

2003 Annual Report

to the

New York City Council



New York City Taxi & Limousine Commission



Michael R. Bloomberg, *Mayor*

Matthew W. Daus, *Commissioner/Chair*



TLC

**NEW YORK CITY
TAXI & LIMOUSINE
COMMISSION**

40 Rector Street, New York, New York 10006

MATTHEW W. DAUS
Commissioner/Chair

January 12, 2004

Honorable A. Gifford Miller
Speaker
New York City Council
City Hall
New York, New York 10007

Dear Speaker Miller:

I am pleased to submit the New York City Taxi and Limousine Commission's (TLC) Annual Report to the City Council, as prescribed by the New York City Charter.

The annexed report details the TLC's activities and achievements from January through December 2003, and offers an outline, where appropriate, of the agency's tasks and goals for 2004.

The TLC has enjoyed an eventful and productive year, many of the achievements of which are detailed herein. Among others, this report details:

- Implementation of the accessible-vehicle rule in the for-hire vehicle industry;
- Progress on the proposed sale of additional New York City taxicab medallions over the next three (3) years;
- Employment of various innovative environmental measures and pilot programs as they relate to our regulated industries;
- The expanded use of technology to better communicate with our regulated industries and to enhance service for passengers; and
- Customer service initiatives for both the riding public and our licensees.

It continues to be a privilege to collaborate with proactive and cooperative government partners to benefit our licensees and the riding public by ensuring safe, convenient and reliable transportation for the people of the City of New York. The Administration looks forward to working with you, your staff and all the Members of the City Council and its Transportation Committee to further our progress during the new year.

Sincerely,

Matthew W. Daus
Commissioner/Chair



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MISSION OF THE NEW YORK CITY TAXI & LIMOUSINE COMMISSION



The New York City Taxi and Limousine Commission (TLC) was created by Local Law 12 of 1971, and is charged with “furthering the development and improvement of taxi and livery service in New York City, establishing an overall public transportation policy governing taxi, coach and car services and wheelchair-accessible vans, and to establish certain rates and standards.” The Commission’s Board consists of nine (9) members, eight (8) of whom are unsalaried Commissioners.

Appointments to the Commission in 2003

Two distinguished individuals, former City Councilman Stanley E. Michels and Department of Transportation (DOT) Commissioner Iris Weinshall, joined the Board of Commissioners as the appointees of the City Council’s Manhattan delegation and Mayor Michael R. Bloomberg, respectively. In November 2003, the Mayor also re-appointed Commissioner Elias Arout of Staten Island to the Commission.

The TLC’s Commissioner/Chair, Matthew W. Daus, was confirmed by the City Council on August 22, 2001 to fulfill the remainder of a term concluding January 31, 2003. On July 23, 2003, Commissioner Daus was unanimously approved by the City Council’s Committee on Rules, Privileges and Elections. On August 12, 2003, Mayor Michael R. Bloomberg re-appointed Commissioner Daus to serve a full term, expiring January 31, 2010. The salaried Commissioner/Chair presides over public meetings, and serves as the Chief Executive Officer of the agency.

The TLC’s regulatory mandate includes:

- Licensing vehicles, drivers and businesses authorized to transport passengers for-hire;
- Establishing licensing criteria and standards of conduct;
- Establishing and enforcing standards for vehicle and public safety, as well as business accountability;
- Developing a comprehensive transportation policy applicable to vehicles for-hire;
- Setting taxicab rates of fare.

In 2003, the TLC successfully furthered the goals articulated by Commissioner/Chair Matthew W. Daus at the time of his original appointment. These include a grassroots approach to communicating with the TLC’s regulated industries, streamlining agency operations, improving customer service, and prioritizing enforcement against illegal for-hire activity.

Enhancing Communication

In the area of communication, the agency has become more accessible than ever before, with hits to the TLC's web site rising from 76,000 during Fiscal 1999 to 1.3 million during Fiscal 2003. This can be attributed to upgrades that have allowed both the public and the TLC's regulated industries to use the agency web site as an ever-growing informational source, as well as to facilitate a significantly higher number of business transactions.

In response to the growing number of e-mails directed to the agency, the TLC created a Correspondence Unit, which has been successful in enhancing our response time, not only for emails, but for all forms of agency correspondence. Since the creation of this unit, an average of ninety-eight percent (98%) of all correspondence is answered within ten (10) business days.

Streamlining Operations

The pledge to streamline and improve operations led to the continuation of the TLC's successful management programs in 2003. The "Hands On Management Experience" (H.O.M.E.) program is designed to engage all TLC managers in a greater understanding of the functions of the agency as well as the industries it licenses and regulates. To this end, all managers are trained to learn and perform the work of TLC employees. In the "Management Accountability and Productivity Program" (M.A.P.P.), agency managers meet and work together to pinpoint and track problem areas to maximize resources while enhancing agency performance. Taken in tandem, M.A.P.P. and H.O.M.E. have paid dividends with respect to prioritizing internal communications and growth, allowing the agency to function more efficiently and do more with less.

A series of administrative reforms at the TLC's Tribunal during 2003 have dramatically reduced average waiting times at our facilities, from an average waiting time for a hearing of over three (3) hours to less than thirty (30) minutes. During 2004, the TLC will focus its efforts on doing the same for waiting time in the Licensing Division.

The year 2003 also saw the (212) NYC-TAXI hotline discontinued, and its wide-ranging functions transferred to the new 311 hotline – New York City's number to access all non-emergency City services. While public questions and comments are forwarded to the TLC via the 311 Citizen Service Center, trained TLC staff can address industry-specific questions from its licensees through a new number: (212) 852-4636.

Enhancing and Increasing For-Hire Service

In response to an increased demand for taxicab service, the TLC continued in 2003 to spearhead efforts to recruit more drivers and proposed a medallion sale to add more taxicabs to the streets of New York. Working closely together, the Bloomberg Administration and the New York City Council promulgated and passed legislation authorizing the sale of 900 additional taxicab medallions, as did the New York State Legislature.

Since 2001, the TLC has implemented a variety of licensing programs and administrative reforms that have helped add more taxicab drivers - and consequently more service - for the

riding public. The TLC has also continued, by working closely with the Mayor's Office for People with Disabilities and the disability community, to make strides in ensuring the availability of a vital service: wheelchair-accessible transportation. During 2003, the TLC conducted outreach to for-hire vehicle (FHV) bases to assist in accessible vehicle rule compliance, and licensed the City's first FHV base formed for the primary purpose of dispatching wheelchair-accessible vehicles. In 2004, the TLC will focus on completing this implementation industry-wide. The goal of this initiative is that New Yorkers and visitors alike who seek demand-responsive, wheelchair-accessible service will have affordable and equivalent access to it.

Curtailing Illegal For-Hire Activity

The TLC continued to make strides in curtailing illegal for-hire activity in 2003 through, among other initiatives, a base enforcement program with an emphasis placed on holding licensed FHV bases more accountable. This focus is on the heels of an aggressive padlock program, which oversaw the closing of bases that were operating without a license. Having acted upon these illegal bases, the TLC now continues to target such operations while devoting enforcement activities to licensed bases that dispatch unlicensed or suspended vehicles and/or drivers. Proceedings were instituted that include the imposition of fines, license suspensions and revocation for the dispatch of unlicensed or suspended drivers, uninsured or underinsured vehicles, or for operating with a suspended base license.

The TLC was active during the blackout of 2003, enforcing the law that prohibits TLC licensees from overcharging passengers, refusing service and other illegal conduct during the crucial period between Friday, August 15 and Sunday, August 17. The TLC deployed all of its uniformed officers during this period, whose presence in marked vehicles had the positive effect of deterring inappropriate behavior during the emergency.

Priorities for 2004

Looking forward, the TLC's priorities for 2004 include the successful culmination of the first sale of what will eventually be 900 new taxicab medallions, at least nine percent (9%) of which, by law, will be designated for wheelchair-accessible taxicabs to serve persons with disabilities, and at least nine percent (9%) of which will be designated for taxicabs powered by alternative fuels. The TLC will expand upon its practice of constantly assessing and reassessing its licensing policies and processes, which will hopefully continue to result in many service improvements and efficiencies.

The TLC will also prioritize the expansion and improvement of its web-based applications, affording the public and the TLC's regulated industries superior customer service without requiring that they visit a TLC facility in person.

In sum, community and industry outreach have never been more important, and in 2004, the TLC will retain its focus on ensuring service to and the safety of the riding public, while continually improving the ways in which it communicates and serves its regulated industries. Indeed, while maintaining and building on previous successes is a challenge in itself, the TLC, as ever, remains ready for new challenges to come.

INDUSTRY AND AGENCY OVERVIEW

The TLC is responsible for licensing and regulating the 12,187 medallion taxicabs authorized to accept hails from passengers within the five boroughs of the City of New York, as well as for-hire vehicles, which are authorized to accept passengers by radio dispatch. For-hire vehicles include community car service vehicles, black cars (that primarily serve corporate clients), and luxury limousines with a seating capacity of up to twenty (20) passengers. The TLC also licenses and regulates wheelchair-accessible ambulettes (also known as paratransit vehicles), and commuter vans, which are vehicles with a seating capacity of between nine (9) and twenty (20) passengers that are authorized to transport passengers by pre-arrangement within approved geographic areas.



