in
11 support of your application, my think -- your response to
12 a question from My Learned Friend, Mr. Soronow, was in
13 terms of what you based that trip schedule on, it was
14 really your, quote, "best guess" end of quote, is that
15 correct?

16 MS. SHELLEY TATARYN: That's correct.

17 MR. WALTER SARANCHUK: And of course, we
18 also heard words such as "caveats" and "speculation"
19 relative to the financial information, "conjecture,"
20 words like that.

21 You recall hearing that, do you, with
22 respect to the filing by Avion?

23 MR. PAUL EDWARDS: Well, maybe you can
24 point us to where that word is used, Mr. Saranchuk,
25 "conjecture"?

1 MR. WALTER SARANCHUK: Well, that's my
2 word but are you -- let me put to you the words then
3 "caveats" and "speculation;" let's restrict it to those
4 two (2).

5 If "conjecture" doesn't follow, that you
6 recall those two (2) descriptions being made?

7 MR. PAUL EDWARDS: Wherein and in what
8 context, Mr. Saranchuk?

9 MR. WALTER SARANCHUK: Relative to the
10 financial information that's been filed.

11 MR. PAUL EDWARDS: Okay --

12 MR. WALTER SARANCHUK: In direct -- or
13 sorry, in cross-examination by My Learned Friend.

14

15 (BRIEF PAUSE)

16

17 CONTINUED BY MR. WALTER SARANCHUK:

18 MR. WALTER SARANCHUK: Let me ask you
19 then, Ms. Tataryn, in terms of the financial information
20 that has been filed, is there any concrete evidence,
21 anything that you can give in the way of supporting
22 information, to indicate to this Board that that
23 information is factual and can be relied on by this Board
24 as indicative of what is likely to fall out of the
25 operation of the shuttle service?

1 Is there anything that you have?

2 MS. SHELLEY TATARYN: No.

3

4 (BRIEF PAUSE)

5

6 MR. WALTER SARANCHUK: You heard, perhaps
7 for the first time, relatively recently, that in the
8 past, Unicity and Greyhound had applied, or at least
9 intended to operate a shuttle service and did so for a
10 short time, and the abandoned that endeavour.

11 Do you recall that?

12 MS. SHELLEY TATARYN: Yes, I heard that.

13 MR. WALTER SARANCHUK: What assurance, if
14 any, can Avion give the Board that the same result won't
15 happen or won't occur if Avion's Application is granted?

16 MR. PAUL EDWARDS: That what won't occur?
17 Sorry, that what won't occur?

18 MR. WALTER SARANCHUK: The same result as
19 with Greyhound and Unicity.

20 MR. PAUL EDWARDS: You mean that it start
21 and stops at some point?

22 MR. WALTER SARANCHUK: No, that it start
23 and stops, that it's abandoned after a short operation.

24 MR. PAUL EDWARDS: How do you know it was
25 a short operation? Is there any evidence it was a short

1 operation?

2 MR. WALTER SARANCHUK: I thought there
3 was. But in any event --

4 MR. PAUL EDWARDS: It was twenty (20)
5 years ago. I don't know of any evidence it was a short
6 operation. I don't think we know anything about those
7 operations, Mr. Saranchuk.

8 MR. WALTER SARANCHUK: Well, I'm not
9 going to argue with you, but at least --

10 MR. PAUL EDWARDS: If there's evidence to
11 that effect, I'd like to hear it.

12

13 CONTINUED BY MR. WALTER SARANCHUK:

14 MR. WALTER SARANCHUK: Ms. Tataryn, do
15 you know that those operations were not -- were not
16 pursued for any great length of time?

17 Do you recall that?

18 MS. SHELLEY TATARYN: I don't know that,
19 Mr. Saranchuk.

20 MR. WALTER SARANCHUK: Did you know they
21 were abandoned?

22 MS. SHELLEY TATARYN: I know that they
23 don't exist today.

24 MR. WALTER SARANCHUK: Today. You don't
25 know why they were abandoned?

1 MS. SHELLEY TATARYN: I don't know and I
2 don't know how long they were in existence.

3 MR. WALTER SARANCHUK: And, frankly, you
4 -- you don't care?

5 MR. PAUL EDWARDS: Mr. Saranchuk, why --
6 what -- what would caring about whether a bu -- former
7 business ended or not? It's a former business. It -- it
8 didn't work -- what -- what do you mean by the word
9 "care?"

10

11 CONTINUED BY MR. WALTER SARANCHUK:

12 MR. WALTER SARANCHUK: Well, let me put
13 it to you this way. Mr. Tataryn, the fact that there
14 aren't these shuttle services operated by these two (2)
15 rather significant transportation companies any longer
16 are of no moment to Avion, you don't give any
17 consideration to that?

18 MS. SHELLEY TATARYN: I have nothing to
19 base consideration or no consideration on. I don't know
20 anything about them. I couldn't find any information
21 about them. I have nothing to say about it, Mr.
22 Saranchuk.

23 MR. WALTER SARANCHUK: Can you give me
24 any idea what information, if any, Avion had about hotel
25 operated shuttle service when it was deliberating on

1 whether to pursue the airport shuttle service?

2 MS. SHELLEY TATARYN: We talked to
3 hotels, as I had indicated. They told us, you know, what
4 they did with their shuttles, that, you know, it was if a
5 client asked or that it was not anything scheduled. We
6 had indication from, you know, a couple that we spoke to
7 that, you know, if there was available service that they
8 could provide to their customers, they could cease
9 operating theirs because of the cost. That was the
10 information that we had.

11 MR. WALTER SARANCHUK: Did you discuss
12 with these hotels as to what would become of their own
13 hotel operated shuttles if Avion's operation were to be
14 pursued?

15 MS. SHELLEY TATARYN: No.

16 MR. WALTER SARANCHUK: So you don't know
17 -- can't advise the Board as to whether any -- you have
18 any information as to whether the hotels indicated that
19 their hotel operated shuttles would be abandoned in
20 favour of Avion's operation?

21 MS. SHELLEY TATARYN: I'm sorry. Can you
22 say that again?

23 MR. WALTER SARANCHUK: You weren't
24 advised by any of the hotels during your discussions or
25 consultations with them that they would abandon their own

1 hotel shuttle services if Avion's operation were just to
2 come about?

3 MS. SHELLEY TATARYN: Some of them
4 indicated that that would be a preference for them,
5 however, when you're saying hotel shuttle, Mr. Saranchuk,
6 you have to understand that what we're talking about is a
7 minivan that most of the hotels will have one (1) of
8 their employees go out and drive to the airport.

9 And it's not a dedicated service of any
10 such or anything, that abandoning it would, you know, be
11 some kind of impact to that.

12 MR. WALTER SARANCHUK: Can I conclude
13 from what you're saying, and correct me if I'm wrong,
14 that indeed those hotels that you did speak to, that did
15 have a hotel shuttle service, probably welcomed an
16 operation such as Avion?

17 MS. SHELLEY TATARYN: Oh, yes. Yes.

18 MR. WALTER SARANCHUK: If for no other
19 reason that they could then cease their operation?

20 MS. SHELLEY TATARYN: In their terms,
21 they could utilize their employee in a -- you know, what
22 he was normally scheduled to be doing and they didn't
23 have to be out on the road.

24 MR. WALTER SARANCHUK: That was the main
25 concern or reason for support of Avion's endeavour, was

1 it, by the hotels, I'm talking about?

2 MS. SHELLEY TATARYN: No. It wouldn't
3 have been the main support. Their concept was that it
4 would provide a service to their customers.

5 MR. WALTER SARANCHUK: And at the same
6 time, free up one (1) of their employees to do other
7 things?

8 MS. SHELLEY TATARYN: Possibly, yes.

9 MR. WALTER SARANCHUK: Are you aware of
10 agreements between Unicity and Place Louis Reval -- Riel
11 and Duffy's and the Fort Garry Hotel to the effect that
12 there is some exclusivity benefiting those taxicab
13 companies in terms of the service of passengers at those
14 hotels?

15 MR. PAUL EDWARDS: Mr. Saranchuk, perhaps
16 you could point to the specific provisions which grant
17 the alleged exclusivity you're talking about?

18 MR. WALTER SARANCHUK: Well, the
19 documents are speaking for themselves, as I understand
20 it. They're -- they're attached to the information
21 provided by My Learned Friend Mr. Soronow, and if you
22 give me one (1) minute we'll review the wording in one
23 (1) of them, not both.

24 And then you can tell me whether that's
25 exclusivity or not, Mr. Edwards. Although, it really

1 doesn't matter. I'll rephrase the question, but on
2 looking at the agreement between Unicity Taxi and Place
3 Louis Riel --

4 MR. PAUL EDWARDS: Sorry. What's the
5 date of the letter from My Friend, Mr. Soronow?

6 MR. WALTER SARANCHUK: It's -- it's
7 response to the Public Utilities Board Information
8 Request Number 2, and the document is dated May 1st,
9 2007, called a concession agreement between Unicity and
10 Place Louis Riel.

11 MR. PAUL EDWARDS: I have it.

12 MR. WALTER SARANCHUK: And for paragraph
13 1 in the undertaking to this agreement by Place Louis
14 Riel states:

15 "1. Allow Unicity Taxi Ltd. to have
16 exclusive concession rights to provide
17 all taxi service to the hotel and will
18 not allow other taxi or limousines to
19 stand or provide service to the hotel
20 unless specifically requested by the
21 customer."

22 I don't know what else means exclusivity,
23 but I would suggest that that does. So now, let me
24 continue with my question. Are you aware --

25 MR. PAUL EDWARDS: Just a minute. Just a

1 minute.

2

3 CONTINUED BY MR. WALTER SARANCHUK:

4 MR. WALTER SARANCHUK: Are you aware of
5 those agreements now, Ms. Tataryn?

6 MR. PAUL EDWARDS: Well, I -- no, Mr.
7 Saranchuk. I -- I raised the question, you gave me an
8 answer. You alle --

9 MR. WALTER SARANCHUK: And it's not for
10 you to decide.

11 MR. PAUL EDWARDS: Yes. You've alleged
12 an issue of exclusivity, which is a legal conclusion from
13 that document.

14 MR. WALTER SARANCHUK: That's what the
15 document says.

16 MR. PAUL EDWARDS: It absolutely says
17 exclusivity vis-a-vis taxis and limos.

18 MR. WALTER SARANCHUK: Exactly.

19 MR. PAUL EDWARDS: Right.

20 MR. WALTER SARANCHUK: And let me finish
21 the question.

22 MR. PAUL EDWARDS: What's that got to do
23 with this shuttle service?

24 MR. WALTER SARANCHUK: Because I asked
25 the question, whether or not you were aware, witness,

1 that there were these agreements in effect? Are you
2 aware of them or aren't you?

3 MR. PAUL EDWARDS: Well, since we've
4 gotten them from this Board, Mr. Saranchuk, we are.

5 MR. WALTER SARANCHUK: Well, thank you.
6 Now, in those agreements, do you know what they are for?

7 MR. PAUL EDWARDS: Pardon?

8 MR. WALTER SARANCHUK: Do you know what
9 those agreements mean? What they're for? I'm asking
10 this witness.

11 MR. PAUL EDWARDS: What kind of ques --
12 Mr. Saranchuk, with respect -- with respect, do you know
13 what these agreements are for? How would this witness
14 possibly answer that? She's jus --

15 MR. WALTER SARANCHUK: By reading them.

16 MR. PAUL EDWARDS: They are legal
17 agreements. If you'd like me to give you an undertaking
18 to answer what I think it's for -- Avion wasn't a party
19 to these agreements.

