

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Transcript of the Meeting of the

NYC TAXI AND LIMOUSINE COMMISSION

Held on Thursday, September 8, 2005

40 Rector Street - 5th Floor

Borough of Manhattan

TANKOOS REPORTING COMPANY, INC.	
305 Madison Avenue	142 Willis Avenue
Suite 405	P.O. BOX 347
New York, N.Y. 10017	Mineola, N.Y. 11501
(212)349-9692	(516)741-5235

1 Meeting convened at 9:41 a.m.

2 P R E S E N T

3 MATTHEW W. DAUS,
Chairman

4 HARRY GIANNOULIS
5 Commissioner

6 ELLIOT SANDER
Commissioner

7 NOACH DEAR
8 Commissioner

9 IRIS WEINSHALL
10 Commissioner

11 ELIAS AROUT
Commissioner

12 HARRY RUBINSTEIN
Commissioner

13 CHARLES FRASER
14 General Counsel

15

16

17

18

19

20

21

22

23

24

1 P R O C E E D I N G S

2 CHAIRMAN DAUS: All right, good morning,
3 everyone.

4 We have a revised agenda, which was revised
5 on September 6, 2005. We distributed it to the
6 Commissioners, it's out front.

7 The first item on the agenda is the
8 Chairman's report, which I'm ready to give. First of
9 all, I'd like to start the meeting with expressing all
10 of our concerns for what's going on in Louisiana and to
11 give our support and our prayers to the victims of
12 Hurricane Katrina and I'd like to ask that we have a
13 moment of silence in remembrance of the victims and give
14 our prayers and thoughts to them.

15 (Moment of silence.)

16 CHAIRMAN DAUS: Thank you. In the aftermath
17 of the hurricane, I'm sure many of you have been
18 watching the rising price of fuel, which I'm sure was
19 unexpected by everyone and very much unforeseeable. I
20 think it has not only had an impact on all America and
21 people of this city, but it's also had a tremendous

22 impact on the drivers in our industry. I think that
23 goes without saying.

24 I think it's a little disturbing what's
25 happened over the last week or two with the price of gas

4

1 going up in the tri-state area, and I think it's very,
2 very important for us to take a look at this issue.

3 We have received three rule-making petitions
4 for which there's a process for us to take a look at
5 potential proposals to put anything from a fuel
6 surcharge into place and other types of systems and
7 matters that are being raised in these proposals. The
8 first one was announced early last week by Fernando
9 Mateo, the Federation of Taxi Drivers, and since then
10 we've received a petition from LOMTO, the League of
11 Mutual Taxi Owners, as well as the Taxi Workers
12 Alliance. We just got them and are making copies for
13 the Commissioners.

14 As you know, there's a process and I've
15 asked staff to look into it, to analyze them and to give
16 us an analysis so that I can decide what we need to do
17 next.

18 As a Commission I think it's important to
19 recognize that the drivers are hurting a little bit now

20 and as much as we gave a pretty decent-sized fare
21 increase last year, I think it's undeniable that over
22 the last two weeks that the price went up. So we have
23 to watch it. I think that it's important to be prudent
24 and careful. There's a process in place and what we'll
25 basically do is analyze these petitions and make the

5

1 public aware of our next steps.

2 The driver recognition ceremony date has
3 been changed. We have a new date, it's going to be on
4 Halloween, October 31st, it's going to be at the Jacob
5 Javitz Center and we're going to be disclosing some more
6 details as we move forward. I know the industry is
7 anxious to participate. New York City & Company will be
8 co-sponsoring the event with us again this year and it
9 promises to be lots of fun. I wanted to make everybody
10 aware of that and we'll be sending out some more
11 information to you as we get closer.

12 Next item is Livescan. I want to let you
13 know we now have Livescan at the Staten Island facility.
14 I wanted to thank Commissioner Arout for not only his
15 persistence but patience. In particular, I want to
16 thank Lou Tazzi, Deputy Commissioner for Administration,

17 who was faced with a couple of MIS hurdles to overcome
18 to make it happen, so I want to commend you and I want
19 to thank you, Elias, for being persistent.

