

Ruling halts Salt Lake City's effort to set up new cab service

SLC • Judge says local companies need a chance to protest the way contracts were awarded.

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A 3rd District judge on Thursday ruled that officials at Salt Lake City International Airport awarded contracts to two out-of-state taxi companies without giving local companies a chance to protest the bidding process.

Judge Kate Toomey also said local firms successfully argued that equal protections would be violated if the city charges cab companies a special airport fee — under the contract — without imposing similar charges on other ground transportation vehicles, such as limousines, shuttles, buses and hotel vans.

The legal action — the result of a lawsuit brought by the Salt Lake-based Yellow Cab and Ute Cab Co. — has the effect of placing new taxi services on hold indefinitely. The plaintiffs claimed the city had violated its promises that no contracts would be awarded until after their appeals on the fairness of the bidding process were heard.

Toomey agreed.

The city's "failure to permit the cab companies the full and meaningful opportunity to exhaust their administrative remedies as alleged may constitute a deprivation of due process," she wrote in a 30-page decision.

New taxi services originally were to begin last year after a panel made up of airport and city officials awarded contracts to Cleveland-based Ace Taxi Service and Total Transit, headquartered in Glendale, Ariz.

Toomey, who approved a temporary restraining order in October halting new services, kept the order in place until one of the parties asks that it be litigated in court. In the meantime, the two longtime Utah cab companies will continue providing services.

The judge's ruling was by no means a total win for Yellow Cab and Ute Cab. Toomey dismissed ten of 15 claims, saying the city has the authority to transfer taxi oversight to airport officials and to charge additional fees for taxi services throughout the city, whether or not passengers travel to the airport.

City Council Chairman Soren Simonsen said Thursday he is concerned that officials excluded ground transportation professionals when drafting ordinances that alter how cab companies do business.

"It's not likely we'll go back and modify what we've done," said Simonsen, the lone dissenting vote on new taxi services. "There's not sufficient interest in the council or administration to do so. But it is not good policy to exclude people in the industry we're trying to regulate. It will not bring about positive changes."

Airport spokeswoman Barbara Gann said that because the issue remains in litigation, "the city maintains its position in declining the opportunity to comment."

Cab company attorney Don Winder said he's disappointed that the judge dismissed some causes of action, "but we're delighted that the complaint hasn't been dismissed so that the case can continue."

Winder is preparing an amended complaint asserting that legislation signed several weeks ago by Gov. Gary Herbert should stop the city from awarding new taxi contracts, which were based in part on requiring companies to have newer vehicles with higher mileage standards. Winder says HB104, the so-called anti-idling law, contains a provision that prohibits airport officials from imposing age and mileage requirements on ground transportation vehicles as long as they can pass safety and emission standards.

Earlier, Senior City Attorney Wesley Robinson told Toomey it was his opinion that the new law had no bearing on the city's authority to award contracts for new taxi services.

In 2006, the City Council voted to terminate its longtime permits, called certificates of convenience, with the Yellow, Ute and City cab companies. Despite uncertainties over the certificates in the ensuing years, the cab companies have continued to provide services.

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