20 What are you asking, Mr. Saranchuk, if not
21 a legal conclusion about this from someone who's not even
22 a party to it?

23 MR. WALTER SARANCHUK: I'm not going to
24 get into an argument with you, Mr. Edwards.

25

1 CONTINUED BY MR. WALTER SARANCHUK:

2 MR. WALTER SARANCHUK: What I'm asking
3 you, Witness, is whether you are aware of any agreement
4 between Unicity and Place Louis Riel?

5 MR. PAUL EDWARDS: We've answered that
6 question.

7 MR. WALTER SARANCHUK: I'm asking this
8 witness.

9 MR. PAUL EDWARDS: It's been answered.

10 MR. WALTER SARANCHUK: Well, I'm
11 suggesting that it hasn't and ask for a ruling.

12 MR. PAUL EDWARDS: Saw it when it was
13 filed.

14 How would we see it otherwise? We're not -- how would
15 Avion possibly see this? It's a private agreement until
16 it was filed here.

17 MR. WALTER SARANCHUK: Well, that's all
18 I'm asking. I'm not suggesting that you knew about it
19 any earlier; I'm saying: Do you now know that there's an
20 agreement in effect?

21 THE CHAIRPERSON: The way I hear what Mr.
22 Saranchuk is saying, once we lower the temperature of the
23 whole exchange, is he's simply asking whether or not the
24 Witness is aware of the agreement that is right in front
25 of us here.

1 MS. SHELLEY TATARYN: I have seen it.

2 THE CHAIRPERSON: I don't believe he's
3 asking for a legal opinion as to whether or not it binds
4 the hotel and prevents it from operating with Avion. I
5 don't think you've asked that, have you?

6 MR. WALTER SARANCHUK: No, sir.

7 MR. PAUL EDWARDS: Thank you, Mr. Chair.

8

9 CONTINUED BY MR. WALTER SARANCHUK:

10 MR. WALTER SARANCHUK: So now with
11 reference to that agreement that you came to learn about,
12 Ms. Tataryn, and the arrangements that, for example,
13 Unicity would have with Place Louis Riel, do you envisage
14 that your business plan, if it were to include Place
15 Louis Riel, would have an impact on that agreement?

16 OBJ MR. PAUL EDWARDS: I object. I object.
17 We are in no position to give opinions on this legal
18 agreement. We are not a party to it. It binds -- it
19 provides no exclusivity in respect to what is applied for
20 here. We are in no position to give opinions and
21 speculate on what impacts this agreement. That is for
22 the parties to state.

23 And frankly, as you say it, it reads for
24 yourself (sic) and has absolutely no bearing on this
25 Application.

1 CONTINUED BY MR. WALTER SARANCHUK:

2 MR. WALTER SARANCHUK: Now, Witness,
3 you've indicated what the hotels that you consulted
4 indicated to you about what the future of their hotel
5 shuttles might be if Avion's service came into effect.

6 You recall testifying on that about five
7 (5) minutes ago, right?

8 MS. SHELLEY TATARYN: Yes.

9 MR. WALTER SARANCHUK: Did you consult
10 Place Louis Riel?

11 MS. SHELLEY TATARYN: We asked Place
12 Louis if they would be interested in the service. They
13 indicated that they may be.

14 MR. WALTER SARANCHUK: Was there any
15 reference to their agreement with Unicity?

16 MS. SHELLEY TATARYN: No.

17 MR. WALTER SARANCHUK: Did you consult
18 Fort Garry Hotel?

19 MS. SHELLEY TATARYN: I believe so.

20 MR. WALTER SARANCHUK: And was there any
21 reference to Fort Garry Hotel's agreement with Duffy's?

22 MS. SHELLEY TATARYN: No.

23 MR. WALTER SARANCHUK: Were you at that
24 time aware of agreements that either of those two (2)
25 hotels had with the taxicab companies?

1 MS. SHELLEY TATARYN: No.,

2 MR. WALTER SARANCHUK: So the first that
3 you came to learn about the agreements was -- first time
4 was as -- during the course of these proceedings?

5 MS. SHELLEY TATARYN: Yes.

6 MR. WALTER SARANCHUK: And have you read
7 those agreements?

8 MS. SHELLEY TATARYN: Not extensively,
9 no.

10 MR. WALTER SARANCHUK: Have you read them
11 at all?

12 MS. SHELLEY TATARYN: I briefly scanned.

13 MR. WALTER SARANCHUK: Did you come to
14 any conclusion as to what they mean?

15 MS. SHELLEY TATARYN: No.

16 OBJ MR. PAUL EDWARDS: I object. It calls
17 for a legal conclusion. Mr. Saranchuk, we've been over
18 this.

19 MR. WALTER SARANCHUK: She's already
20 answered. Thank you.

21

22 CONTINUED BY MR. WALTER SARANCHUK:

23 MR. WALTER SARANCHUK: So, in terms of
24 the sixty-eight thousand (68,000) trips that are
25 anticipated to be taken annually by the shuttle service

1 to and from the airport, you indicated that one (1) of
2 the considerations by Avion was not the effect on the
3 taxicab industry.

4 Is that correct?

5 MS. SHELLEY TATARYN: That's correct.

6 MR. WALTER SARANCHUK: And was a
7 consideration that was not taken into account also the
8 impact on the hotel shuttle service? In other words,
9 you didn't take the impact on that shuttle service into
10 account either?

11 MS. SHELLEY TATARYN: I'm sorry, I don't
12 understand.

13 MR. WALTER SARANCHUK: Okay. When you
14 were coming to your agreement, or your understanding to -
15 - or your decision to proceed with the shuttle service to
16 the airport, did you consider what the impact would be on
17 the hotel shuttle service, the shuttle service operated
18 privately by the hotels for their customers?

19 MS. SHELLEY TATARYN: I think I've already
20 answered that in terms that we talked to them, they told
21 us they were in agreement, or you know, they understood
22 what we were proposing, they were on board with that
23 idea. I'm not sure what our impact would be to their
24 service.

25 MR. WALTER SARANCHUK: And that wasn't

1 taken into consideration then?

2 MS. SHELLY TATARYN: Well, absolutely.
3 The -- all of that rolled into where we ended up.

4 MR. WALTER SARANCHUK: Is the Winnipeg
5 Airport Authority a private enterprise operation?

6 MR. PAUL EDWARDS: I can answer that, Mr.
7 Saranchuk. As has been noted in the early submissions,
8 Winnipeg Airport Authority is one (1) of many airport
9 authorities, which is publically governed. There's an
10 appointed Board, and it is a not for profit setup. And I
11 -- I don't remember the exact Act, but it certainly is an
12 independent corporation.

13 And as you know across the country, there
14 was a devolution of the airports to the airport
15 authorities around the country.

16 MR. WALTER SARANCHUK: So I take it that
17 you could also answer positively, that the Airport
18 Authority does not pay income tax?

19 MR. PAUL EDWARDS: I cannot answer that,
20 and will not answer that. I'm not acting for the
21 Winnipeg Airports Authority. I have no knowledge of
22 that, Mr. Saranchuk.

23

24 CONTINUED BY MR. WALTER SARANCHUK:

25 MR. WALTER SARANCHUK: You do, Ms.

1 Tataryn, do understand that, at least according to your
2 estimates, Avion will be paying income tax?

3 MS. SHELLY TATARYN: Yes, and Avion does
4 pay income tax. We are a for profit company.

5 MR. WALTER SARANCHUK: Yes, and to your
6 knowledge does that distinguish it from the Winnipeg
7 Airport Authority?

8 MR. PAUL EDWARDS: It's the same
9 question, by a different room, (sic) Mr. Saranchuk. We
10 are not commenting here on whether the Winnipeg Airport
11 Authority pays income tax or not. We do not know. We do
12 not state here for the record either the affirmative or
13 negative to that question.

14 MR. WALTER SARANCHUK: You don't know
15 what business your parent is in?

16 MR. PAUL EDWARDS: We know what business
17 our parent is in. We don't know their income tax status
18 legally, Mr. Saranchuk. And I suppose that may be a
19 matter of public record we could research. I'm sure you
20 can do the same.

21

22 CONTINUED BY MR. WALTER SARANCHUK:

23 MR. WALTER SARANCHUK: Insofar as the
24 citizens of Winnipeg are concerned, Ms. Tataryn, those of
25 course, those individ -- the citizens of Winnipeg and the

1 service to them, that was a primary consideration by you
2 and your colleagues in arriving at the decision to
3 proceed with an airport shuttle service operation. Is
4 that correct?

5 It was the benefit of the Winnipeg
6 populous, right?

7 MS. SHELLY TATARYN: I'm sorry, could you
8 rephrase that for me?

9 MR. WALTER SARANCHUK: Okay. When you
10 were considering whether or not to pursue the airport
11 shuttle service, I thought you said that one (1) of the
12 main criterion -- criteria, one (1) of the main ones was
13 customer service, a benefit to the City of Winnipeg, and
14 its citizens?

15 MS. SHELLY TATARYN: No, that wasn't what
16 I said. I said it was based on customer service and
17 providing options to the travelling public, which would
18 benefit the City of Winnipeg overall.

19 MR. WALTER SARANCHUK: So you're saying
20 that you did take into account the travelling public?

21 MS. SHELLY TATARYN: Correct. Generally
22 if you -- I don't know -- I'll be quiet.

23 MR. WALTER SARANCHUK: You can proceed,
24 go ahead.

25 MS. SHELLY TATARYN: Generally when

1 you're looking at a shuttle service, the local population
2 are not the users of that service. Travelling people are
3 the users of that service. However, that benefits the
4 general public of the city, because you're having
5 increased conventions, you're having increased people to
6 the city, which overall increases the economic movement
7 in the city.

8 MR. WALTER SARANCHUK: So you're
9 concerned about the city's image and welfare, is that
10 what you're talking about, public relations aspect of it?

11 MS. SHELLY TATARYN: No. We're concerned
12 about providing an option to the people who come to
13 Winnipeg.

14 MR. WALTER SARANCHUK: But I thought you
15 were concerned also about that benefit being accruing to
16 the City of Winnipeg?

17 MS. SHELLY TATARYN: Well, it does. If
18 we provide good service to the people who come, then that
19 is an offshoot of that service.

20 MR. WALTER SARANCHUK: What if your
21 operation fails?

22 MS. SHELLEY TATARYN: Then our operation
23 would fail.

24 MR. WALTER SARANCHUK: What does that do
25 to the image of the City of Winnipeg?

1 MS. SHELLEY TATARYN: I suppose that
2 could be considered a black mark but then so could our
3 current situation of not having a shuttle service.

4 MR. WALTER SARANCHUK: And is that your
5 personal opinion?

6 MR. PAUL EDWARDS: Well, as you said, Mr.
7 Saranchuk, Ms. Tataryn speaks for Avion, so I think it's
8 improper to ask her for her personal opinion on these
9 matters. She's speaking for the corporate entity. She's
10 given her answer, sir.

11

12 CONTINUED BY MR. WALTER SARANCHUK:

13 MR. WALTER SARANCHUK: Well, does Avion
14 consider the current situation as being bleak because of
15 the fact that there is no option?

16 MS. SHELLEY TATARYN: Avion considers
17 that at the current moment for people travelling to
18 Winnipeg, they have three (3) options. They could have a
19 fourth but that's what we're here to discuss.