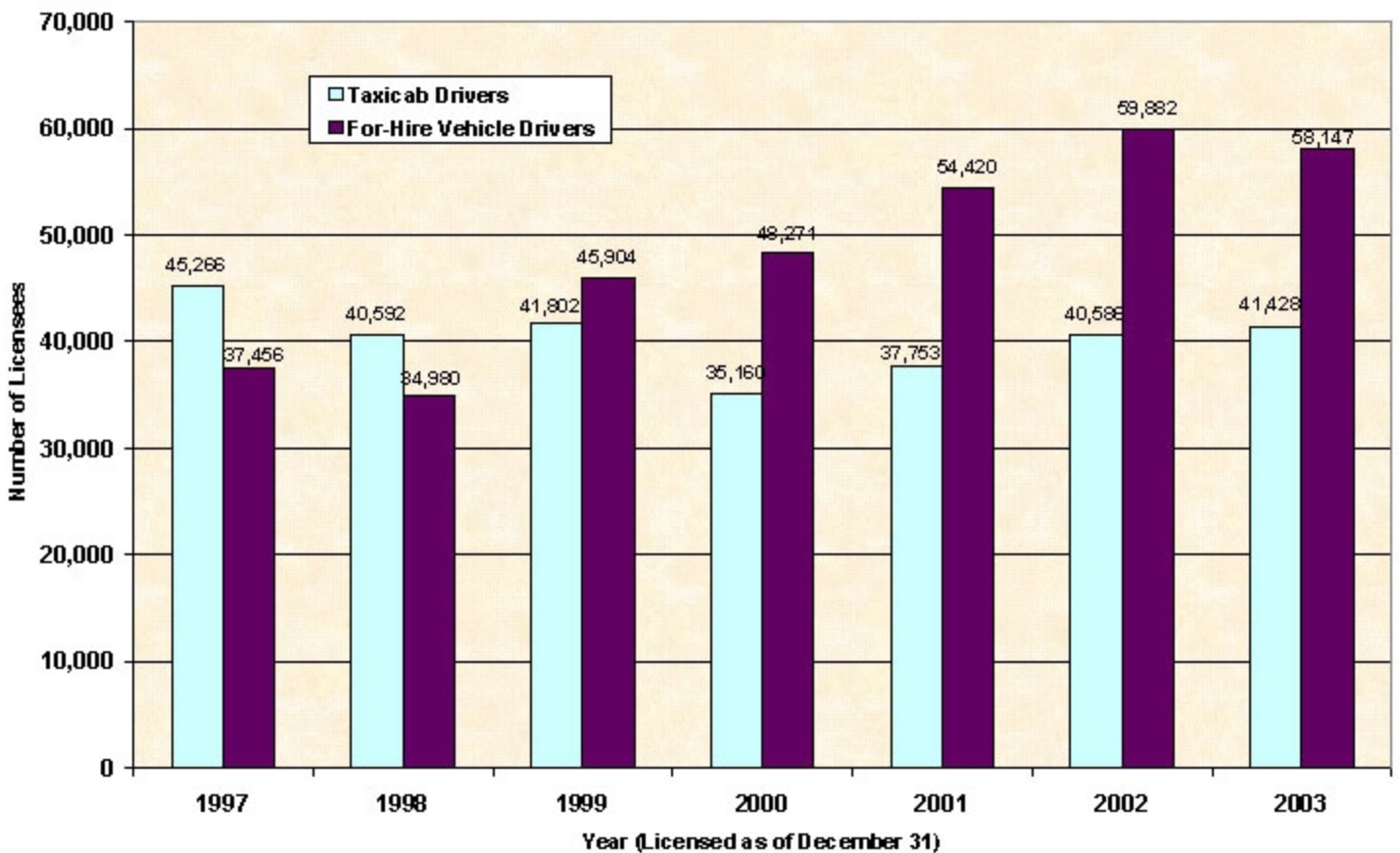
The TLC also licenses and regulates businesses that manufacture, install or repair taximeters used in New York City taxicabs, brokers that assist buyers and sellers of taxicab medallions, and agents that operate taxicabs on behalf of owners. The following chart depicts the number of active, current licenses issued by the TLC as of December 31, 2003, compared with the end of the previous year.

LICENSE TYPE	ACTIVE LICENSES December 31, 2003	ACTIVE LICENSES December 31, 2002
Business Licenses		
<i>For-Hire Vehicle Bases</i>	517	513
<i>Luxury Limousine Bases</i>	118	109
<i>Black Car Bases</i>	60	53
<i>Taximeter Businesses</i>	26	28
<i>Taxicab Brokers</i>	27	27
<i>Taxicab Agents</i>	75	70
Vehicle Licenses		
<i>Taxicab</i>	12,187	12,187
<i>For-Hire Vehicle (Tier 1)</i>	42,466	45,286
<i>Paratransit</i>	2,352	2,222
<i>Commuter Van</i>	384	380
Driver's Licenses		
<i>Taxicab</i>	41,428	40,586
<i>For-Hire Vehicle</i>	58,147	59,882
<i>Paratransit</i>	1,470	1,258
<i>Commuter Van</i>	350	365
Total	159,607	162,966

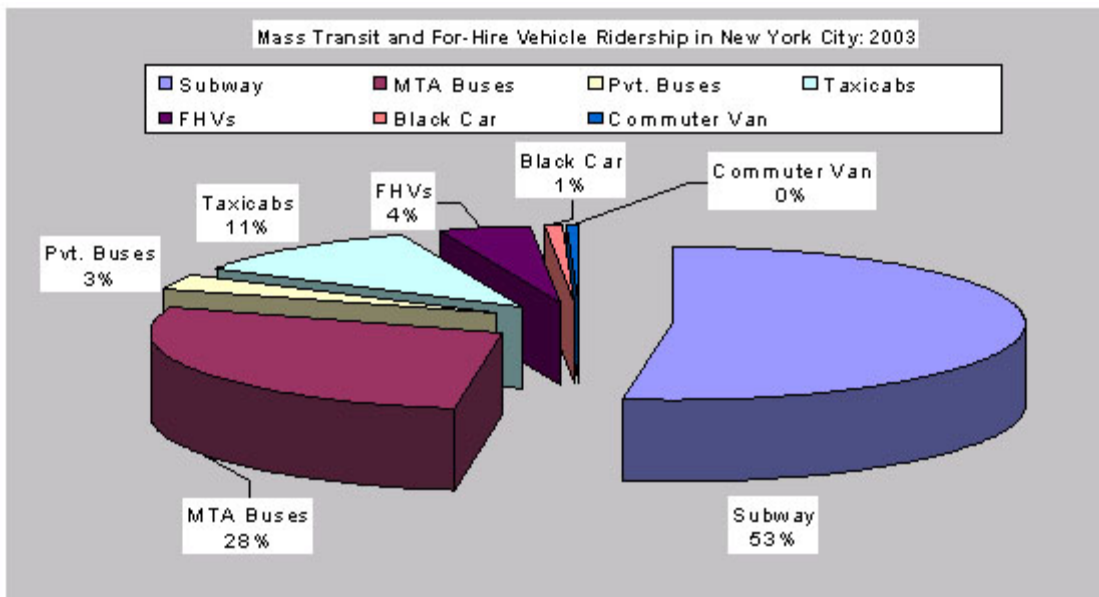
One of the more significant licensing trends during 2003 was the continued increase in the number of licensed taxicab drivers. The 41,428 licensed medallion taxicab operators as of December 31 represent a two percent (2%) increase over the figure from the same time in 2002 and a five percent (5%) increase from December 31, 2001. After 1998, the number of taxicab drivers licensed by the TLC declined. During the past three (3) years, however, the TLC, working with segments of the taxicab industry, undertook a number of initiatives to simplify the licensing process and to reduce processing times. These initiatives and other factors, such as the economy, are believed to have contributed to the recent trend.

The following chart tracks livery vs. taxicab drivers licensed by the TLC from 1997 through 2003.

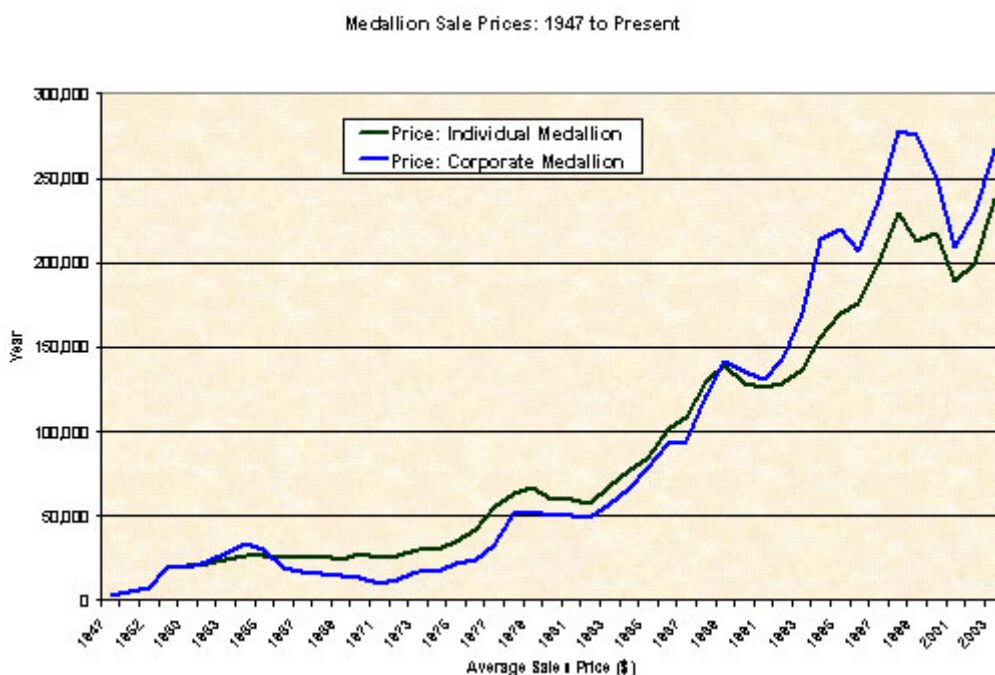
Licensed Taxicab and For-Hire Vehicle Drivers