20 What that means, you can go to Staten Island
21 and get a license processed just like our Long Island
22 facility. You don't have to go get fingerprinted
23 manually. You have one-stop shopping available to you
24 in Staten Island. As many of you know, you need an
25 appointment to get in there, but things run a lot more

6

1 smoothly and we will get a quicker turnaround on the
2 fingerprint checks. That's what the Livescan is, a
3 digital fingerprinting system to speed up the process by
4 which our prospective license applicants get their
5 fingerprint checks turned around by Albany. So that's
6 good news.

7 A couple of other things. We have a new
8 Deputy Commissioner for Enforcement. She's not here
9 with us today, but her name is Pansy Mullins, she has a
10 wealth of management, legal and enforcement experience.
11 She has labor relations experience on both sides of the
12 aisle, significant experience, and she also not only
13 being a lawyer, has overseen some pretty significant
14 enforcement at different agencies. She worked for the

15 Department of Housing Preservation & Development, she
16 oversaw over five hundred sanitation police at the
17 Department of Sanitation, and her most recent position
18 was General Counsel of the Department of Consumer
19 Affairs. So she joins our staff. I'm sure you'll be
20 meeting her and seeing a lot more of her as we move
21 forward, and tackle some of the issues of enforcement
22 throughout the city.

23 Next I'd like to actually bring up Joe
24 Eckstein, our Deputy Commissioner for Adjudications. We
25 periodically hire Administrative Law Judges who go

7

1 through a rigorous training process, and one of the
2 things that we do to make them official is that we swear
3 them in. I'm pleased to announce that we have not only
4 many judges coming from various government agencies, but
5 also coming from all sorts of other positions in the
6 private sector. I know we have agencies such as the
7 Administration for Children's Services, people coming
8 from the court system, the Appellate Division, the Law
9 Department, Corporation Counsel's Department, DA's
10 office, the Legal Aid Society, as well as the Department
11 of Finance.

12 I was looking at some of their resumes and I
13 shared some of the details with some of the
14 Commissioners. We also have some professors, some
15 attorneys from private practice, some ALJ's who served
16 elsewhere before coming here, some arbitrators and some
17 law secretaries and law clerks. We congratulate all of
18 you. I'd like to ask Joe Eckstein to come up and
19 introduce you and we'll get the swearing in process
20 underway.

21 DEP. COMM. ECKSTEIN: Good morning,
22 Commissioners. My name is Joseph Eckstein. I'm head of
23 the Adjudications Division.

24 This morning we have seven new ALJ's who
25 have all gone through a long process to get here. For

8

1 those of us who have gone through the process of
2 becoming an attorney, we know that that's already quite
3 an accomplishment, and each of these ALJ's has been
4 admitted for at least three years, has gone through a
5 panel that included ALJ's, as well as managers, some
6 managers from other divisions, so the interview process
7 is quite rigorous, and then they have to go through a
8 training class. It's a five-day training that includes
9 some field work and some time in the courtroom.

10 So without many more words, I'd like to
11 invite you up, Commissioner, so that we can call them
12 up, give them each a certificate and then we're going to
13 have them sworn in by our Chief Judge, Elizabeth Bonina,
14 who I've also asked to join me.

15 I'm going to try to speak nice and loud so I
16 can face all of you.

17 Our first Judge is Mark Jaffe. I'm not
18 going to give any bio. Matt I think already gave a nice
19 detail about the fact that each of our judges has quite
20 a background in public service.

21 CHAIRMAN DAUS: Congratulations.

22 DEP. COMM. ECKSTEIN: Our next judge is
23 Daniel Kuzyk.

24 CHAIRMAN DAUS: How are you?
25 Congratulations.

9

1 DEP. COMM. ECKSTEIN: Susan Landis.

2 CHAIRMAN DAUS: Congratulations.

3 DEP. COMM. ECKSTEIN: David Lee.

4 CHAIRMAN DAUS: Congratulations. Welcome.

5 DEP. COMM. ECKSTEIN: Leana Schwartz.

6 CHAIRMAN DAUS: Congratulations.

7 DEP. COMM. ECKSTEIN: Linda Sideri.

8 CHAIRMAN DAUS: Congratulations.

9 DEP. COMM. ECKSTEIN: And Rhonda Tomlinson.

10 CHAIRMAN DAUS: Congratulations.

11 DEP. COMM. ECKSTEIN: And now I'd like to
12 introduce, this is our Chief Judge, Elizabeth Bonina,
13 who will administer the oath and before I hand it over,
14 I'd just like to say congratulations to all of you.