20 MR. WALTER SARANCHUK: Given the delay
21 encountered since Avion first presented its application
22 to this Board, what -- if the application were granted,
23 what startup date did you have in mind?

24 MS. SHELLEY TATARYN: As I had indicated
25 previously it would be four (4) to -- four (4) to six (6)

1 months from the date of permission to go forward.

2 MR. WALTER SARANCHUK: And in terms of
3 your response to a question as to the reasons why Avion
4 believes that it could be successful in this operation, I
5 think you indicated that Winnipeg is growing, that the
6 passenger traffic has increased, and that travellers like
7 to have an option; is that correct?

8 MS. SHELLEY TATARYN: That's correct.

9 MR. WALTER SARANCHUK: And other than
10 that, Avion relies on no market research or feasibility
11 study.

12 Is that correct?

13 MS. SHELLEY TATARYN: Other than the
14 letters of support provided by groups within the City
15 that handle tourism such as Destination Winnipeg, Travel
16 Manitoba, that's what we're relying on.

17 MR. WALTER SARANCHUK: And I take it that
18 you adopt your counsel's response that I -- to the
19 question I asked earlier and, that is, that Avion is
20 aware of the Board's mandate to protect and advance the
21 public interest?

22 MR. PAUL EDWARDS: Mr. Saranchuk --

23 MR. WALTER SARANCHUK: I'm asking this
24 witness whether she adopts what you said.

25 MR. PAUL EDWARDS: You -- you asked me at

1 the outset; I gave an answer on behalf of Avion. The
2 answer, Mr. Saranchuk, the public interest is to be
3 interpreted in view of Section 163(3) of the Act --

4 MR. WALTER SARANCHUK: We know all about
5 your -- we know all about your Without Prejudice
6 comments. It's well on the record a number of times.
7 All I'm asking is whether this witness, as your client,
8 adopts what you said.

9 MR. PAUL EDWARDS: And the public
10 interest -- let me amend my answer earlier, Mr.
11 Saranchuk, before you put that question because the
12 public interest is not the only interest under Section
13 163(3) of the Act and the mandate of this Board and --
14 and so it certainly is a key consideration.

15 Frankly, the position of Avion expands
16 beyond that, sir. Public interest in this case under
17 that section, Avion states, includes the clear indication
18 from the City of Winnipeg council that they want this and
19 are allowing this to go ahead, albeit they having
20 exclusive authority.

21 So within that context and the desire to
22 have a competitive marketplace in ground transportation
23 from the airport, if that expansive definition of public
24 interest is what you took, I -- I just wanted to clarify
25 that, sir.

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CONTINUED BY MR. WALTER SARANCHUK:

MR. WALTER SARANCHUK: All I'm asking you is whether you adopt your -- your counsel's comment, Witness, that the Board's mandate is to protect and advance the public interest.

Do you agree with what your counsel agreed to or don't you?

MR. PAUL EDWARDS: As I've said before and -- and now, Mr. Saranchuk, are you looking to edit or ignore what I've just said and what I said earlier?

MR. WALTER SARANCHUK: No, I could ask you to take an oath and I'll cross-examine you, but rather than do that, I'd like to hear the answer from your -- your witness. And that is, whether there's an appreciation on the part of Avion that this Public Utilities Board has a mandate to act in the public interest?

Is that so difficult for you to understand?

MR. PAUL EDWARDS: Mr. Saranchuk --

MR. WALTER SARANCHUK: That's all is the question.

MR. PAUL EDWARDS: -- let's -- let's take a break.

1 MR. WALTER SARANCHUK: Can you answer it
2 "yes" or "no"?

3 MR. PAUL EDWARDS: I'll take that
4 question -- my -- I'm instructing my client not to answer
5 at this time. Let's take a break. I'll certainly take
6 your comments under advisement, sir, and perhaps we can
7 get back.

8 THE CHAIRPERSON: Yeah, let's take a ten
9 (10) minute break.

10 MR. PAUL EDWARDS: Thank you.

11 THE CHAIRPERSON: It's a good time.

12

13 --- Upon recessing at 7:52 p.m.

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

15

16 THE CHAIRPERSON: Okay. When we were
17 last here I believe we were on -- in the pause mode of
18 the PVR. So I'm not quite sure which one (1) of the two
19 (2) of you wants to push the button first.

20 Is it you, Mr. Edwards?

21 MR. PAUL EDWARDS: Well -- well, I can
22 answer my friend's question, and add a little to it. And
23 generally I agree, and on behalf of Avion, the first
24 answer I gave agreeing that the -- the mandate of the
25 Public Utilities Board is to act in the public interest.

1 My -- my only hesitation, and I -- is, and
2 I'll put simply, the word "public," unlike most
3 applications before this Board, and this is the Public
4 Utilities Board, and so most applicants are public
5 utilities. This is a very different case. This is a
6 private for-profit company.

7 And section 163(3) uses the word
8 "private." So that leads me to some hesitation and
9 simply to add that context. The reality is the City of
10 Winnipeg agreement, within it itself, a governmental body
11 has approved and granted a private for-profit interest
12 being allowed to operate.

13 So I simply register that concern vis-a-
14 vis the public and private. It's quite a unique case.
15 Thank you.

16 THE CHAIRPERSON: Mr. Saranchuk...?

17 MR. WALTER SARANCHUK: Well, let me just
18 conclude by asking the witness, I take it you adopt your
19 counsel's answer?

20 MS. SHELLY TATARYN: Yes.

21 MR. WALTER SARANCHUK: I have no further
22 questions.

23 THE CHAIRPERSON: Thank you, sir. Mr.
24 Edwards, do you have any re-direct?

25 MR. PAUL EDWARDS: I do, Mr. Chair.

1 RE-DIRECT EXAMINATION BY MR. PAUL EDWARDS:

2 MR. PAUL EDWARDS: Ms. Tataryn, Mr.
3 Soronow asked you some questions about stretch
4 limousines. And you'll recall -- I don't intend to go
5 over those, and the fact that they take a number of
6 passengers, as do the shuttle services.

7 Do you see differences in the -- the --
8 what cust -- how customers would perceive stretch limos
9 as opposed to the shuttle service, albeit they would both
10 hold up to ten (10) people?

11 MS. SHELLY TATARYN: Yes. There's --
12 it's a different context. It's a different perception.
13 For passengers taking a shuttle, sometimes, you know, the
14 don't necessarily come in in groups. So they would have
15 to be orchestrated in order to understand that they could
16 share a shuttle, that kind of thing whereas -- or share a
17 limo. Whereas a shuttle everybody just gets on.

18 MR. PAUL EDWARDS: Similarly -- oh,
19 sorry. Similarly, Ms. Tataryn, Mr. Soronow also asked
20 you about people sharing cabs. And of course that would
21 reduce the -- the ride from an airport downtown.

22 Are there differences people up to, I
23 guess four (4), choosing to share a cab vis-a-vis
24 customer's perception of a shuttle service at a set price
25 but -- but paid by each individual?

1 MS. SHELLY TATARYN: Again, if people are
2 travelling together, then their option to take a taxi
3 would probably make more sense to them if -- if one
4 person's paying the bill.

5 If it's four strangers, you're not sure
6 that, you know, how they're going to split the bill or --
7 or any of those other things and -- and in some cases it
8 comes down to personal preference. Do you want to share
9 a cab with someone you don't know? There's a number of
10 decisions that people make when they decide what form of
11 transportation they're going to use.

12 MR. PAUL EDWARDS: Ms. Tataryn, Mr.
13 Soronow also asked you at one (1) point if Avion was
14 operated in retail sales to the public, and I had your
15 answer as "no".

16 Are there any aspects of Avion's services
17 which are involved selling of any direct services -- I
18 think is it UPS or others -- selling of direct services
19 to the public?

20 MS. SHELLEY TATARYN: Yes. We have a UPS
21 store. We have a number of retail ventures that we do
22 that deal directly with the public.

23 MR. PAUL EDWARDS: There are a number --
24 there were some questions both from Mr. Soronow and then
25 from Mr. Saranchuk about the cab fare, and I think Mr.

1 Soronow's question suggested that it was in the range of
2 thirteen (13) to sixteen dollars (\$16) downtown. One (1)
3 of the things mentioned in the response is this issue
4 that it is customary to provide a tip to a cab driver.

5 Is there any expectation in the shuttle
6 service that there would be any tips in addition to the
7 fee paid?

8 MS. SHELLEY TATARYN: No. The fee is a
9 flat fee. If a customer chose to tip the driver that
10 would be their choice.

11 MR. PAUL EDWARDS: You were asked about
12 the relationship with the Winnipeg Airport Authority in
13 terms of existing services provided and security services
14 were discussed.

15 Did Avion bid for that business at the
16 time that it secured that contract?

17 MS. SHELLEY TATARYN: My understanding is
18 that they did.

19 MR. PAUL EDWARDS: Mr. Saranchuk asked
20 you some questions about the Probe research, which was
21 commissioned. You had indicated, I think, at one (1)
22 point in your evidence that this was done after the
23 public hearings at the City Hall out of a concern of
24 public perception or the allegation by the Intervenors
25 here that there was a negative perception.

1 Did the -- was that the purpose of the
2 Probe poll as opposed to determining what market there
3 might be for use of this service?

4 MS. SHELLEY TATARYN: The purpose of the
5 poll was to determine public awareness and interest, more
6 interest, of the service after the City Council hearings.

7 MR. PAUL EDWARDS: Are you expert at all
8 in hiring students and getting them out and maybe
9 interviewing a bunch of people and seeing what the
10 evidence is?

11 Do you -- do you have any experience in
12 market research or do you know whether or not that would
13 have any validity for anybody in terms of understanding
14 what a potential market may or may not be?

15 MS. SHELLEY TATARYN: No. I have no
16 expertise.

17 MR. PAUL EDWARDS: Would it be Avion's
18 practice to conduct that type of market research, whether
19 it's opinions within the City of Winnipeg or soli -- or
20 determination of a perspective market through that type
21 of ad hoc measures, that's something you've done in the
22 past or would be inclined to do?

23 MS. SHELLEY TATARYN: No. It wouldn't be
24 something that we would do because my understanding is
25 that the questions are designed, you know, in certain

1 ways. I would have no concept on how to design those
2 questions.

3 MR. PAUL EDWARDS: Thank you. Mr.
4 Saranchuk asked you about the possibility of -- of the
5 fee increasing and fee changes, and -- and indicated, and
6 you agreed it was a -- potentially a significant
7 decision.

8 Is it too safe to say, Ms. Tatarzyn, that
9 any consideration of a fee increase aside from an
10 increase required by the increase in the bus rate, but
11 that any increase would consider not only profitability,
12 but what the customer was prepared to pay?

13 MS. SHELLEY TATARYN: Yes. I would
14 agree.

15

16 (BRIEF PAUSE)

17

18 MR. PAUL EDWARDS: Mr. Saranchuk was
19 asking you about the relationship between Unicity and the
20 WAA in terms of their providing cab service from the
21 airport.

22 Did Avion have any participation in or
23 knowledge of the ongoing discussions in those
24 negotiations which led to the new agreement I believe in
25 -- I believe in '08?

1 MS. SHELLEY TATARYN: No.

2 MR. PAUL EDWARDS: Specifically, would
3 Avion be aware of whether or not Unicity or WAA or either
4 party ever raised or considered or discussed this
5 application or whether or not Unicity was seeking any
6 assurances from the WAA?