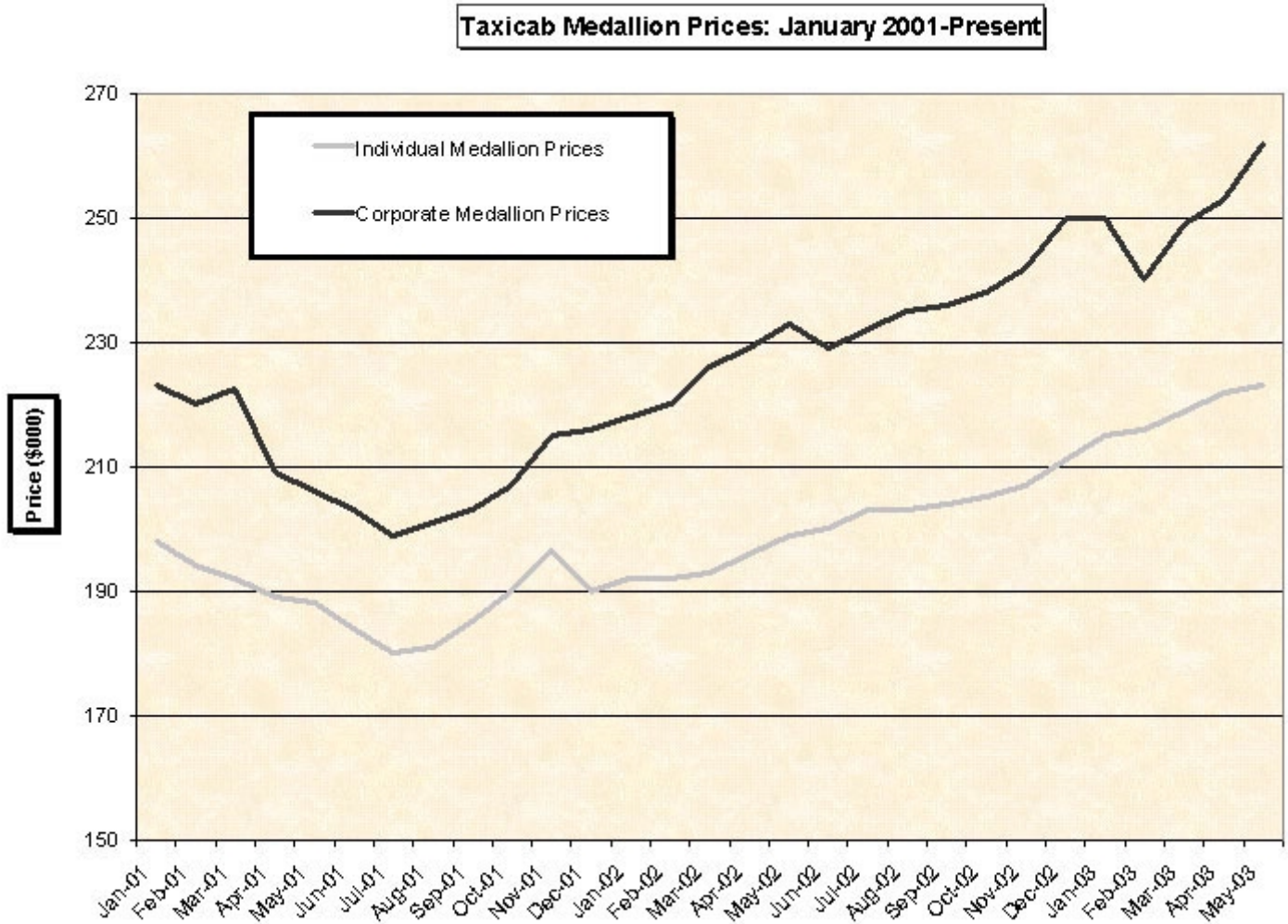
Vehicles licensed by the Taxi and Limousine Commission transport nearly 350 million passengers each year and generate more than \$2 billion per year in fare revenue. During 2003, approximately sixteen percent (16%) of all passengers transported in New York City by public transportation traveled in vehicles licensed by the TLC. The following chart depicts the significant role TLC licensees play in transporting New Yorkers.



The industry most familiar to New Yorkers is the medallion taxicab industry, with 12,187 licensed taxicabs. The number of taxicabs is fixed by law; a new law must be passed at the State level for any increase in this number, such as recent law enabling the pending medallion sale. Unlike other licenses issued by the TLC, taxicab licenses are transferable, and may be pledged as security for loans. Since this license provides the holder with the exclusive right to accept street hails in the City of New York, the license has a considerable value. Although licenses are purchased and sold in private sales, the TLC reviews and approves each transaction to ensure that the purchaser meets all of the criteria for licensure, and that the seller's creditors and claimants have been paid from the proceeds of the sale. While maintaining the price of the medallion is not a regulatory purpose of the TLC, a strong medallion industry may be viewed as a barometer of the overall health of the industry. The following chart depicts average medallion sales prices from 1947 to the present.



In December 2003, the average sales price for a corporate medallion was \$268,000, an increase of seven percent (7%) from the prior year. The average price of an individual medallion was \$237,000, an increase of twelve percent (12%) from the prior year, as depicted in the following chart.



The TLC has remained true to the citywide aim of “doing more with less”. Despite reductions to its Fiscal 2003 budget, the TLC has made significant achievements and, in some cases, even exceeded the previous years’ output. The TLC accomplished its goals for both policy-making and day-to-day management purposes with a Fiscal 2003 budget of \$22,296,702, comprised of \$17,252,757 for personal services (PS) and \$5,043,945 for other than personal services (OTPS). In addition, the TLC had an authorized headcount of 407, with an active headcount of 358 employees.

CUSTOMER SERVICE INITIATIVES FOR THE PUBLIC

Wheelchair-Accessible Transportation

Providing equal and direct access to for-hire transportation for persons with disabilities has long been a goal of the Taxi and Limousine Commission, and the progress made thus far has been substantial and encouraging, despite the obstacles. On November 16, 2000, the Commission passed FHV Rule 6-07(f), which requires all FHV base stations to provide wheelchair-accessible transportation to persons with disabilities upon request. The rule has no precedent in the United States in the scope and breadth of its requirement. In order to



comply with Rule 6-07(f), bases may either purchase their own wheelchair-accessible vehicle(s), co-opt with other bases to purchase a vehicle to be shared, or contract with another TLC-licensed base station for provision of equivalent service upon request. Whichever means are chosen to comply with the wheelchair-accessible vehicle rule, bases may not charge any passenger(s) using wheelchair-accessible service more than they would a passenger using non-wheelchair-accessible service. While the rule had become effective on October 31, 2001, enforcement of its provisions had been temporarily deferred due to the economic effects of the September 11 attacks on the FHV industry. Specifically, many of our licensed bases reported business losses of up to fifty percent (50%) in the aftermath of September 11, 2001.

Many obstacles remained, however, in implementing this rule, not the least of which were the dearth of purpose-built, wheelchair-accessible vehicles and the scarcity of insurers willing to write liability coverage policies (and those at exorbitant premiums) for them. Nonetheless, in late 2002, economic recovery by the black car segment of the FHV industry (i.e., primarily luxury vehicles conducting at least 90% of their business by voucher for corporate accounts), along with the advent of Symphony Transportation, LLC, demonstrated to the TLC the industry's readiness to comply with the accessible vehicle rule. Symphony Transportation, LLC was licensed by the TLC as a black car specialty base that provided wheelchair-accessible service for patrons while also being available, contractually, to provide the service for other black car bases upon request. Accordingly, Rule 6-07(f) was enforced for the black car segment of the FHV industry as of September 3, 2002.

During the spring of 2003, the TLC began working toward the licensing of specialty livery bases to provide wheelchair-accessible transportation upon request, and with which other livery bases could contract for the service when needed. It was envisioned that such a base would

function in much the same way as Symphony had worked in the black car segment of the industry in its move to compliance. While Symphony provided black car-level amenities at black car-level prices, a livery base would need to provide livery (community car)-type service at local car service rates should it wish to contract with livery bases.



The base station application for A Ride for All, LLC was submitted to the TLC in mid-summer and subsequently forwarded, via the Mayor's Office of City Legislative Affairs, to the City Council for its consideration. At its stated meeting of August 19, the City Council referred the application to the Council's Transportation Committee for review. A Ride for All, LLC, New York City's first demand-responsive, exclusively wheelchair-accessible vehicle livery base, was approved by the Council Transportation Committee and the full Council on September 17, 2003, and signed into law by Mayor Bloomberg at a City Hall ceremony held on October 1, 2003. This base had overcome the problem of obtaining liability insurance by working in partnership with an insurer. The approval of this base station was an important step towards implementing such service in the livery industry, and the by-product of much diligent work and planning by the TLC's Disability Advisory Board, TLC staff, and Commissioner Matthew Sapolin of the Mayor's Office for People with Disabilities (MOPD) and his staff.

