

**Testimony of David Yassky
NYC Taxi & Limousine Commissioner/Chair
EXECUTIVE BUDGET for FISCAL YEAR 2011**

**City Council Finance & Transportation Committee
May 21, 2010**

Good morning, Chairman Vacca and the members of the City Council Transportation Committee. My name is David Yassky, and I am Commissioner and Chairman of the New York City Taxi and Limousine Commission. Thank you for the opportunity to appear before you today to present testimony regarding TLC's Fiscal Year 2011 Executive Budget. Joining me today is Louis Tazzi, the TLC's Deputy Commissioner for Finance and Administration.

The TLC's Executive Budget for Fiscal Year 2011 is \$31,259,457. Of that amount \$24,323,803 is for Personal Service and \$6,935,654 is for Other Than Personal Service. While we did have to respond to a significant PEG, we were able to capture administrative savings that will allow us to avoid cuts in our enforcement division and continue to provide quality customer service to the industries that we regulate and to the riding public.

In an effort to enhance the experience of the riding public, the agency recently designed and executed new programs, such as an RFP for a livery stand at the St. George Terminal in Staten Island, which will allow on-site for-hire dispatch service during peak hours and 24-hour phone service for non-peak hours at one of the busiest transportation hubs in the city. The livery stand pilot program looks to increase transportation options in areas outside of the business districts and in areas that are not as well served by other forms of transportation and the taxicab group ride stand pilot that will provide passengers and drivers economic incentives for sharing a ride. We are also eagerly awaiting responses to our "Taxi of Tomorrow" RFP, which we hope will bring the first all-purpose taxicab to city streets – one that is safe, fuel-efficient, accessible, durable, affordable, and comfortable for drivers and passengers. Responses are due May 27th.

Working very closely with community boards, council members, industry representatives and members of the riding public, TLC recognized a need for increased accountability in the FHV industry. In 2009, the Commission passed a set of comprehensive rule changes that included: requirements for community car service/ livery vehicles to display exterior markings with the base business name, license number and phone number on both sides of the vehicle, and/or the back of the car. We also required display of a FHV drivers TLC license and vehicle license inside the car for passengers along with the new passenger bill of rights as recently mandated by the council. Additionally all livery vehicles are required to have 3 new color coded TLC permit stickers, to show that the vehicle is licensed by TLC and has been inspected at our DMV facility. Other rules to further enhance safety and accountability include requiring bases and vehicle owners to be aware of the DMV and TLC license status of drivers and vehicles they dispatch. We created new penalties, which will impact the vehicle owner and base owner, for unlicensed operation, thereby discouraging illegal activity.

These rules required changes to our operations from the licensing perspective as well enforcement and inspections. The TLC's licensing division had to look at ways to enhance the for-hire vehicle licensing and inspection process, which was a vital component of the livery reform rule package requiring that all for-hire vehicles be inspected at the TLC's DMV State-certified Safety and Emissions Facility in Woodside, Queens every two years or upon change of base or vehicle. To meet the increased demand for inspection appointments the TLC not only increased the weekly inspection schedule but also added Saturday hours from 7AM to 3PM for five consecutive weeks. Since September 2009, 20,306 for-hire vehicles have been inspected, and the additional Saturday appointments allowed our certified safety and emission inspectors to inspect an additional 702 FHVs. These inspections are in addition to the 49,839 medallion taxicabs that have been inspected, so far, during Fiscal Year 2010. The TLC also received funding for seven (7) new inspectors in order to increase inspection capacity, reduce overtime and contribute to the overall operations at the inspection site.

With these changes, we are hoping to maintain an inspection scheduling lead-time of two weeks for renewals and one week for new applications.

Since the early 1990s the TLC has charged \$50.00 to conduct a DMV inspection for yellow cabs, which is a required fee that is mandated by section 19-504 of the Administrative Code. If a vehicle fails the first inspection, a second inspection is required at no additional charge. If a vehicle fails the second inspection, they are charged for a third inspection, and all subsequent inspections are performed at no charge, and no additional fees are assessed. We have seen vehicles come in for more than 3 inspections and as many as 13 re-inspections. In fact, there is a high failure rate of our vehicles upon first inspection – more than 40% for FHV's, and almost 42% for medallion vehicles. We are proposing a bill to amend the current local law to impose a fee of up to \$50.00 for all inspections and re-inspections for yellow cabs. If legislation is passed, it would incentivize vehicle owners to maintain their vehicles at a higher standard of service, free up appointments for other vehicles, and reduce wait times for scheduling inspections. We are also planning to pass TLC rules to charge fees for multiple "transfers" for FHV related business transactions. Currently when a base or business owner comes in for say a new vehicle to a new base the fee is \$25 no matter how many transactions are actually processed.

Now to the issue of overcharging. As you know, a few months ago the TLC uncovered widespread overcharging of taxi passengers by drivers who used a higher, out-of-town rate for trips that were entirely within City limits. My first priority upon arriving at the TLC was to conduct a comprehensive review of the overcharges to understand the full scope of the problem, which we have completed. We have also initiated enforcement against the worst offenders, which means that we are moving forward with license revocation proceedings against drivers who we believe overcharged passengers 50 times or more.

Just as important as prosecuting past offenders is preventing future offenses. All three of our taxi technology vendors have installed passenger alert screens on their TPEP systems. The alert screen comes on, even if the passenger information monitor is turned off, and alerts the passenger whenever Rate 4 is activated. In addition, TLC staff will regularly scan the electronic trip data for improper use of the Rate 4 fare.

In regards to our continued enforcement initiatives to ensure compliance by our licensees, the TLC has been utilizing new and improved technology and enforcement methods to conduct data analysis to monitor violations such as operating with an expired vehicle or driver's license or dispatching of an unaffiliated vehicle. If a vehicle or base owner is found to be in violation, they are immediately sent an administrative summons with the appropriate fine attached. The TLC estimates that appropriately 35,000 summonses will be issued this year and 30,000 in Fiscal Year 2011. The additional summonses in Fiscal Year 2011 are due to the TLC's ability to review previous data that has been recently made available to us.

Lastly, I would like to report to the Transportation Committee that the TLC is required to end its accessible dispatch program on June 30th. The program, which began on July 14, 2008 and was provided funding from the City Council, was a two-year pilot program that allowed wheelchairs users to dispatch one of the 240 accessible medallion taxicabs currently on the road by utilizing the 311 hotline. We are working to prepare a full report on the program and a plan for improving accessibility of the fleet going forward.

This concludes my testimony of the TLC's Executive Budget for Fiscal Year 2011. I would like to thank you for the opportunity to testify today about the exciting programs and initiatives that will greatly benefits passengers and drivers throughout the TLC's regulated for-hire vehicle industries. At this time, I would be happy to answer any questions you may have.