7 Would Avion have any involvement or any
8 knowledge in any of that?

9 MS. SHELLEY TATARYN: No.

10 MR. PAUL EDWARDS: Mr. Saranchuk asked
11 you about the evidence in respect to the financial
12 projections and he asked you specifically with respect to
13 reliability of -- of those projections.

14 Is there any distinction to be drawn
15 between reliability on the -- on the expense side in
16 which there's some costing and expenses as opposed to the
17 revenue projections? Are you able to comment? Is there
18 -- comparing expenses to -- to revenues is one likely to
19 be more reliable than the other?

20 MS. SHELLEY TATARYN: Well, the expenses
21 are based on the per kilometres that the vans would
22 travel, hence the calculation for the fuel and the number
23 of times you would do oil changes, so the reliability on
24 the expense side is greater than the revenues would be.

25 MR. PAUL EDWARDS: Now, Mr. Saranchuk

1 asked as did Mr. Soronow about the impact on the taxicab
2 industry and you indicated to both that that was -- was
3 not a consideration.

4 Ms. Tataryn, in terms of the public
5 interest in a competitive market and options for ground
6 transportation from the airport, do you consider that to
7 be a matter of public interest?

8 MS. SHELLEY TATARYN: Can you do that
9 again?

10 MR. PAUL EDWARDS: I'm sorry. Do you
11 consider -- you mentioned offering choices to consumers,
12 providing services to the travelling public which in turn
13 creates economic activity in the city.

14 Do you consider all of those to be
15 matters of public interest?

16 MS. SHELLEY TATARYN: Yes.

17 MR. PAUL EDWARDS: Those are my
18 questions, Mr. Chair. Thank you.

19 THE CHAIRPERSON: Thank you, Mr. Edwards.
20 Thank you, Ms. Tataryn.

21

22 (WITNESS STANDS DOWN)

23

24 THE CHAIRPERSON: Now, I think what we
25 will do is we will move on to Mr. Soronow and his panel.

1 Perhaps you could begin the examination of your panel,
2 introduce them and we could save the cross-examination
3 for tomorrow perhaps.

4 MR. SIDNEY SORONOW: I think I have
5 earlier identified -- I believe earlier I did identify
6 the three (3) individuals so perhaps if you would like to
7 have them sworn or affirmed as the case may be?

8

9 UNICITY/DUFFY'S PANEL:

10 JOAN WILSON, Sworn

11 PHIL WALDING, Sworn

12 GURMAIL MANGAT, Sworn

13

14 MR. PAUL EDWARDS: I'm sorry, Mr.
15 Soronow, I just missed the second gentleman's name.

16 MR. GURMAIL MANGAT: Gurmail Mangat.

17 MR. PAUL EDWARDS: Mangat, I'm sorry,
18 thank you.

19 MR. GURMAIL MANGAT: M-A-N-G-A-T.

20

21 (BRIEF PAUSE)

22

23 MR. GURMAIL MANGAT: You are okay, sir,
24 with my name?

25 MR. PAUL EDWARDS: Thank you.

1 MR. WALTER SARANCHUK: Just for the
2 benefit of the witnesses please remember when you're
3 going to speak just press the button and when you're
4 through, please press it again. Thank you.

5 THE CHAIRPERSON: Don't worry, you'll
6 forget many times. We all do.

7 MR. WALTER SARANCHUK: I'm just saying
8 that because I'm not so sure that Mr. Soronow can give
9 you that advice.

10 MR. SIDNEY SORONOW: I can give the
11 advice. I might not necessarily follow it.

12 MR. SIDNEY SORONOW: Mr. Chairman, I am
13 mindful of the hour of the day and I am going to try as
14 best I can to expedite -- keep this brief so that we can
15 finish this stage of the situation tonight.

16

17 EXAMINATION-IN-CHIEF BY MR. SIDNEY SORONOW:

18 MR. SIDNEY SORONOW: So, first I'll
19 direct this to Joan Wilson. You are the general manager
20 of Unicity Taxi, is that correct?

21 MS. JOAN WILSON: Yes.

22 MR. SIDNEY SORONOW: And do you adopt as
23 being true and correct the submissions that were provided
24 to the PUB and are referenced in the exhibits which most
25 specifically include the submission of December 10th

1 which is that rather lengthy document here and our
2 response of April 3rd to the Information Request of the
3 PUB.

4 Do you adopt those?

5 MS. JOAN WILSON: Yes.

6 MR. SIDNEY SORONOW: Mr. Walding, you are
7 the general manager of Duffy's Taxi, is that correct?

8 MR. PHIL WALDING: Yes, sir.

9 MR. SIDNEY SORONOW: And you -- do you on
10 behalf of Duffy's Taxi adopt as correct information and
11 evidence the submission of December 10, 2008, and the
12 Information Response of April 3rd, 2009?

13 MR. PHIL WALDING: Yes, sir.

14 MR. SIDNEY SORONOW: Mr. Mangat, as you
15 are currently the president of Unicity Taxi, is that
16 correct?

17 MR. GURMAIL MANGAT: Right, sir.

18 MR. SIDNEY SORONOW: And your election to
19 that status occurred sometime in May, is that correct?

20 MR. GURMAIL MANGAT: Mid-may, sir.

21 MR. SIDNEY SORONOW: Okay. But
22 nonetheless you adopt the submissions of December 10th,
23 2008, and April 3rd, 2009?

24 MR. GURMAIL MANGAT: I didn't -- I was
25 not there at that time.

1 MR. SIDNEY SORONOW: I'm sorry?

2 MR. GURMAIL MANGAT: I didn't at that
3 time

4 MR. SIDNEY SORONOW: You -- you were --
5 you were not the president at that --

6 MR. GURMAIL MANGAT: I was not president
7 at that time, sir.

8 MR. SIDNEY SORONOW: Okay. Now, this
9 question is directed to Ms. Wilson. It's in evidence
10 that you have a contract with the Winnipeg Airport
11 Authority, that is correct information?

12 MS. JOAN WILSON: Yes.

13 MR. SIDNEY SORONOW: And the term of that
14 contract, if you can clarify that for the Board?

15 MS. JOAN WILSON: It runs from January
16 2007 to December 31st, 2010.

17 MR. SIDNEY SORONOW: Essentially a three
18 (3) year contract?

19 MS. JOAN WILSON: Yes, three (3) years.

20 MR. SIDNEY SORONOW: Okay. And in -- in
21 that contract was there a change in -- well, let me back
22 up. I think it's before this tribunal that you pay WAA a
23 fee for every Unicity trip that leaves the airport.

24 Is that correct?

25 MS. JOAN WILSON: Yes.

1 MR. SIDNEY SORONOW: Okay. And that fee
2 experienced an increase in the last negotiated contract.
3 Is that correct?

4 MS. JOAN WILSON: Yes, correct.

5 MR. SIDNEY SORONOW: And that fee
6 increase adds to your monthly tab with the WAA?

7 MS. JOAN WILSON: Yes, that's correct.

8 MR. SIDNEY SORONOW: And about how much
9 per month has that tab gone up because of the increase in
10 the last contract?

11 MS. JOAN WILSON: Approximately ten
12 thousand dollars (\$10,000).

13 MR. SIDNEY SORONOW: Per month?

14 MS. JOAN WILSON: Per month.

15 MR. SIDNEY SORONOW: Okay. At the time
16 of that negotiation, which led to the current contract
17 which added another hundred and twenty thousand dollars
18 (\$120,000) to the tab you pay to WAA, did WAA at any time
19 during that negotiation mention to you or indicate to you
20 or make any comment to you that Avion was going to be
21 resurrecting this idea and Application on the -- on the
22 shuttle?

23 MS. JOAN WILSON: No, not at all.

24 MR. SIDNEY SORONOW: Now, there --
25 there's been, during the course of these proceedings,

1 some comment about what's called "short trips".

2 Could you give me a flavour, If a taxi --
3 let me back up. Mr. Kozubal, in responding on behalf of
4 the Board, said that if a customer gets in and his is a
5 short trip, Unicity has to take it, they have no choice.

6 Is that correct?

7 MS. JOAN WILSON: Yes, that's correct.

8 MR. SIDNEY SORONOW: Okay. And could you
9 tell this panel, just so we can get a flavour, if a trip
10 was from the airport for a passenger by taxi to, you
11 know, the Victoria Inn, the Greenwood, those kind of what
12 they call "near airport hotels," how much might that be?

13 MS. JOAN WILSON: It'd be approximately
14 six (\$6) to seven (\$7) dollars.

15 MR. SIDNEY SORONOW: Okay. And a trip
16 to, let's say, the downtown area would be
17 approximately...?

18 MS. JOAN WILSON: Thirteen (\$13) to
19 sixteen (\$16) dollars, depending on the traffic, time of
20 day.

21 MR. SIDNEY SORONOW: Okay. Now, Unicity
22 is the sole holder of a contract with WAA for taxi
23 service. And is there something in the taxicabs that
24 indicates to the customer a number or whom he could call
25 if he had any concern about the character of service he

1 received from Unicity?

2 MS. JOAN WILSON: Yes. The WAA asked us
3 about a year and a half ago if they could put a sticker
4 in every taxi. And the sticker asks the customer, How
5 was your ride? It also tells the customer that they will
6 receive a hundred Aeroplan miles for answering a survey.
7 It gives a phone number and also a -- a web address.

8

9 (BRIEF PAUSE)

10

11 MR. SIDNEY SORONOW: Now, I understand
12 that recently, in fact just in May of 2009, you received
13 a letter from the WAA referencing your exceptional
14 customer service to passengers at the Winnipeg Airport.

15 Is that correct?

16 MS. JOAN WILSON: Yes, it is.

17 MR. SIDNEY SORONOW: And I show to you a
18 letter dated May 5th, 2009, signed by Scott Marone
19 (phonetic), Manager, Parking and Terminal Operations of
20 the Winnipeg Airport's Authority.

21 You recognize this letter?

22 MS. JOAN WILSON: Yes, I do.

23 MR. SIDNEY SORONOW: And it was sent to
24 you by -- under the letterhead of Winnipeg Airport's
25 Authority?

1 MS. JOAN WILSON: Yes, it was.

2 MR. SIDNEY SORONOW: I'd like to have
3 that letter marked as an exhibit. I'd call on the Chair
4 or Mr. Gaudreau to assist us to identify what exhibit
5 number that might now have.

6 Is that Exhibit Duffy's 4?

7 THE CHAIRPERSON: Yes.

8 MR. SIDNEY SORONOW: Okay.

9

10 --- EXHIBIT NO. DUFFY-4:

11 Letter dated May 5th, 2009, signed by
12 Scott Marone, Manager of Parking and
13 Terminal Operations of the Winnipeg
14 Airport Authority

15

16 CONTINUED BY MR. SIDNEY SORONOW:

17 MR. SIDNEY SORONOW: Now, I'd like to
18 perhaps take you through that letter, and I -- and I'm
19 going to have some questions for you touching on it,
20 because in -- it starts:

21 "I would like to commend Unicity Taxi
22 with the great..."

23 It says "strives" but I suspect it's
24 "strides".

25 "...that have taken place with respect

1 to the improved level of customer
2 service at Winnipeg James Armstrong
3 Richardson International Airport in
4 2008/2009."

5 And then comments:

6 "The past year has been -- seen many
7 vast improvements including an average
8 age of the vehicle that has surpassed
9 our expectations, as well as a decrease
10 in the number of customer complaints
11 regarding conduct, curbside as well as
12 cab cleanliness. As well, there's been
13 fewer issue with regard to cab
14 availability. This was circumvented by
15 Unicity's proactive issuance of
16 temporary licences during the winter
17 months."