To date, the move toward full implementation of Rule 6-07(f) in the livery industry continues. In addition to new content on its website providing details and information about wheelchair-accessible service and compliance with the accessible vehicle rule, the TLC issued an industry notice on Friday, January 2, 2004, announcing that all for-hire vehicle (FHV) base stations must be ready to comply with TLC Rule 6-07(f) by January 30, 2004. Included in this notice are various options for compliance and updated "Frequently Asked Questions" (FAQs) regarding the rule. For the past month, a TLC "Implementation Team" has been visiting some of the City's largest FHV bases to convey information about complying with Rule 6-07(f).

As wheelchair-accessible transportation pertains to the upcoming medallion sale, it is instructive to note that pursuant to Local Law No. 51 of 2003, at least nine percent (9%) of all new medallions sold are to be designated for use on wheelchair-accessible taxicabs, subject to certain stipulations (see Medallion Sale Legislation below). By providing that a portion of the vehicles from each sale be accessible, the City is reaffirming its commitment to providing transportation to persons with disabilities. Accordingly, the TLC will continue to work with its regulated industries and the disability community to identify and implement ways to enhance service.



Clean Air Taxicabs

The TLC remains committed to fulfilling its role in making New York City's environment cleaner than ever. In 2003, the following measures have supplemented the TLC's previous efforts in assisting with the City's many clean air initiatives.

Medallion Sale Legislation

Local Law No. 51 of 2003, passed by the City Council and signed into law by Mayor Bloomberg on July 16, 2003, authorizes the sale of up to 900 additional taxicab medallions. The law further provides that at least nine percent (9%) of these new medallions shall be sold to owners who agree to operate either compressed natural gas (CNG) or hybrid-electric vehicles. However, if the average price for these medallions is not at least ninety percent (90%) of the average price for unrestricted medallions, these medallions would be sold without their restriction.



CNG Fueling Station at LaGuardia Airport



On November 6, the Port Authority of New York & New Jersey opened a Compressed Natural Gas (CNG) fueling station near the taxicab staging area inside LaGuardia Airport. This initiative is expected to provide an incentive for CNG-fueled taxicabs to visit LaGuardia Airport more frequently to both re-fuel and transport passengers to their destinations. A similar fueling station already exists at JFK International Airport, and the TLC welcomes such improvements in the infrastructure providing CNG and alternative fuels.

TLC Joint Venture with NYSERDA

In its continuing focus on ensuring the provision of a sufficient number of safe and energy-efficient wheelchair-accessible vehicles in the FHV industry, the TLC has entered into an innovative partnership with the New York State Energy Research and Development Authority (NYSERDA). The program will foster, through NYSEDA funding, the manufacture of wheelchair-accessible, fuel-efficient vehicles for livery use. Under the terms of the Request for Proposals that was jointly issued in September 2003, NYSEDA plans to provide a total of \$600,000 for multiple contracts to pay for engineering tests and other evaluations toward the development of suitable vehicles. The TLC will function as technical advisor in the program.



OBDII Testing for Taxicab Emissions

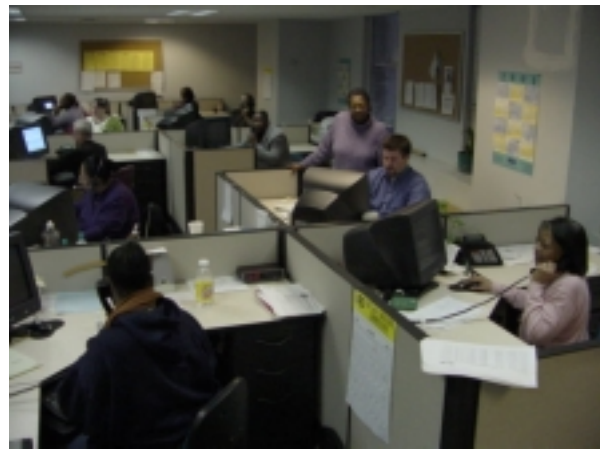


In Fiscal 2002, the TLC began renovations at its centralized inspection facility in Woodside, Queens, to equip it with a new state-of-the-art taxicab inspection/diagnostic system in place of the conventional tailpipe emissions test. In so doing, the TLC will also be the first facility in New York State to conduct "On Board Diagnostic" (OBDII) emissions testing protocols, which uploads the vehicle's computer into the TLC computer, and lists emissions and related engine component failures. Additionally, the new system will have diagnostic equipment to test a vehicles' suspension system (shocks and springs) to further enhance a passenger's riding

experience in a New York City medallion taxi and expand the visual items tested from 186 to 246 items. On December 8, 2003, TLC opened the first two (2) of six (6) planned lanes at its Centralized Inspection Facility, which replaced obsolete lanes that first opened in May 1989. The total of six (6) lanes will provide a significant upgrade from the previous four (4) in service. The TLC facility is planned to be fully operational with all lanes in service by April 2004. In early 2004, TLC will perform the required New York State inspection of all medallion taxis, with the TLC then transmitting the taxicab inspection data directly to the Department of Motor Vehicles (DMV). Medallion owners will therefore no longer be required to visit a private facility to have their vehicles' annual State safety and emissions inspection performed. All taxis will continue to be tested thrice annually at the Woodside Facility.

Correspondence Unit

In order to respond to the increased number of e-mails sent to the TLC's website and improve agency responsiveness to the public, the TLC created a Correspondence Unit, which has been successful in enhancing our response time to all agency correspondence. For example, since the creation of this unit, an average of 98% of all correspondence is answered within ten (10) business days. The agency experienced an increase in e-mail correspondence partly attributable to the dramatic rise in the number of agency website hits. In 2003, the agency's website hits increased by 150% as compared to Fiscal 2002 and 350% compared to Fiscal 2001.



311 Citizen Service Center and TLC Implementation

After much diligent and collaborative work, New Yorkers now have only two phone numbers to remember to access City services: 911 for emergencies and 311 for everything else.



In January 2002, Mayor Bloomberg announced plans for the creation of a 311 Citizen Service Center. Such a center was to be developed in order to make New York City government more accessible to its constituents by enabling people to request and receive information about city government services by calling one simple number. Since the Mayor's announcement, the Department of Information Technology and Telecommunications (DoITT) has been working to design a customer service-based system and to phase in operation of the 311 Citizen Service Center.

On March 9, 2003, the 311 phone line was officially activated. All calls to 311 are answered by a live operator, 24 hours a day, seven (7) days a week, and services are provided in over 170 languages. In enabling the City to do more with less, 311 provides the Mayor and governmental officials with real-time data on requests, complaints and services, which allows for better and immediate allocation of resources and personnel. In the long term, the data generated by 311 will improve the city's ability to allocate resources and personnel across agencies.

During 2003, the TLC worked successfully with 311 staff to make the full transition into the 311 Citizen Service Center. To facilitate the transition into 311, a Siebel System terminal was installed at the TLC for purposes of electronically transmitting consumer complaints or inquiries taken by the 311 Citizen Service Center to the TLC. As part of its 311 transition, the TLC also assisted the the 311 Project Team in developing a protocol for handling all phone calls relating to the upcoming proposed medallion sale. During the fall, TLC Call Center staff were trained in the use of the Siebel System, and at 3:00 p.m. on Wednesday, November 5, the TLC officially became part of the City's 311 Citizen Service Center. All calls from the riding public will go through the 311 Citizen Service Center and will be handled by 311 call agents. Calls from TLC licensees regarding specific licensing matters will be transferred to TLC specialists.

Medallion Sale

Responding to the need for additional taxicab service to meet the growing public desire for demand-responsive street-hail transportation in New York City, the TLC has commenced the process by which it is anticipated that up to 900 additional medallion taxicab medallions would be issued over the next three (3) years. Such action would increase the total number of taxicabs by approximately 7.4%, to 13,087. Taxicab ridership has been increasing in recent years, and has totaled in excess of 240 million passengers in 2003. Additional medallion taxicabs will better enable the industry to attempt to meet the public demand for service. Furthermore, the sale of additional taxicab licenses would afford opportunities for both investors and individual owner-operators to enter the taxicab business.

The TLC was conferred the authority to issue new licenses pursuant to State Law, which was passed by the New York State Senate and Assembly, vetoed by the Governor, and re-passed over his veto on May 19, 2003. Local enabling legislation was passed by the City Council on June 27, 2003, and signed into law by Mayor Bloomberg on July 16, 2003. This Local Law further specified that at least nine percent (9%) of any medallions issued be set aside for use with alternative fuel vehicles and accessible vehicles, provided the bid price for these restricted medallions is at least ninety percent (90%) of the average price achieved for unrestricted medallions. These set-asides may assist in meeting the needs of the disability community, and help maintain a clean air environment.

To gauge the effect of the sale of additional taxicab medallions, the TLC was required to conduct an environmental review. An environmental and transportation consultant, Urbitran Associates, Inc., prepared this analysis and issued a Draft Environmental Impact Statement (DEIS) on December 24, 2003. This report found no significant adverse traffic, noise, air or other environmental impact would occur from the issuance of these additional medallions. After the required public hearing and a review of any written comments received, the Final Environmental Impact Statement will be prepared and issued, which, if favorable, would set the stage for the auction of additional taxicab medallions.

The TLC has begun the process of developing a business, outreach and marketing plan to develop public interest in and enthusiasm for a taxicab medallion sale. To this end, the TLC will be targeting both industry insiders, including businesses that already own taxicab medallions, as well as newcomers to the industry who are either looking for new career opportunities or a solid

DRIVE YOUR FUTURE

Buy a New York City Taxi Medallion.

A LIMITED NUMBER WILL SOON BE AVAILABLE.

FIND OUT MORE.