18 I'd just like to stop there and ask you,
19 was there any innovations or upgrades that Unicity
20 created or inputted to increase and improve the cab
21 availability at the airport?

22 MS. JOAN WILSON: Yes. We were finding
23 at the airport, especially after midnight, that the duty
24 mangers weren't calling us when different planes were
25 late, especially charters. So these charters would come

1 in at 3:00 or 4:00 in the morning when they were supposed
2 to be in at 1:00 or 2:00. We were finding that our cab
3 availability, at that time, was a little harder to come
4 by because our drivers were not aware that these charters
5 had landed.

6 What Unicity Taxi did was they worked with
7 the Winnipeg Airport Authority. We now have a screen
8 that shows us how many cars are actually in the corral as
9 well as we have an up-to-date minute by minute arrival at
10 the airport, so that we know if something is delayed, and
11 we are able to send our taxis there when the planes
12 actually are landing.

13 MR. SIDNEY SORONOW: Okay. And, sir
14 (sic), is it the case that under the contract with the
15 WAA, this is a twenty-four (24) hour a day operation?

16 MS. JOAN WILSON: Twenty-four (24) hours
17 a day, seven (7) days a week.

18 MR. SIDNEY SORONOW: Okay. Now, in the -
19 - and I know you've adopted it as a whole, so, I mean,
20 I'm not going to and for expeditious purposes, will not
21 try to take you through the whole of our submission of
22 December 10th, 2008, but it -- it does indicate that
23 there's a continuing allocation of approximately fifty
24 (50) or more taxicabs to the corral or to the dedication
25 of the WAA performance?

1 MS. JOAN WILSON: Yes.

2 MR. SIDNEY SORONOW: Okay. And we had
3 before us, earlier this morning, the -- a review, through
4 Jerry Kozubal, of the 2008 wait times at the airport,
5 meaning the time that a taxi enters the corral or enters
6 at the airport until it gets a fare, is called the wait
7 time, and those were pretty sizable.

8 And you were familiar with those
9 statistics?

10 MS. JOAN WILSON: Yes, I am.

11 MR. SIDNEY SORONOW: Okay. Now, I'm
12 going to ask you about that in relation to executive
13 cars, but I'll try to take you there after talking about
14 the limousines and the executive cars, rather than at
15 this moment. By the way, what requirement does the WAA
16 impose upon you, in respect of service to disabled or
17 wheelchair customers?

18 MS. JOAN WILSON: We are required to
19 transport disabled and wheelchairs customers

20 MR. SIDNEY SORONOW: And you have
21 organized your company and your service to meet that
22 requirement?

23 MS. JOAN WILSON: Yes. We are able to
24 supply a van for a wheelchair customer usually within
25 twenty (20) minutes to half an hour of their request.

1 MR. SIDNEY SORONOW: Now, we have heard
2 during the course of the day, through several witnesses,
3 the fact that there was a change in April 2009,
4 paraphrasing, perhaps not even paraphrasing, just
5 describing, that limousines were persona non grata at the
6 airport.

7 And I take it that's a subject matter you
8 have some knowledge of, correct?

9 MS. JOAN WILSON: Correct.

10 MR. SIDNEY SORONOW: Okay. And Mr.
11 Kozubal had indicated that they received -- the Taxicab
12 Board had received a letter from WAA basically inviting
13 any executive car to ply the -- the -- their trade at the
14 airport. You're aware of that?

15 MS. JOAN WILSON: Yes, I am.

16 MR. SIDNEY SORONOW: And, Mr. Kozubal
17 described to us how in consequence there was about thirty
18 (30) new executive car licences issued relying on that
19 invitation?

20 MS. JOAN WILSON: Yes, that's correct.

21 MR. SIDNEY SORONOW: Okay. Prior to that
22 invitation, if we go to a time period prior to the change
23 in April 2009 and prior to that open invitation from WAA,
24 were there generally limitations placed on executive cars
25 when they were licensed by the Taxicab Board?

1 MS. JOAN WILSON: Previous to April 2009
2 any executive car that was issued to a limousine operator
3 had a condition placed on it that it was not allowed to
4 go to the airport.

5 MR. SIDNEY SORONOW: So from a platform
6 where executive cars were not to ply the airport all of a
7 sudden now it was open field ply the airport.

8 MS. JOAN WILSON: That's correct.

9 MR. SIDNEY SORONOW: And now there is --
10 and -- and with respect to these new thirty (30)
11 executive cars, what is your observation? What business
12 are they doing in relation or where are they -- where are
13 they standing or situate during the course of the day?

14 MS. JOAN WILSON: The executive cars are
15 now in the front where the stretch limos used to be.
16 There are many executive cars sitting in the corral at
17 any given time. It has created a situation where the
18 taxis are not getting as many trips. The executive cars
19 may be getting a few more but because there are so many
20 executive cars now at the airport everyone is suffering.

21 MR. SIDNEY SORONOW: So you're pointing
22 to the fact that airport business for taxis is now
23 reduced in part because of those executive cars?

24 MS. JOAN WILSON: Partially, yes.

25 MR. SIDNEY SORONOW: Yes, but we also

1 heard about a downturn that Mr. Kozubal mentioned whether
2 it's related to the economy, probably, but in any event
3 there just seems to be less traffic volume out of the
4 airport from a transportation perspective.

5 Is that consistent with kind of your own
6 observation as general manager of Unicity?

7 MS. JOAN WILSON: Yes, it is.

8 MR. SIDNEY SORONOW: And what observation
9 have you made about -- let me just back up. I want to
10 get the taxi industry data report.

11

12 (BRIEF PAUSE)

13

14 MR. SIDNEY SORONOW: Excuse me, Mr.
15 Chairman, the -- the materials are somewhat less
16 organized than they were when we walked in this morning.

17

18 (BRIEF PAUSE)

19

20 CONTINUED BY MR. SIDNEY SORONOW:

21 MR. SIDNEY SORONOW: I know it has been
22 reviewed earlier in these proceedings but it bears
23 repeating I suppose to some extent.

24 These are tracked by WAA; is that correct?

25 MS. JOAN WILSON: That's correct.

1 MR. SIDNEY SORONOW: Okay. And it is
2 showing that in -- and these are up to December 31st,
3 2008. This material does not go beyond that?

4 MS. JOAN WILSON: That's correct.

5 MR. WALTER SARANCHUK: What page number,
6 Mr. Soronow?

7 MR. SIDNEY SORONOW: Page 9.

8

9 CONTINUED BY MR. SIDNEY SORONOW:

10 MR. SIDNEY SORONOW: And so it -- it
11 shows here that for example in January of '08 your wait
12 time was thirty-two (32) minutes, in other words, a taxi
13 pulling into the airport wanting a fare will sit for
14 thirty-two (32) minutes?

15 MS. JOAN WILSON: That's correct.

16 MR. SIDNEY SORONOW: Okay. And I -- I
17 won't read them off but suffice it to say that the -- the
18 time frames do seem to be longer as you get into the
19 warmer months, the wait times?

20 MS. JOAN WILSON: Correct.

21 MR. SIDNEY SORONOW: Okay. Tell me
22 something. What observations have you made now that
23 there's all these additional executive cars that have
24 sprung up in large measure from what you said based on
25 the fact that WAA issued an open ticket for executive

1 cars.

2 What -- what observation have you made
3 about the wait times for Unicity taxis?

4 MS. JOAN WILSON: Our wait times have
5 increased, and I'm sure that will be shown when the
6 Airport submits their data.

7 MR. SIDNEY SORONOW: And I believe you
8 said ridership is down?

9 MS. JOAN WILSON: That's correct.

10 MR. SIDNEY SORONOW: Now, you've had
11 dealings with the WAA for a few years, at least.

12 Is that correct?

13 MS. JOAN WILSON: That's correct.

14 MR. SIDNEY SORONOW: Was there a point in
15 time in the -- I'll call it "recent past" but by "recent
16 past" I'm saying 2006 forward to this time, that they
17 invited you to review or to be shown the logistics
18 associated with the completed airport, how it would look,
19 how vehicles with taxis would line up, et cetera. In
20 other words, what was the logistics for the ground
21 transportation.

22 Did they show that to you?

23 MS. JOAN WILSON: Yes, they did. They
24 showed us a -- a large sketch of the new airport and how
25 the taxis, limousines and executive cars would be lined

1 up at the new airport.

2 MR. SIDNEY SORONOW: Okay. In that obser
3 -- when you saw that in there, was there any room for
4 Avion shuttles?

5 MS. JOAN WILSON: No, there was no
6 mention of shuttles made.

7 MR. SIDNEY SORONOW: I see. So, in order
8 for there to be room, based on your observation, would
9 they have to get rid of some service provider?

10 MR. JOAN WILSON: Yes.

11 MR. SIDNEY SORONOW: And the service
12 provider that they got rid of was the limos?

13 MS. JOAN WILSON: Yes.

14 MR. SIDNEY SORONOW: And so you heard
15 that gentleman who came forward as a presenter today who
16 said he spent, I think, a hundred and sixty thousand
17 (160,000) for a limo that he now parks for most of the
18 time because of being -- for lack of a more polite term --
19 - kicked out of the airport?

20 MS. JOAN WILSON: That's correct.

21 MR. SIDNEY SORONOW: And you heard this
22 morning reference to the fact that there is a -- there
23 was a tariff rate for limousines on a shared-ride basis
24 from the downtown -- sorry -- from the airport to
25 downtown hotels or downtown businesses which, at the time

1 of the Application, of the Uni -- of Avion, when they
2 started this process, was nine dollars and seventy cents
3 (\$9.70) per passenger to a maximum of thirty-two dollars
4 (\$32)?

5 MS. JOAN WILSON: That's correct.

6 MR. SIDNEY SORONOW: How would you -- how
7 would you rate that kind of service and price structure
8 against the eleven dollar (\$11) Avion in a shuttle bus as
9 opposed to the limo at nine seventy (\$9.70) to downtown
10 or downtown businesses, in fact?

11 MS. JOAN WILSON: It would be cheaper to
12 take a limo.

13 MR. SIDNEY SORONOW: And on -- to the
14 best of your observation, at least as comfortable?

15 MS. JOAN WILSON: Yes.

16 MR. SIDNEY SORONOW: Now, tell me
17 something. If Avion were to be granted by this Tribunal
18 approval and were to commence this shuttle service, what
19 -- what do you see as happening to your volumes of
20 ridership for Unicity?

21 MS. JOAN WILSON: We feel that they will
22 decrease.

23 MR. SIDNEY SORONOW: Significantly?

24 MS. JOAN WILSON: Yes.

25 MR. SIDNEY SORONOW: And -- and what --

1 and- and -- I think our material, and again I don't want
2 to take the witness through, you know, the whole
3 explanation of that

4 but I just want to get a sense of what would Unicity do.

5 I mean, if the ridership decreases
6 substantially are they going to be able to have fifty
7 (50) cabs at the airport for a significantly reduced
8 ridership?

9 MS. JOAN WILSON: No, we wouldn't be able
10 to. Those cars would have to move out into the City of
11 Winnipeg and the suburbs in order to try to make a
12 living.

13 MR. SIDNEY SORONOW: There has been quite
14 a bit of discussion during the course of these
15 Proceedings about hotels and what we characterize as
16 downtown hotels, most of which you have concession
17 agreements with, a few of which Duffy's has concession
18 agreements, correct?