DIAL 311 OR VISIT WWW.NYC.GOV/TAXI

Michael R. Bloomberg
Mayor

New York City
Taxi & Limousine Commission

Matthew W. Daus
Commissioner/Chair

investment. An individual taxicab medallion is valued today at about \$240,000, and a corporate medallion is worth about \$270,000. These figures represent an increase of about thirty percent (30%) over the last two years. In large part, this surge has been triggered by the low interest rates that make financing affordable, as well as a stable regulatory environment that ensures a safe and well-managed industry, with careful drivers, up-to-date taxicabs and equipment, and responsible ownership.

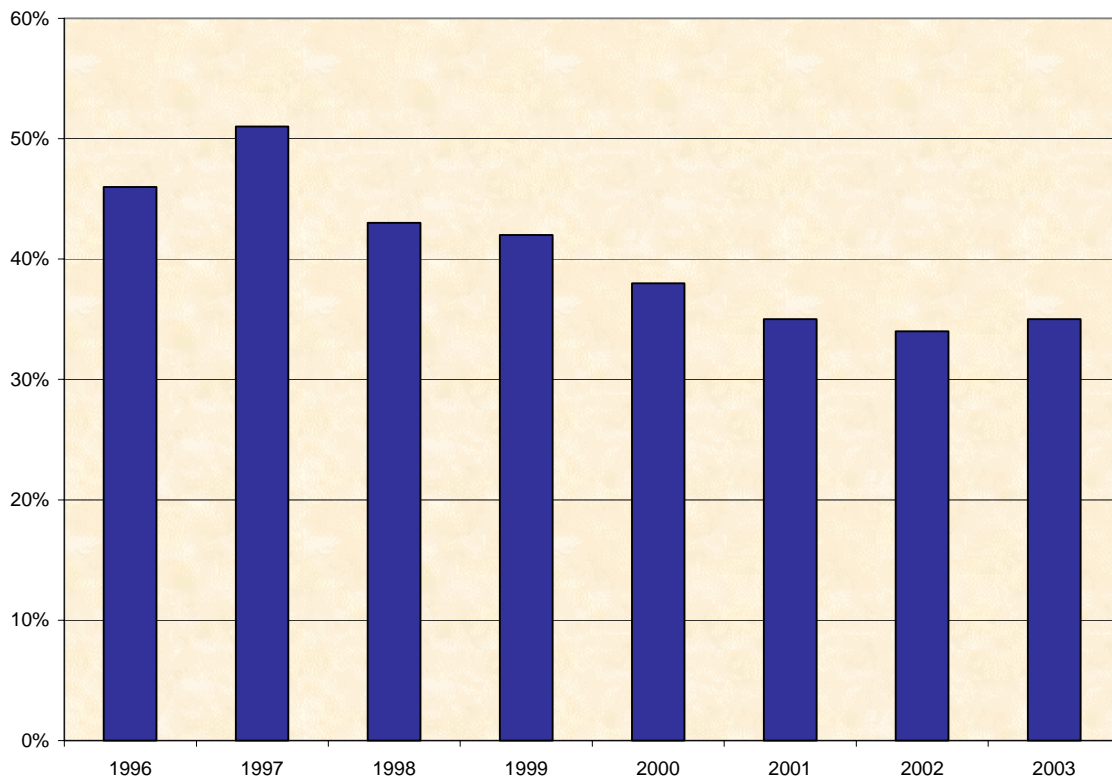
Upon the completion of the environmental review, the TLC plans to commence the sale of up to 300 new medallions prior to end of the Fiscal 2004.

Newer and Larger Taxicabs

Stretch Crown Victoria

In late 2001, the TLC approved the new "Stretch" Crown Victoria, a sedan with approximately six (6) more inches of rear compartment legroom. There are presently 6,055 of these vehicles in service. In 2002, the TLC completed the full phase-in of its vehicle retirement program, wherein most taxicabs were replaced with new vehicles within three (3) or five (5) years of being placed into service, depending upon type of vehicle ownership and operation. As a result of the vehicle retirement program, the average age of a taxicab is now less than 2.5 years. Newer vehicles have translated into fewer vehicle inspection failures. The following chart shows that inspection failure rates have declined from a high of fifty-one percent (51%) in 1997 to approximately thirty-five percent (35%) in 2003, primarily as a result of the mandatory replacement of older taxicabs.

Taxicab Inspection Failure Rate



Pilot Program to Test the 2004 Toyota Sienna

The TLC has also granted taxicab owners permission to hack-up Toyota Sienna minivans as part of a pilot program to test and evaluate this vehicle in service, toward its eventual approval as a medallion taxicab. Thus far, eighty-seven (87) Toyota Siennas have been hacked-up and are on the road providing service. The Sienna has power roll-down windows in the passenger compartment, compared to the typical pop-out windows found in other minivans. An additional advantage is the cost to the owner, which is approximately \$5,000 less than a similarly equipped Honda minivan.



Encouraging Owners to Operate Minivans

The TLC continues to encourage medallion owners to operate minivans, which provide riders with more legroom than standard sedans. Fleet owners are granted an additional year on their minivan's retirement age, while individual owner-operators are allowed an additional 18 months. As of December 31, 2003, there were 651 minivans in service, including the Toyota Siennas referenced above.

Repeal of Celebrity Talking Taxi Program

On August 1, 1997, the TLC launched its "Celebrity Talking Taxi" program, in which celebrities reminded taxicab passengers to buckle their seat belts prior to the commencement of their trip, and to take their receipt and property at the conclusion of their trip. These public service announcements, activated by the taximeter, were mandated to encourage passengers to use seat belts and to remember to take their personal belongings. Celebrity voices were changed regularly to keep the talking taxi program fresh and timely.

In October 2002, the TLC commenced a passenger survey to assist in evaluating the effectiveness of the talking taxi program. Over 3,500 individuals participated in this survey, which included both e-mail responses to the survey questionnaire posted on the TLC website, as well as passenger surveys conducted in the field by TLC staff. Overwhelmingly, the results of this survey indicated that the public did not find the messages to be helpful. The TLC's Board of Commissioners considered the results of the survey and unanimously decided on March 26, 2003 to repeal the Celebrity Talking Taxi Program. The TLC mandated the removal of the announcements from taxicabs by May 8, 2003, the effective date of the repeal of the rule.

CUSTOMER SERVICE INITIATIVES FOR TLC LICENSEES

Financial Disclosure Forms Streamlined and On-Line

Each year, taxicab owners are required to file a financial disclosure report, setting forth their income, expenses, assets and liabilities. In 2003, the TLC replaced the report that was previously required with a newly-streamlined, user-friendly document that could be completed either by mail or online. In addition, the form was redesigned to make the information requested more valuable to the TLC as a policy tool. Nearly 7,500 forms were filed with the TLC in 2003, which represents full compliance, i.e., all individual medallion owners and all those who have an ownership interest in corporate medallions. The information contained in these documents was used by the agency to analyze owners' income, medallion equity, and average liability insurance costs.

Waiting Time Reductions (LIC) Licensing and Adjudications

The TLC is committed to maintaining high standards of customer service for applicants and licensees visiting the TLC's various facilities. In 2002, the TLC reduced the time in the Adjudications Division for respondents waiting for a hearing from over three (3) hours to approximately 30 minutes. This trend has continued in 2003, and the average waiting time for a hearing remains under one-half hour. In the Licensing Division, several modifications to the way



applicants are serviced have resulted in the reduction of the waiting time from a high of over 90 minutes per applicant in April/May 2003 to less than 50 minutes in October/November and to less than 30 minutes per applicant in December. These changes include better customer service training for point-of-service providers and more detailed information being distributed to applicants at the outset of the licensing process.

New Amenities for Drivers at TLC Hacksite

While the TLC upgrades its Woodside inspection facility with state-of-the-art diagnostic equipment, it has also taken the opportunity to improve the experience of its licensees when they visit the facility. Specifically, new restroom facilities, to replace the previous portable/rental models, have been added to Woodside for use by visiting TLC licensees, one of which is fully accessible for persons with disabilities. Additionally, the TLC hacksite, where new vehicles are taken to be



“hacked up” into functioning New York City medallion taxicabs, has been renovated as well. The hacksite’s service windows are now located within a newly constructed enclosure with central heating and air conditioning. Finally, as a result of driver requests, a water fountain has also been installed for their use when visiting the facility.



The “EZLicense 2” program creates expedited pathways between TLC license classifications, allowing currently-licensed drivers to change or add to their classifications without having to file a new application, or be re-fingerprinted if current prints are already on file. These new classifications will eventually be provided within a fraction of the time needed to process new applications, and will ultimately reduce TLC paperwork and processing time. Applicants for a new license classification with

fingerprinting already on file will also save the \$75 fingerprinting fee as a result of this new program.

TLC Licensing Reforms

EZLicense Pilot Programs and Modifications

In April 2003 the TLC announced its “EZLicense 1” and “EZLicense 2” programs, which allow new license applicants and existing licensees wishing to add a license classification to save both time and money without sacrificing any of the TLC’s high standards.

Through “EZLicense 1,” new applicants may take a concentrated three-day, 24-hour taxi driver education course for a cost of \$105, rather than the previously mandated 80-hour course, which cost \$325. This new 24-hour course, emphasizing TLC rules and driver-passenger relations, can save participating applicants as much as \$195. The \$105 fee includes all study materials, which the students receive prior to taking the course. For those applicants seeking additional instruction prior to taking the required examination, the three (3) TLC-authorized taxi driver training facilities continue to offer the traditional 80-hour course. Through December 31, 2003, more than 2,200 EZLicense applicants have passed the TLC’s English Proficiency Test (EPT) and final examination. The TLC will continue to monitor this pilot program closely.