19 MS. JOAN WILSON: That's correct.

20 MR. SIDNEY SORONOW: Okay. Now, and in
21 respect of those concession agreements at least you can
22 only speak for -- for Unicity and I'll be asking Mr.
23 Walding a similar question as it relates to Duffy's but
24 you pay a fee, a concession fee.

25 Is that correct?

1 MS. JOAN WILSON: Yes, we pay a
2 concession fee for exclusive rights.

3 MR. SIDNEY SORONOW: So you pay a
4 concession fee for exclusivity. Now, in the financials
5 that have been presented by Avion, they indicate -- well,
6 let me back up.

7 The information we have before us is that
8 Avion has no agreements with any hotel. They've had some
9 discussions with some and as the witness you heard more
10 recently said in relation to the Place Louis Riel, they
11 said they might be interested. But let's ignore the fact
12 that it's an idea in its infancy or perhaps I should say
13 embryonic -- it's not even infant -- but suppose this
14 embryonic idea comes to pass and they are going to pay
15 according to them, in their business plan, compensation
16 to hotels in the total amount of fifteen thousand
17 (15,000) per annum, that's for all the hotels with whom
18 they intend to have business relations.

19 What comment do you have about that?

20 MS. JOAN WILSON: Well, I can say that we
21 pay to more than one (1) hotel downtown on an individual
22 basis more than that per year.

23 MR. SIDNEY SORONOW: So your indication
24 is that they expect to pay, according to them, fifteen
25 thousand dollars (\$15,000) in total per annum to all the

1 hotels they deal with and you're indicating to this
2 tribunal that right now there are singular hotels to whom
3 you alone pay more than that?

4 MS. JOAN WILSON: That is correct.

5 MR. SIDNEY SORONOW: Okay. Tell me
6 something -- so would it -- would it be fair to say that
7 -- well, I'll come to that in a minute.

8 There's reference in the material which
9 you have adopted and we provided some pictures to the
10 Tribunal of space limitations. That is the limitations
11 for Unicity in the exercise of its exclusivity, how --
12 how does Avion fit in there?

13 Where -- where is the Avion vehicles going
14 to be?

15 MS. JOAN WILSON: We really don't know.
16 We can't understand where they would park. Certainly we
17 have limited spaces at most of our downtown hotels and as
18 Unicity Taxi we certainly wouldn't be willing to give up
19 one (1) or two (2) parking spots or the exclusivity of
20 our contracts in order for Avion to be able to park their
21 vans.

22 MR. SIDNEY SORONOW: So -- but let's, you
23 know, take this hypothetical fantasy land world where
24 Avion starts business by making arrangements with these
25 hotels which they don't have today.

1 So if any of these hotels with whom you
2 have concession agreements were to, in effect, restrict
3 your space in order to give them space, reduce your
4 ridership by having Avion there so that you get less taxi
5 trips, what impact might that have on your preparedness
6 to pay concession fees?

7 MS. JOAN WILSON: It would have a great
8 impact on Unicity Taxi to pay concession fees if we were
9 not exclusive to the various hotels downtown.

10 MR. SIDNEY SORONOW: Now, what about if
11 you have less space, less ridership, will that have an
12 impact on your allocation of taxi resources to those
13 hotels?

14 MS. JOAN WILSON: Absolutely. Our cars
15 are not going to sit for hours in front of hotels waiting
16 for customers to come out. If they are going to be
17 taking the shuttle or if we're allocated to spots that
18 perhaps aren't prime, we perhaps would then -- we have
19 pride of ownership in these downtown hotels. We ensure
20 that they are serviced. We ensure our cars are clean,
21 our cars are new. We are environmentally friendly. We
22 do the best we can for all our concessions.

23 If we had to give up our concession rights
24 because we did not have parking spots or enough business,
25 then certainly I believe that we would have to move into

1 the house business, and there's not a lot of that to go
2 around. It'd be very difficult for the hotels, as well,
3 because we could not guarantee them the level of service
4 that we supply them now.

5 MR. SIDNEY SORONOW: And when you use the
6 term "house business" that's like plying the city in its
7 entirety?

8 MS. JOAN WILSON: Yes.

9 MR. SIDNEY SORONOW: And -- and by doing
10 that -- let's back up -- you advised this Board in your
11 evidence so far that if Avion were approved by this
12 Tribunal that there would be a substantial business
13 reduction at the airport. Let me just go back -- stop
14 there for a second.

15 I mean, can you give us a flavour for the
16 importance to Unicity of that business? We know that
17 according statistically you're doing about two hundred
18 and forty-six thousand (246,000) trips per annum out of
19 the airport.

20 I mean, how -- how important do you regard
21 this business?

22 MS. JOAN WILSON: It's extremely
23 important for us. Unicity Taxi has traditionally been at
24 the airport since I can remember, 1967, we have been at
25 the airport. So traditionally, we -- way before the WAA,

1 way before Avion, we have serviced the travelling public,
2 as well as the -- the people of the City of Winnipeg.

3 Even to lose 10 percent or 20 percent of
4 that business creates a -- a problem for the company
5 itself because a lot of these owners are mortgaged and
6 they are working twelve/sixteen/eighteen (12/16/18) hours
7 a day in order to make their payments and feed their
8 family. A drop of 20 percent in their income is an
9 absolute impossibility for them.

10 MR. SIDNEY SORONOW: Okay. So back to
11 where I had kind of started with this, you have indicated
12 to us that if Avion were to be approved, you would have
13 to allocate less resources to the airport and redirect
14 those resources to ply the city at large.

15 And you said that, as well, if you -- if
16 any of the locations that -- at which you have hotel
17 concessions, if they made room for Avion, thereby
18 reducing your room and reducing or eliminating your
19 exclusivity, you would have to cut back the number of
20 cabs and the guarantee -- there would be no more
21 guarantee of service to those hotels.

22 And those cabs would also be redeployed to
23 the general Winnipeg market?

24 MS. JOAN WILSON: That's correct.

25 MR. SIDNEY SORONOW: What would that mean

1 if -- if all that redeployment occurs, what would that
2 mean in terms of reduction? Would it reduce the per cab
3 revenue in Winnipeg, increase it?

4 MS. JOAN WILSON: It would reduce it
5 significantly. There is no more business in Winnipeg.
6 There's only so much business, and if you have to slice
7 the pie, as we call it, in another direction we would
8 have to take our business from our competitors, which
9 would also cause them to lose business.

10 MR. SIDNEY SORONOW: Is -- is therefore
11 the redeployment consequent upon Avion commencing
12 service, the redeployment at the airport and at hotels,
13 basically, the same for the City at large as if more
14 taxicabs were simply licenced.

15 MS. JOAN WILSON: Yes, absolutely.

16 MR. SIDNEY SORONOW: With the consequent
17 impact on revenue and -- and potentially to cab values.

18 MS. JOAN WILSON: Yes.

19 MS. SIDNEY SORONOW: Okay. I just want
20 to ask Mr. Walding as -- as General Manager at Duffy's,
21 is it correct that you, as well, have hotels in --
22 including some downtown locations?

23 MR. PHIL WALDING: That is correct.

24 MR. SIDNEY SORONOW: And, by the way, you
25 had a -- you had a chance to listen to the question I put

1 to Ms. Wilson and the fact that the projections from
2 Avion indicate that collectively in a year they would pay
3 fifteen thousand (15,000) collectively to all the hotels
4 they hope to have agreements with.

5 You know, what comment have you about that
6 in relation to what you in Duffy's pay to hotels?

7 MR. PHIL WALDING: Well, I think the
8 thing that you have to remember is, first of all, is
9 we're a bit player when comes to the hotels. Unicity
10 predominantly takes care of the hotels. We're more of a
11 house-business company.

12 What I can tell you in that regard,
13 though, is that as a bit player in the -- in the hotel
14 game, our costs exceed that per year.

15 MR. SIDNEY SORONOW: Okay. Considerably,
16 like twice as much?

17 MR. PHIL WALDING: Almost twice as much.

18 MR. SIDNEY SORONOW: Even as a bit
19 player?

20 MR. PHIL WALDING: Right.

21 MR. SIDNEY SORONOW: Okay, now -- now,
22 tell me, you -- you do have hotel concessions. If -- do
23 you share the view that from a -- a location standpoint
24 that it is difficult to envision where Avion Shuttle
25 would be -- have parking to load and -- and offload

1 passengers at these various hotels?

2 MR. PHIL WALDING: In the hotels that we
3 service, I believe our taxis would essentially have to
4 leave to allow the shuttle to service their clientele.

5 MR. SIDNEY SORONOW: Okay, and I -- and I
6 want to follow along -- oh, and by the way, would -- if --
7 - if that were the case, would you be prepared to
8 continue to pay those concession fees?

9 MR. PHIL WALDING: No. If -- we view our
10 exclusive contracts with our hotels as being exclusionary
11 to all of our competitors. If they were to enter into
12 contracts with shuttle services, we would consider that a
13 breach of contract. We would terminate those contracts
14 and then supply those hotels with the same demand service
15 that we give to our house business.

16 MR. SIDNEY SORONOW: Okay, and in those
17 hotels that you currently have concession agreements, do
18 you have dedicated phone lines in there?

19 MR. PHIL WALDING: Yes, we do. We have
20 dedicated phone lines. We supply lot cleaning. We have
21 road supervisors that make sure our drivers don't litter
22 on the concessions, that the vehicles are all clean, the
23 drivers are properly dressed, and that the customers are
24 receiving the high level of service that we expect.

25 MR. SIDNEY SORONOW: I should have asked

1 Ms. Wilson, do you in your hotels that you have
2 concessions at, do you have a dedicated phone line for
3 Unicity?

4 MS. JOAN WILSON: Yes, we do.

5 MR. SIDNEY SORONOW: Okay. Now, back to
6 you, Mr. Walding. Let's take this imaginary world where
7 Avion is approved by this Tribunal, they start having
8 shuttles at the airport, then they're also having
9 arrangements at hotels.

10 And I believe you said that if it was any
11 hotel with which you had a concession, you would not pay
12 concession fees thereafter.

13 MR. PHIL WALDING: No.

14 MR. SIDNEY SORONOW: Treat it as a
15 breach. Okay. What would you do -- I mean, if you have
16 a concession, and an exclusive one today, you are
17 dedicating resources to that concession in the form of
18 many things. You said that you keep the lots clean, but
19 I'm really now concentrating on the allocation of taxi
20 resources to those hotels.

21 What would you -- what would your response
22 be now that your exclusivity has disappeared?

23 MR. PHIL WALDING: Well, I can tell you
24 just to give you an example. We take care of the Clarion
25 Hotel. Granted, it's not a downtown hotel but one (1) of

1 the problems that we run into with our -- with our
2 relationship with the Clarion is that our drivers don't
3 necessarily want to sit there to provide the service that
4 that hotel that we contract to that hotel to, reason
5 being Polo Park is next-door. During certain times of
6 the day there's a better chance of them to get a fare
7 from Polo Park as opposed to the Clarion.

8 Other times of the day that situation is
9 reversed, of course, thereby necessitating why we would
10 want to be involved in a contract with the Clarion in the
11 first place. If we are relieved of that burden, our
12 drivers can just play Polo Park and let the Clarion take
13 care of itself.

14 MR. SIDNEY SORONOW: So is it fair to say
15 - as I think Ms. Wilson indicated - that the net effect
16 of the -- of Avion and Avion being at hotels will be
17 that, in the end, the people who look to hotel locations
18 for an abundance of taxicabs will actually suffer? In
19 other words, there would be -- it's adverse to the public
20 interest?

21 MR. PHIL WALDING: Well, I think that
22 those clients would still be taken care of but there may
23 not necessarily be taxis, you know, sitting in front of
24 the hotel or close. You know, it's -- it's the same --
25 it would become the same expectation that, you know, a

1 person in the suburbs who was going out for the evening
2 wouldn't expect a taxi to be sitting in their yard before
3 they phoned.

4 MR. SIDNEY SORONOW: Okay. So the
5 availability will change or the ready availability?

6 MR. PHIL WALDING: Yes, it will.

7 MR. SIDNEY SORONOW: Okay. Now, turning
8 back to Ms. Wilson for a moment your -- those people who
9 are drivers at Unicity, many of them are themselves
10 owners.

11 Is that correct?

12 MS. JOAN WILSON: Yes, that's correct.

13 MR. SIDNEY SORONOW: Okay. But all of
14 them have at least, firstly, been trained to the
15 requirements which Mr. Kozubal indicated a forty-five
16 (45) hour program of training to be a drive -- a taxicab
17 licensed driver, at least to that level because we'll go
18 further from there?

19 MS. JOAN WILSON: That's correct.

20 MR. SIDNEY SORONOW: Okay. And in fact,
21 with respect to Unicity, is there a national program or
22 national standards program?

23 MS. JOAN WILSON: Yes, there is a
24 national standards for professional drivers. Winnipeg is
25 to become the second -- only the second in Canada,

1 Unicity Taxi, to have their drivers all trained to
2 national standards for professional drivers.

3 MR. SIDNEY SORONOW: Okay. And you have
4 had a chance to look at the material which was filed by
5 Avion in which they indicated that they would train their
6 employees to the Winnipeg hospitality standard or
7 program.

8 What -- what can you tell us about that as
9 to the length of time of that training or program?

10 MS. JOAN WILSON: I'm not very familiar
11 with that particular program. I know that the Taxicab
12 Board had offered a hospitality program at one time that
13 our drivers took and I believe it was a four (4) hour
14 course but I'm not sure about this one.

15 MR. SIDNEY SORONOW: Okay. Now, there
16 was reference during the course of these proceedings to
17 something called a logistics -- oh, just before I go on
18 there, Mr. Walding, would it be fair to say that since --
19 that some of the drivers at Duffy's are also owners?

20 MR. PHIL WALDING: Yes, that's correct.

21 MR. SIDNEY SORONOW: And each of them by
22 necessity would have had to have gone through and passed
23 the course required by the Taxicab Board, that is that
24 forty-five (45) hour instruction course?

25 MR. PHIL WALDING: All drivers at Duffy's

1 with the possible exception of some of the -- the very
2 veteran drivers have all completed that course.

3 MR. SIDNEY SORONOW: And do you know
4 anything about this Winnipeg hospitality program or the
5 nature of the amount of training associated with it?

6 MR. PHIL WALDING: I didn't take the
7 course myself but from talking to -- to some of the
8 drivers I know who had taken it, their opinion of it was
9 that it offered little value.

10 MR. SIDNEY SORONOW: That it which?

11 MR. PHIL WALDING: That it offered little
12 value.

13 MR. SIDNEY SORONOW: Okay. Now, Ms.
14 Wilson, we heard earlier today, in fact even in
15 Saskatoon, I understood from Ms. Tataryn, that one (1) of
16 the functions they perform at that airport is a logistics
17 coordinator at a curb? You heard that evidence?

18 MS. JOAN WILSON: Yes.

19 MR. SIDNEY SORONOW: Is there a logistics
20 coordinator at the curb in the Winnipeg airport?

21 MS. JOAN WILSON: Yes, there is.

22 MR. SIDNEY SORONOW: And is that person
23 an Avion employee?

24 MS. JOAN WILSON: Yes, they are.

25 MR. SIDNEY SORONOW: And tell me what --

1 from your knowledge or observation, what is the function
2 of that person?

3 MS. JOAN WILSON: The function of that
4 person is to greet everyone who comes off the plane and
5 ask them if they would like a taxi or a limo.

6 MR. SIDNEY SORONOW: Tell me, do you have
7 any concerns if Avion were to go into operation, be
8 approved, do you have any concerns about, firstly, where
9 they might be located, like what preferential treatment
10 they might get as to location?

11 MS. JOAN WILSON: Yes, we are.

12 MR. SIDNEY SORONOW: Do you -- in your
13 contract and we -- we should indicate, Mr. Chairman, as
14 you are aware the contract itself is an exhibit and you
15 will be able to look at it but just to pick a couple
16 highpoints here, is there a restriction on solicitation?

17 MS. JOAN WILSON: Yes, we are not allowed
18 to solicit at the airport.

19 MR. SIDNEY SORONOW: And what about use
20 of signage?

21 MS. JOAN WILSON: We are not allowed to
22 use signage.

23 MR. SIDNEY SORONOW: And are you at all
24 concerned by the possibility that Avion might have
25 different rules like freedom of solicitation, complete

1 freedom, freedom to use signage? Do those matters
2 concern you?

3 MS. JOAN WILSON: Yes, they concern --
4 they concern me. We are a regulated industry. Not only
5 does the WAA tell us that we cannot do these things, the
6 Taxicab Board as well ensures that we do not do this
7 solicitation or use signage according to our regulations
8 and Avion would not fall under the Taxicab Board's rules
9 so the WAA may, in fact, have a different contract with
10 them.

11 MR. SIDNEY SORONOW: And what about this
12 logistics coordinator? I mean if -- if he's an employee
13 of Avion, and he is kind of directing people coming off
14 the airplanes as to services, what concerns do you have
15 with respect to the fact that he's an Avion employee and
16 Avion without tender is the -- might be a shuttle service
17 provider?

18 MS. JOAN WILSON: I know that the
19 industry and the shareholders and drivers themselves
20 would have a great concern in this regard.

21 MR. SIDNEY SORONOW: Is the concern that
22 there won't be a level playing field in many respects?

23 MS. JOAN WILSON: Yes.

24 MR. SIDNEY SORONOW: Okay, which will --
25 would potentially lead to even greater erosion in

1 ridership?

2 MS. JOAN WILSON: That -- that's
3 possible.

4 MR. SIDNEY SORONOW: Okay. Now, I'd like
5 if you could to -- and I'm going to ask -- I'll warn Mr.
6 Walding, I'm going to ask you basically the same kind of
7 question.

8 We are -- and it's been referenced earlier
9 today, if you will, in a general economic downturn how
10 has -- what have you observed and -- and what impact has
11 that had on the business of Unicity considering that it's
12 difficult enough -- would you say it's difficult enough
13 to make a living as a -- owning a taxi?

14 What's happened from a recessionary point
15 of view?

16 MS. JOAN WILSON: Certainly from a
17 recessionary point of view there's been a downturn in
18 some of our corporate accounts as well as just in the
19 general population not taking taxis as much as they --
20 they have in previous years.

21 The downturn started for us last Christmas
22 when several companies had cancelled their Christmas
23 parties as a means of saving money. It is starting to
24 spiral into this year and we are looking at a probably 20
25 percent reduction in our dispatched trips for our

1 taxicabs and we are also looking at a minimum of a 10
2 percent reduction at the airport in the number of
3 passengers that are actually coming off and taking taxis.

4 So in terms of the two hundred and twenty-
5 five (225) small businessmen that I represent, that's a
6 huge number for them and it's causing them to work more
7 hours and bring home less money.

8 MR. SIDNEY SORONOW: And -- and on that
9 is what's already happening even without the loss that
10 might be occasioned by Avion going into operation.

11 Is that correct?

12 MS. JOAN WILSON: That is absolutely
13 correct.

14 MR. SIDNEY SORONOW: And -- and what
15 about -- what are you seeing like, for example,
16 restaurant, you know, to the extent you get calls from
17 restaurants, from drinking establishments, in other
18 words, how has that kind of impacted on the business in
19 terms of have you seen a downturn there; fewer people are
20 going to restaurants so fewer people are calling for
21 taxis?

22 I mean, what observation, if any, have you
23 made in that regard?

24 MS. JOAN WILSON: Certainly our evening
25 and night business had decreased a lot more than 20

1 percent. I believe that our night business in the last
2 two (2) or three (3) years has decreased by as much as 50
3 percent?

4 MR. SIDNEY SORONOW: Two (2) or three (3)
5 years or two --

6 MS. JOAN WILSON: Yes.

7 MR. SIDNEY SORONOW: Okay.

8 MS. JOAN WILSON: It's -- it's been
9 decreasing stead --

10 MR. SIDNEY SORONOW: Steadily, okay.

11 MS. JOAN WILSON: We're finding that our
12 corporate accounts, for instance, that used to have
13 people who worked til midnight and sent them the -- the
14 staff home at midnight or after are now re-arranging
15 their hours. They are sending their staff home at 11:30
16 at night so they don't have to pay for taxis which really
17 impacts our business.

18 MR. SIDNEY SORONOW: Just for
19 clarification because appreciating that -- that the Board
20 may not necessarily be aware of that, there is
21 legislation in Manitoba that would compel employers to
22 provide transportation, is there, if that employee is
23 working after midnight?

24 MS. JOAN WILSON: Yes, between midnight
25 and 6:00 a.m., I believe.

1 MR. SIDNEY SORONOW: So -- and what
2 you're saying is that kind of nighttime business has
3 taken a nosedive?

4 MS. JOAN WILSON: Yes, it really has.

5 MR. SIDNEY SORONOW: And your assessment
6 or -- or belief is that those employers have just re-
7 aligned hours so they can miss that twelve o'clock
8 cutoff?

9 MS. JOAN WILSON: Well, I believe that
10 when an organization has to tighten their belts certainly
11 transportation issues would be at the top of that.

12 MR. SIDNEY SORONOW: Okay. Mr. Walding,
13 you heard the questions and I can repeat the question by
14 question, but, if you have a little comment that you
15 would like to make as to what you've observed from a
16 recessionary point, from decrease or increase of
17 restaurants and nightspot business, big -- any loss of
18 big service generators such as corporations, can you fill
19 us in on your Duffy's experience as Joan did from
20 Unicity?

21 MR. PHIL WALDING: Well, certainly our
22 business dropped -- mirrors Unicity's in many respects.
23 We are down somewhere in the range of 15 to 20 percent
24 over last year. We are also experiencing severe drop-
25 offs in our -- in our night business specifically 9:00

1 p.m. until about 6:00 a.m.

2 And, you know, we're -- we're in the
3 process of waiting for a financial freight train to hit
4 us as one of our biggest accounts Convergys informed us
5 that they'll be shutting down their Winnipeg operations
6 which is a major, major client of ours.

7 MR. SIDNEY SORONOW: Okay and -- and tell
8 me something, Convergys, that's a -- what, a call centre
9 operation?

10 MR. PHIL WALDING: Yeah. It's a member
11 of the new economy in Manitoba.

12 MR. SIDNEY SORONOW: Yeah. And -- and so
13 these are the -- you're seeing downturns whether complete
14 closures or other downturns in some of these big service
15 generator corporations that you have relations with?