The “EZLicense 2” program creates expedited pathways between TLC license classifications, allowing currently-licensed drivers to add classifications to their license without having to file a new application, or be re-fingerprinted if current prints are already on file. For instance, a licensed medallion taxicab operator is now no longer required to file anew to become a commuter van operator; similarly, now an FHV driver can also be licensed for paratransit or medallion taxicab operation more quickly. EZLicense2 also affords applicants the ability to save the \$75 fingerprinting fee required by the New York State Division of Criminal Justice Services (DCJS).

Livescan



The LiveScan system is an electronic method by which the TLC images and transmits applicants’ fingerprints for analysis by DCJS. By having these fingerprints electronically scanned by a technician, the new system replaces the method of taking applicants’ fingerprints via ink and paper and then sending the prints to DCJS by mail. Using LiveScan, fingerprints are electronically transmitted in just minutes to DCJS, which then uses its computerized database to analyze the prints. In the past, the average return time for a criminal history from DCJS to the TLC was seven (7) days. Since the inception of the LiveScan system on January 22, 2003, the average return time has been less than forty-eight (48) hours.

Expedited Licensing Program



Conceived and implemented immediately after September 11, 2001, this program was designed to assist individuals to obtain a taxicab or FHV license quickly. Individuals who can demonstrate that they have been offered employment by a taxicab owner, base owner or agent may qualify for this program. During 2003, information presented to applicants has been streamlined to be more user-friendly. Additionally, a new customer service window has been established and staff trained to ensure that more expedited license applicants move through the process quickly. Under the Expedited Licensing Program, applicants who meet all of the qualifications

for licensure can obtain their licenses in an average of 14 days for taxi drivers and 8 days for FHV drivers.

New Taxicab Operator's Exam and Study Materials

The TLC, in the interest of improving the process by which it tests prospective licensees, submitted its item bank of medallion taxicab operator examination questions and school-authored take-home training materials to a testing consultant of the Department of Citywide Administrative Services (DCAS) for review. In so doing, the TLC aims to further improve the examination and preparatory tools. DCAS' consultant has since reviewed and suggested some editing of the bank of test questions, and is currently reviewing the revised training materials submitted by the taxi driver training facilities.



The TLC is proceeding with the consultant's recommendations and has redesigned the test into a complete multiple-choice format, eliminating short-answer questions that required fill-in responses. Further, to assist applicants in their study, the TLC has posted, free of charge, sample examination questions and answers on its website. To enhance study at home and at school, the training materials will be redesigned to be more uniform, user friendly and oriented to specific learning goals.

DRIVER PROGRAMS

Disciplinary Programs

The point-based “Persistent Violator” and “Critical Driver” programs, which impose progressive discipline upon licensees who repeatedly commit either TLC or DMV violations, have created a greater degree of professional responsibility. One hundred-thirty four (134) drivers had their licenses revoked during 2001 pursuant to the Critical Driver program (which disciplines drivers who repeatedly commit DMV traffic violations). In total, fewer than 0.2% of all licensees have had their licenses revoked by the TLC pursuant to these programs.

TLC Health Insurance Program

The TLC has continued to contribute time and resources to the City's HealthStat initiative, which is a program designed to increase access to public health insurance for uninsured New Yorkers. In compliance with Local Law 1, the TLC initially partnered with the Office of Housing Preservation and Development (HPD) in 2002 to promote the HealthStat initiative within the taxi and FHV industries. Through the program, the TLC has been facilitating access to healthcare providers who are present at our Long Island City and Woodside facilities. The cost to the applicant is relatively low, or at no charge, and is based upon the applicant's income. An ancillary benefit to the main goal of providing healthcare to those in need is the retention of experienced drivers through establishing taxi or FHV driving



as an attractive, long-term career option. Due to its innovative outreach and commitment, the TLC was awarded the “Opening Doors” Award by the Mayor's Office of Health Insurance Access (MOHIA) in December 2002. This award was in recognition of the creation of unique partnerships with other City Agencies to promote the expansion of health benefits to our regulated industries.

Fiscal 2003 was exceedingly productive, as the TLC continued its innovative outreach in previously untapped areas such as its own facilities, taxi schools, public meetings, and five-borough tours of livery bases and taxicab fleets. In March, the TLC participated in New York

City's "Cover the Uninsured Week" (March 10th through March 16th) by holding a health fair/screening event with participating enrollers at the Long Island City Licensing facility. Enrollers provided a van outside the facility from 9:00 a.m. to 5:00 p.m., which offered screenings for blood pressure, glucose and asthma for our drivers, applicants and their families. The event was a success, as the healthcare providers accepted applications and enrolled eligible adults and children. The next day, in conjunction with the New York City Health and Hospitals Corporation, the TLC partnered to staff events at hospitals and health clinics in Manhattan, Bronx and Staten Island. At all events, discount tickets were distributed to applicants for health care insurance. Finally, healthcare providers were stationed at the HANAC and MasterCabbie taxi driver training schools to promote this week-long event.

The TLC was again honored by MOHIA in December 2003 with a certificate of recognition for its efforts. In Fiscal 2003, the TLC facilitated 3,361 enrollments, an increase of 91% over the 1,756 enrollments in Fiscal 2002. Overall, more than 5,800 people have been enrolled as a result of the TLC's continuing commitment to this important initiative.

Safe Driver Program



One of the most pressing issues facing FHV owners is the high cost of liability insurance. Although the TLC does not regulate insurance carriers and the rates charged to its licensees, the TLC has responded to the concerns of its licensees and has undertaken initiatives to help reduce

the costs of insurance. One such initiative is the "TLC Safe Driver Certification Program," the first of its kind by a government agency and a prime example of public/private partnering. The purpose of this program is to identify TLC licensed drivers who have met specific experience, training and safe driving criteria, and classify such drivers as "TLC Safe Drivers," thereby enabling them to qualify for significant insurance discounts on liability insurance premiums with participating carriers. The program also requires that, once an applicant passes the initial review process, they attend a special driver safety course designed specifically for the program.

Since the announcement of this program on January 24, 2003, the TLC has received 1,333 applications from licensees. To date, the TLC has certified 692 licensed drivers, or fifty-two percent (52%) of program applicants as TLC "Safe Drivers".

ENFORCEMENT



The TLC's Uniformed Services Bureau (USB) is primarily responsible for enforcing Administrative Code provisions prohibiting for-hire activity without a TLC license, as well as rules and regulations pertaining to the for-hire industry. USB inspectors also conduct Safety and Emission inspections for medallion taxicabs, and participate in special enforcement operations affecting all TLC regulated industries. During Fiscal 2003, TLC enforcement inspectors were able to sustain a level of 48,739 vehicle stops (consisting of 38,577 for-hire vehicles and 10,162

medallion taxicabs), resulting in the issuance of 45,177 summonses. These figures represent an eight percent (8%) increase in the number of vehicle stops and an eleven percent (11%) increase in summonses issued as compared to Fiscal 2002. In Fiscal 2003, the USB also seized 2,867 vehicles that were operating without a license.

TLC/Port Authority Joint Undercover Operations

In April, at the TLC's request, Executive Staff met with executives of the Port Authority of New York and New Jersey (PANYNJ) to address the ever-present problem of illegal hustling at JFK and LaGuardia Airports, and to build upon the TLC's working relationship with the Port Authority. At the meeting, PANYNJ agreed to conduct joint undercover operations with the TLC on a regular basis, and to have follow-up meetings with senior management to measure their success. The goal of these operations was that for vehicles engaged in illegal activity, previously seized only by the TLC, would now also be seized by the Port Authority, and summonses would be returnable to the TLC Tribunal at JFK Airport rather than to Criminal Court. In addition to the revenue from these summonses now being payable to the City of New York, the higher fines levied as a result of this change were expected to serve as a more effective deterrent to operating illegally.



TLC Executive Staff met with executives of the Port Authority Police Department (PAPD) in May to plan our joint efforts, focusing specifically upon the process of seizing unlicensed for-hire vehicles and their subsequent redemption by the vehicle owner, various technological matters, and details about planned joint enforcement operations.

Officers from TLC's Enforcement Division and PAPD conducted the first of their undercover initiatives at John F. Kennedy International Airport on June 16, during which they issued summonses, seized vehicles and arrested illegal vehicle operators. Building on this initial success, additional enforcement operations were planned and met with positive results. From July 1 through July 27, TLC officers visited John F. Kennedy International Airport nine (9) times, issuing 327 summonses and seizing 37 vehicles. During the same period, TLC officers visited LaGuardia Airport seven (7) times, issuing 218 summonses and seizing 21 vehicles. In furthering this important initiative, TLC enforcement inspectors continue to be dispatched to both airports in full uniform and marked patrol vehicles.

Cell Phones

The Taxi and Limousine Commission was at the forefront of addressing another public safety issue when it first banned the use of cellular telephones by licensed drivers on June 27, 1999. This comprehensive regulation preceded the recent actions by New York and other states to ban the use of hand-held devices. The TLC's ban is more comprehensive inasmuch as it prohibits the use of either hand-held or hands-free devices due to both public safety and customer service concerns. The TLC's goal is to ensure that its licensed drivers are attentive to driving the vehicle, the needs of the customer and fulfilling the passenger's right to a noise-free trip. As of January 9, 2004, 1,633 summonses have been issued for illegal cell phone usage.