16 MR. PHIL WALDING: Yes, certainly. The -
17 - the cause may not be in Winnipeg, but the effect
18 certainly is.

19 MR. SIDNEY SORONOW: Okay. And, you
20 know, I'd like to ask you something because I'm sure the
21 Board might be interested to -- I mean, we took Joan
22 Wilson through the fact that they would redeploy
23 resources from -- from the airport to the general
24 Winnipeg market.

25 If Avion went into business they'd have to

1 cut down on the hotels. You said the same thing, you
2 would redeploy into the marketplace. I'm trying to
3 understand, Unicity has the contract at the airport, yet
4 you have been front and centre as part of the opposition
5 to Avion.

6 Why is -- why is Unicity involved in this
7 effort?

8 MR. PHIL WALDING: Well, from our point
9 of view -- you mean Duffy's?

10 MR. SIDNEY SORONOW: Sorry, Duffy's. My
11 apologies.

12 MR. PHIL WALDING: From our point of
13 view, there -- there is only so much business. If -- if
14 Unicity is frozen out to any degree at the airport, they
15 will naturally have -- their taxis will be competing
16 against our taxis in the suburbs for our house business.

17 To put a figure on what kind of a loss we
18 could sustain to Unicity would be hard. The competitive
19 nature of our business, to begin with, dictates that
20 whenever there's a peak in business if you don't take
21 care of your customers you lose them. So I think it --
22 it really goes without saying that -- that if Unicity
23 suffers we suffer along with them, whether directly or
24 indirectly.

25 MR. SIDNEY SORONOW: And in the sense of

1 less revenue per cab?

2 MR. PHIL WALDING: Yes.

3 MR. SIDNEY SORONOW: You -- you had the
4 opportunity -- and I address this, so to speak, to both
5 Ms. Wilson and Mr. Walding, you had the opportunity to
6 review the report, which we're calling the Winnipeg Taxi
7 Study headed by Dr. Mundy.

8 MR. PHIL WALDING: Mm-hm. Yes.

9 MR. SIDNEY SORONOW: And -- and he dealt
10 with an analysis of Duffy's Taxi first before he dealt
11 with Unicity, at least in order on the report. And --
12 and had some very complimentary things to say about
13 Duffy's in terms of the degree of their technological
14 sophistication, in terms of their completion rate on taxi
15 trips, the speed with which they responded to calls.

16 How -- how did you feel about that report
17 in terms of its reflection of the reality of Duffy's?

18 MR. PHIL WALDING: Well, I think that --
19 that Dr. Mundy's report was -- was very accurate in a
20 number of respects. We certainly do agree with Dr. Mundy
21 that we have a very well run taxi company. We track our
22 -- our complaint rate to be two (2) -- two one-
23 thousandths (2/1000th) of 1 percent complaints.

24 We -- we service our customers well. Our
25 service times are quick. We do do a proportionately

1 largely amount of the house business in Winnipeg; that
2 has some issues with transportation A to B in getting to
3 the trips in a timely fashion. To that extent,
4 snowstorms, rainstorms, things like that can slow us
5 down, which can -- can cause some of our customers some
6 angst.

7 Unfortunately, when the roads are -- are
8 plugged full of people because it's been snowing, that
9 our taxis get stuck in the traffic just as easily as
10 everybody else. I do think, though, that -- that we
11 provide a service that Winnipeggers can be proud of.

12 The computerized dispatch system that we
13 use is state-of-the-art. You go out to other small
14 cities, you won't see it. You know, the majority of our
15 fleet are 2006 or newer. A lot of them are Prius, high
16 efficient vehicles. We've responded to -- to the needs
17 of -- of some of our customers who -- who are demanding
18 larger vehicles by ensuring that there is a large vehicle
19 class available in our computer system, so as the
20 dispatch the larger vehicles that we do have in our fleet
21 to clients upon request.

22 We take every aspect of the service to our
23 customers very seriously, and I think the service that
24 they deliver speaks for itself.

25 MR. SIDNEY SORONOW: And -- and, Ms.

1 Wilson, kind of putting the -- the same thing to you in
2 the context of what I'd call the complementary nature of
3 Dr. Mundy's or the report's conclusions in terms of the
4 high level of technology, the completion rate, the
5 promptness of the Unicity service, how do you feel about
6 the -- the report's capturing of the Unicity reality?

7 MS. JOAN WILSON: I believe that Dr.
8 Mundy's report was fairly accurate for both companies.
9 Certainly I had discussions with Dr. Mundy on several
10 occasions and I found him to be extremely knowledgeable
11 about the taxi industry across North America.

12 I feel that Unicity, being the leader and
13 the largest taxi company in Winnipeg, we had our first
14 computer in 1981. We are now upgraded again with the DDS
15 computer and we feel that as well as -- as Duffy's that
16 we have a new fleet.

17 Our shareholders are committed to ensure
18 that our taxis are -- are in running condition, the best
19 on the road. That's also our commitment to the Winnipeg
20 Airport Authority. that was part of our contract. We are
21 very proud of that. We also have larger vehicles. We
22 are moving some of our cars towards the SUV classes and
23 perhaps some of the larger vehicles for our customers who
24 are asking for them.

25 We just feel that we have bent over

1 backwards, not only for the Taxicab Board but also for
2 the Winnipeg Airport Authority in ensuring that we have
3 quality service and that we look after our customer and I
4 agree with the -- Dr. Mundy's report that there's really
5 no need for -- whether it be a shuttle, whether it be
6 standard taxis, whether it be more executive cars that
7 there's really no -- there's no need in -- in Winnipeg
8 for -- for these vehicles.

9 MR. SIDNEY SORONOW: Tell me something.
10 There was -- and I questioned the witness from Avion -- I
11 mean they -- in their service proposal being their
12 business plan of -- the most recent one, 2008, they
13 referenced not only hotel locations but they said other
14 designated locations. And then when queried weren't in a
15 position to tell us what these were and then were asked
16 about the extensions of service which they referenced as
17 conventions and special events.

18 To -- to what extent does that cause you
19 any additional concern over and above the understandable
20 concern you've had -- you'd have and have expressed
21 concerning the shuttle service generally as it relates to
22 hotels downtown and the airport?

23 MS. JOAN WILSON: Well, I find this to
24 be a bit odd. I'll just tell you a little -- a little
25 story and it won't take too long. When the Pan American

1 expansion to the service. When you start off small and
2 only want to do a shuttle from the downtown hotels to the
3 airport and airport to downtown and then you start moving
4 out across the -- the landscape, sort of the City of
5 Winnipeg, maybe you could stop at shopping malls and you
6 could pick up people and they could stop there and park
7 their cars, then go to the airport, and then they
8 wouldn't have to pay the exorbitant prices to park at the
9 airport.

10 And, you know, it could just get bigger
11 and bigger and bigger and then, yes, it would be a
12 concern.

13 MR. SIDNEY SORONOW: Mr. Walding, have
14 you any comment on that, sort of, you know, this almost
15 thin edge of the wedge kind of situation where they're
16 talking about these expansions and they haven't even been
17 approved for their basic service?

18 MR. PHIL WALDING: Oh, I would certainly
19 agree with what -- what Joan is saying. You know, we've
20 been hearing rumour and innuendo already that -- that the
21 shuttle is going to augment its -- its business by
22 providing house calls to the airport.

23 We have no basis of that, but this is
24 what's going around the Industry, that, you know, they're
25 -- they're contemplating this kind of expansion as well.

1 Which, of course, if that were to hold true, would be
2 absolutely and thoroughly devastating to the taxi
3 industry as a whole. In fact, you would probably start
4 seeing operators going bankrupt right, left and centre at
5 that point.

6 MR. SIDNEY SORONOW: And -- and, you
7 know, aside from the risk to operators going bankrupt, if
8 -- if you -- and I'll -- I'll firstly start with Ms.
9 Wilson. If your revenue per cab is reduced because of
10 all the factors that you've cited that are non-Avion and
11 then throw on top of that Avion, how might that impact on
12 the ability of the taxi and I'd -- I'd say the taxi
13 industry, but we'll -- we'll confine ourselves to Unicity
14 -- to the shareholders of Unicity in terms of, you know,
15 upgrading their vehicles, having the money available to
16 upgrade.

17 Let me back-step before I ask you to -- to
18 answer that. Unicity is a co-op in nature.

19 Is that correct?

20 MS. JOAN WILSON: That's correct.

21 MR. SIDNEY SORONOW: Okay. And is -- and
22 -- and when you incur an expense such as upgrading your
23 computers to the latest in technology, effectively, at
24 the end of the day, it's really coming from the pocket of
25 the shareholders who are the operators of the taxicabs.

1 Is that correct?

2 MS. JOAN WILSON: That's correct.

3 MR. SIDNEY SORONOW: Okay. So what would
4 it mean in terms of the ability -- again, I'd say the
5 industry, but I'm only going to ask you about Unicity --
6 in Unicity to continue this trend of upgrading vehicles,
7 service to the public through the technology, if
8 operators are teetering on bankruptcy because of all
9 these incursions into their ridership?

10 MS. JOAN WILSON: They wouldn't be able
11 to do any of those things. They would have to
12 concentrate on making the payments for their vehicles.
13 We pay very high AutoPac. We have maintenance --

14 MR. SIDNEY SORONOW: Give -- give this
15 Board a sense -- like, what -- what might somebody pay to
16 AutoPac a year?

17 MS. JOAN WILSON: Commercial Taxi pays
18 approximately sixty-five (\$6,500)/sixty eight hundred
19 dollars (\$6,800) a year as compared to a van would pay a
20 thousand (1,000), eleven hundred (1,100).

21 MR. SIDNEY SORONOW: Okay. So, at the
22 end of the day, this, whether recession or reduction in
23 ridership through Avion, is going to have a trickle-down
24 effect -- maybe it's trickle-up, but trickle-down effect
25 in terms of the service which the taxi industry can apply

1 and give to the public at large.

2 MS. JOAN WILSON: It's possible, yes.

3 MR. SIDNEY SORONOW: And certainly would
4 impact on the ability of the -- of Unicity operators to
5 upgrade their fleets, keep up-to-date with technologies.

6 Is that correct?

7 MS. JOAN WILSON: It would be very
8 difficult, yes.

9 MR. SIDNEY SORONOW: Okay. Mr. Walding -
10 - Mr. Chairman, you know, I kind of have kept an eye on
11 the time myself, and I do believe now, contrary to my
12 original --

13 THE CHAIRPERSON: I think we're failing,
14 Mr. Soronow.

15 MR. SIDNEY SORONOW: I'm joining that
16 club.

17 THE CHAIRPERSON: I'm wondering we'd all
18 probably do well with a rest overnight and come back
19 again at the morning.

20 MR. SIDNEY SORONOW: And -- and I --

21 THE CHAIRPERSON: I don't mean to disrupt
22 your flow.

23 MR. SIDNEY SORONOW: No, and I will
24 undertake to try to -- it's just taking a little longer
25 than I had expected. I've kind of been winging it and,

1 consequently, it has stretched out, hopefully,
2 productively. And I will try to use the rest of the
3 evening hours to see what I can do to try to condense it.

4 THE CHAIRPERSON: I think -- I think
5 everyone has given good service today. I think a lot of
6 work has been done. Appreciate the help and assistance
7 of all parties, and we will see you all tomorrow morning
8 at 9:00.

9 MR. SIDNEY SORONOW: Thank you so much.

10

11 (UNICITY/DUFFY'S PANEL RETIRES)

12

13 --- Upon adjourning at 9:29 p.m.

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17 Certified correct,

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21 _____
Cheryl Lavigne, Ms.

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