Insurance Fraud Initiatives

As a proactive measure, the TLC expanded its Special Investigations Unit in 2003 to investigate insurance fraud. Insurance fraud has become a major issue for the State of New York and elsewhere, and the unit's investigators have become proficient in the methodology of insurance-related fraud, as it may relate to the TLC's regulated industries. This unit has cooperated with other city agencies, and focused on such issues as Workers' Compensation fraud, forged insurance cards or other documents, falsified Defensive Driving Course certifications, or incidents where a "staged" accident is suspected. Of particular concern are incidents in which it is suspected that a licensee obtained vehicle insurance at the TLC's required level and, after proving this to the TLC, cancelled that insurance and obtained coverage at a lower level for the remainder of the year, in violation of TLC rules.

During 2003, the unit investigated fifty-eight (58) incidents of alleged insurance fraud. This initiative has resulted in the disclosure and prosecution of FHV base owners who had improperly registered their vehicles in upstate New York as an airport shuttle to obtain insurance fraudulently. The base license was revoked and the TLC has cooperated with officials to obtain criminal charges against the principals. Several other bases will be closed when federal authorities complete their related investigations and arrest the respective principals. This year has also seen a decline in the number of false worker's compensation claims filed by persons who continue to work as taxicab or livery drivers, largely as the result of the TLC's initiatives in this area. During the past two (2) years, the TLC has investigated more than twenty (20) allegations that drivers continued to work for various bases while collecting Workers' Compensation benefits. In each instance where the allegation has been sustained, the driver's license was revoked. The TLC continues to work closely with the major taxicab and livery insurance carriers, law enforcement officers, and other authorities to eradicate the problem of fraud in the procurement of livery insurance. Finally, the TLC reviewed insurance document filings of its licensees to ensure the required limits of liability are being maintained.

Operation Refusal

During Fiscal 2003, NYPD retained primary responsibility for the enforcement of TLC rules applicable to medallion taxicabs and their drivers. However, TLC inspectors continued to conduct several special operations focused on the medallion taxicab industry. In response to consistent complaints regarding taxicab drivers' refusal to transport passengers to their chosen destinations, the TLC continued and expanded its "Operation Refusal," in which undercover inspectors posing as prospective passengers hail taxicabs. The "passengers" may be individuals with babies in carriages, visually impaired



persons with service dogs, or wheelchair users, and are of varied race, ethnicity and gender. On-duty taxicab drivers who refuse to stop for a passenger's hail, or refuse to accept a passenger once stopped, are issued summonses with penalties that may include substantial fines and/or license suspension or revocation. Operation Refusal netted 3,204 tests during Fiscal 2003, with a ninety-three percent (93%) compliance rate by drivers. Most recently, an Appellate Division Court held in *Arif v. New York City Taxi and Limousine Commission* that the TLC may revoke a taxi driver's license as punishment for improperly refusing service to prospective passengers, because such refusals are intolerable as well as serious violations of the public's trust. In reaffirming the importance of protecting the right of New Yorkers and City visitors to secure appropriate service when hailing a taxicab, this decision is a clear victory for the riding public and the vast majority of drivers who respect their clients and provide outstanding service.

Operation Street Hail

"Operation Street Hail" is an undercover initiative designed to enforce against both licensed and unlicensed drivers and vehicle owners who accept passengers by means other than pre-arrangement. In Fiscal 2003, TLC inspectors issued 3,553 summonses for illegal street hails, an increase of thirty-seven percent (37%) from the 2,587 summonses issued in Fiscal 2002.

Base Enforcement

One important way to assist and support law-abiding TLC licensees is to prevent the proliferation of unlicensed vehicles and operators. The TLC's successful padlock program, which identifies bases dispatching vehicles for hire without the required license, is a powerful tool for ensuring public safety and providing legitimate businesses the opportunity to flourish. As one example, in August the TLC identified and closed a Flushing, Queens base, Happy Call Taxi, which advertised in a largely Korean community but was neither licensed by the TLC, nor did it dispatch properly licensed and insured vehicle or drivers. In addition to continuing to close unlicensed bases, in 2003, the TLC also focused on licensed base stations engaging in a pattern and practice of illicit activity, endangering public safety. In Staten Island, the TLC closed one base, Sam's Car Service, for operating in a location not zoned for this type of business. Another base, Staten Island Car Service, was closed for dispatching an unlicensed driver who was involved in a serious vehicular accident. As a result of TLC's enforcement efforts, 12 unlicensed bases, including those operating from storefronts, offices, residences and other locations, were closed in each of Fiscal 2003 and 2002.

LEGISLATION

Driver Advisory Board

Passed by the City Council in September 2003, a bill creating a 14-member driver advisory board was signed into law by Mayor Bloomberg in October. This board will be comprised of representatives from all TLC regulated industries, and serve in an advisory capacity to the TLC. Specifically, the board will be comprised of two (2) taxicab lease drivers and two (2) independent taxicab owner-operators, two (2) for-hire vehicle fleet drivers and two (2) independent for-hire



vehicle operators, two (2) black car drivers, two (2) commuter van drivers and two (2) paratransit drivers. All appointments to this board shall be for a two-year term, with half the members within each category appointed by the Speaker of the City Council and the other half by the Mayor.

Medallion Sale

In June, the City Council passed Intro. No. 496-A (later to become Local Law No. 51), which authorized the issuance of additional taxicab medallions. As part of this bill, at least nine percent (9%) of the new medallions are to be designated for wheelchair-accessible taxicabs and an additional nine percent (9%) are to be designated for use with alternative fuel vehicles, subject to certain stipulations. The TLC welcomes these initiatives, as such service will supplement TLC initiatives to provide accessible for-hire services pursuant to its rules. Likewise, the set-aside for alternative fuel vehicles supplements the TLC's commitment to a cleaner environment – other efforts the TLC has made to protect the environment include mandatory vehicle retirement and tri-annual vehicle inspections.



Trouble Lights

In April 2003, the Mayor signed into law Local Law No. 28 of 2003. This bill amended the Administrative Code to increase the penalty, from \$100 to \$200 per offense, for operating a taxicab or FHV with a defective trouble light (a trouble light mounted on the vehicle alerts law enforcement officials of the possibility of a crime or other emergency involving the vehicle). The bill also provided that a summons issued for a defective trouble light may be dismissed if the vehicle is immediately removed from service and the defective condition is corrected within 24 hours.

Voter Registration

In April, the TLC offered testimony before the City Council Governmental Operations Committee regarding Local Law No. 29 of 2003. The TLC complies with Local Law No. 29 by attaching a voter registration form to each new and renewal licensing application that is distributed to the public, mailed to a licensee or applicant, and included with change of address forms. Approximately 150,000 forms are distributed each year. In addition, the home page of the TLC website contains a direct link to the Voters' Assistance Commission, where forms are available.

RULEMAKING

During 2003, several rules were proposed and approved by the TLC Commissioners after public hearings. The following is a summary of rulemaking initiatives enacted during 2003.

Two-Year Medallion Licensing

In March, the TLC Commissioners unanimously adopted rule amendments to phase in, over a four-year (4) period, two-year licenses for the owners of all taxicabs. All medallion licenses will now expire on May 31st of each year. These new rules became legally effective in the beginning of May, and are being successfully implemented.

Fare Increase Petitions

The TLC has received two (2) rulemaking petitions relating to the rate of fare charged by New York City medallion taxicabs. Fares were last raised in the spring of 1996. One petition, filed by the Metropolitan taxicab Board of Trade (MTBOT), an organization representing taxicab fleet owners, called for a 23% increase in fares. A second petition, filed by the Taxi Workers' Alliance (TWA), an organization of drivers, called for a 44% fare increase. These petitions also addressed the maximum rates that a medallion owner may charge a driver to lease a taxicab, which have been regulated by the TLC since 1996. The MTBOT petition calls for an increase in maximum lease rates, while the TWA has requested that lease rates be reduced. Both petitions were accepted as to form by the TLC General Counsel on December 19, 2003, and are currently under review.

TECHNOLOGY PILOT PROGRAMS

Accident Data Recorders

The TLC has authorized a pilot program that will test a data recording system that will record certain critical information in the event of an accident (reminiscent of the black boxes used in the aircraft industry). This pilot program, along with other TLC reforms already in place, could positively highlight the reasons why the TLC's regulated industries deserve lower insurance premiums, and may inspire additional carriers to join those underwriters in the New York City for-hire insurance market.

In-Taxi Video System

As initially planned, on August 31, 2003, the seven (7) existing pilot program agreements with various companies testing in-taxi video systems expired. Based upon passenger surveys, the public did not find the units useful or helpful, and many were perturbed by their messages and images. Accordingly, the TLC did not extend these authorizations and will not be issuing new authorizations to test such equipment in New York City taxicabs. All taxicab owners were instructed to either permanently shut off or remove the units from their vehicles. At the end of the pilot program period, two (2) of the participating companies sought to obtain a temporary restraining order against the TLC, which would have prohibited the agency from allowing the pilot program to expire. After a hearing, the application was denied by the State Supreme Court, and the program was discontinued.

Safety Warning Light Systems

The Commission continues to test minivans, which have proven popular with passengers, and enacted a rule amendment authorizing the TLC Chair to approve specific minivan models. As of December 31, 2003, 651 minivans have been approved for and placed into service. Since 2002, all models of the Honda Odyssey and Toyota Sienna have been equipped with an electronic safety light to



warn oncoming bicyclists or motorists of disembarking passengers. The flashing signal lights are activated when either of the two rear sliding doors is opened, and flash until the door(s) is (are) closed. By the end of 2003, 223 minivans had been equipped with this device. The TLC has also authorized similar warning light devices for use on taxicab sedans.

VISITS BY NATIONAL AND INTERNATIONAL REGULATORS

As the largest and most active regulator of taxicabs and for-hire vehicles in the United States, the TLC enjoys a reputation as a pioneer both nationally and internationally and has become a significant source of both advice and example for fellow regulators. In past years, delegations from Japan, several provinces of China, Toronto, England, Australia and Costa Rica have visited the TLC and its facilities. In 2003, the TLC welcomed and shared ideas with the Deputy Mayor of Seville, Spain and a delegation from Bermuda. Rounding off the year, Commissioner Daus welcomed the Hon. Seamus Brennan, Ireland's Minister for Transport, in December.



TLC staff meets with members of the Costa Rican Taxi Commission

The TLC also maintains close working relationships with a network of regulators across the United States. In 2003, the TLC assisted the City of Philadelphia, which, pursuant to recent law, will be assuming the taxi and limousine regulatory responsibilities formerly under the jurisdiction of the State Public Utilities Commission. TLC Executive Staff offered counsel and expertise with regard to building a viable regulatory and operating structure.



TLC staff with members of the Philadelphia Taxi Commission.

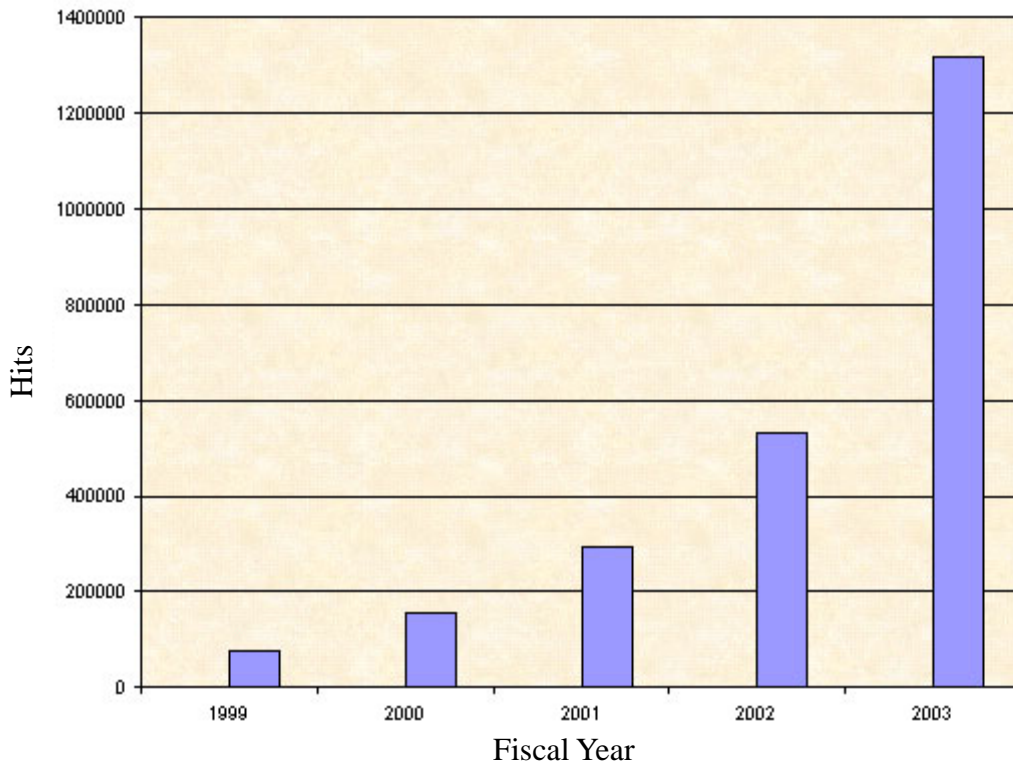
In 2003, the TLC also formed an interstate/inter-jurisdictional board to address, among other key matters, issues of reciprocity and implementation of U.S. House Resolution 2546. This important body is comprised of a wide array of transportation associations, industry leaders and regulators from across the New York, New Jersey and Connecticut region, and it is expected that all will benefit by fostering inter-industry, inter-agency and inter-state alliances. This newly constituted board, the Regional For-hire Transportation Committee, convened for the first time on June 30, 2003.

TLC WEBSITE UPGRADE



The TLC website has continued to be invaluable to both the industry and the public. The number of website "hits" has increased from approximately 76,000 during Fiscal 1999 to approximately 1.3 million in Fiscal 2003. Even in comparison to the past fiscal year, the number of hits has nearly tripled.

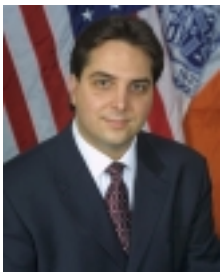
Website "Hits"



In 2003, the TLC worked to make additional improvements to its website. With DoITT staff, the TLC completed the first phase of reorganization of its website, which went "live" in late October. Built to comply with DoITT's style guide, the new site is in a portal format with separate sections devoted to industry and passenger information, to allow for easier accessibility to information for our primary site visitors. Other sections include "TLC News", "Employment Opportunities" and "FAQs", as well as a biographical sketch of all TLC Commissioners and information pertaining to wheelchair-accessible transportation. The result of this reorganization is a website with a sleek, professional appearance and easy navigability that also retains all of its previous enhancements. The TLC will continue to add content and explore ways in which more agency services can be transacted online.

ABOUT THE COMMISSIONERS

The New York City Taxi and Limousine Commission consists of nine (9) members appointed by the Mayor with the advice and consent of the City Council. Five (5) of the Commission's members, one resident from each of the boroughs of New York City, are recommended for appointment by a majority vote of the Councilmembers of their respective boroughs. The jurisdiction, powers and duties of the Commission include the regulation and supervision of the business and industry of transportation of persons by licensed vehicles for hire in the City.



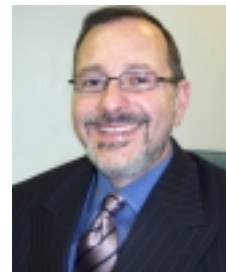
**COMMISSIONER/CHAIR
MATTHEW W. DAUS**

Recently re-appointed by Mayor Bloomberg for a seven year term, Commissioner Daus has been the agency's Chair since August 22, 2001. Prior to being appointed Chairperson, he served as General Counsel since 1998 and Special Counsel from 1996-1998.



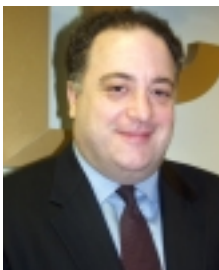
ELIAS AROUT

Appointed by the Council, Commissioner Arout has represented the borough of Staten Island on the Commission since 1988 and was recently re-appointed to a seven year term that will expire in 2008. Commissioner Arout was instrumental in the opening of the TLC's Staten Island Satellite Office.



NOACH DEAR

Appointed by the Council, Commissioner Dear represents the borough of Brooklyn on the Commission. He was appointed in 2001 for a seven year term. Commissioner Dear served in the New York City Council for 19 years (1983-2002) including a stint as Transportation Committee Chairperson.



HARRY GIANNOULIS

Appointed by the Council, Commissioner Giannoulis has represented the borough of Queens since 1998. Most recently he is a founding partner of the Parkside Group, a governmental relations and public affairs consulting firm.



STANLEY E. MICHELS

Appointed by the Council, Commissioner Michels represents the borough of Manhattan. He was recently appointed to the Commission for a seven year term expiring in 2008. For 23 years he served as a member of the New York City Council, during which he was Chairman of the Council's Environmental Protection Committee.



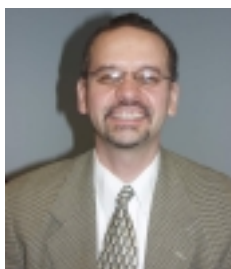
HARRY RUBINSTEIN

Appointed by the Mayor to a seven year term in 1998, Commissioner Rubinstein is currently self-employed. He held many unique jobs before finding his present niche, and these include his having driven a taxicab in the years during and just after college.



ELLIOT G. SANDER

Appointed by the Mayor to a seven year term in 1998, Commissioner Sander served as the Department of Transportation Commissioner from 1994-1996. He most recently serves as the Director of the Rudin Center for Transportation Policy and Management at the Robert F. Wagner Graduate School of Public Service at New York University. Sander is also a Senior Vice President at DMJM+HARRIS.



ALBERTO TORRES

Appointed to the Commission by the New York City Council in 1996, Commissioner Torres actively represents his home borough of the Bronx. He currently works as an attorney in private practice with the law firm of Oquendo, Ramirez, Zayas, Torres, and Martinez LLP.



IRIS WEINSHALL

The Commissioner of the New York City Department of Transportation (DOT), Commissioner Weinsall was appointed by the Mayor in 2003 for a seven year term. Prior to her appointment as DOT Commissioner, she served as First Deputy Commissioner of the Department of Citywide Administrative Services from 1988-1996.



NEW YORK CITY TAXI AND LIMOUSINE COMMISSION



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24-55 Brooklyn Queens Expressway West
Woodside, New York 11377
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1893 Richmond Terrace
Staten Island, New York 10314
(718) 815-3736 (*For appointments only*)

COMMISSIONERS

Matthew W. Daus, *Chair*

Elias Arout
Noach Dear
Harry Giannoulis
Stanley E. Michels
Harry Rubinstein
Elliot G. Sander
Alberto Torres
Iris Weinshall

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