15 (Applause.)

16 CHIEF ALJ BONINA: Please raise your right
17 hand. I -- state your name -- do solemnly swear to
18 uphold the rules and regulations of the New York City
19 Taxi and Limousine Commission, the laws of the City of
20 New York, the Constitution of the State of New York and
21 the Constitution of the United States of America.

22 (Judges take oath.)

23 CHIEF ALJ BONINA: Congratulations.

24 DEP. COMM. ECKSTEIN: They're leaving.

25 They're going to work. Go.

10

1 CHAIRMAN DAUS: Thank you. Congratulations
2 and lots of luck to you.

3 That concludes my report. Any questions?

4 Okay, I'd like to proceed to item two, the

5 adoption of the minutes from the July 26, 2005
6 Commission meeting. The Commission minutes were
7 distributed to the Commissioners for review. Any
8 comments, changes?

9 COMM. AROUT: Make a motion to adopt.

10 CHAIRMAN DAUS: We have a motion from
11 Commissioner AROUT to adopt.

12 COMM. SANDER: Second.

13 CHAIRMAN DAUS: Aye?

14 (Chorus of "ayes.")

15 CHAIRMAN DAUS: Item three, presentations.

16 Before we go to the public hearing on the
17 hybrid electric specifications, we'd like to have a
18 presentation from the staff and this is in response to
19 some of the questions that were asked by I think
20 Commissioner Weinshall, Sander at the last meeting about
21 what incentives exist for hybrid electric. Staff,
22 including Andy and Peter, spent a lot of time on it, and
23 Peter Schenkman is going to make the presentation.

24 Peter Schenkman, I'd like to call you up to
25 the podium and this is a cost benefit overview of hybrid

1 electric vehicles and then we'll go to the public

2 hearing.

3 MR. SCHENKMAN: Good morning. What we've
4 basically done is we've worked with a lot of numbers in
5 trying to compare gas consumption for Crown Vics, the
6 current taxi of choice, to the variety of hybrid
7 vehicles that we hope to approve as taxis and we found
8 quite a bit of savings in fuel alone with the minimum
9 being the Lexus or the Highlander, which is over a
10 \$3,000 a year savings and that's based on approximately
11 44,000 miles a year.

12 As you can see -- well, maybe you can't see
13 on the chart, so I'll read it out to you. The current
14 Crown Victoria, the EPA miles per gallon is estimated at
15 18 miles per gallon and that's approximately \$7,258 a
16 year based on 342 tanks of gas.

17 The Ford Escape and the Mercury Mariner,
18 we're looking at 36 miles per gallon, again, EPA
19 estimates, and we're looking for a savings compared to
20 the Crown Vic of \$3,629.

21 The Toyota Highlander has a cost savings
22 compared to the Crown Vic of \$3,299. The Prius has a
23 savings in comparison of \$5,081. The Honda Accord,
24 \$2,753, the Honda Civic, \$4,478 and the Lexus \$3,043 and
25 that's all based on mileage of exactly 43,992 and if you

1 had the chart in front of you, you would see that the
2 number of tanks -- excuse me, the miles per tank is
3 quite differing from 342 miles per tank on the Crown Vic
4 to 714 on the Prius, and it should also be noted that
5 the hybrids tend to have much smaller gas tanks. The
6 Honda Civic and the Prius have just under 12 gallons per
7 tank.

8 On the next screen, we've done a little
9 research on incentives that are available, and it's
10 pretty complicated, but obviously there's no State or
11 Federal tax incentive for the Crown Vic, and it's
12 varying from the Ford Escape and the Mariner, which is a
13 potential of \$2,600 for a tax incentive. The Toyota
14 Highlander has 1,950 potential incentive; the Prius,
15 6,150; the Honda Accord 650, and the Civic \$1700 and the
16 Lexus \$2,200. And these are based on a I guess recently
17 passed federal transportation bill, that the full tax
18 credit is available until the manufacture has sold
19 60,000 units and then a one-year phase-out will begin,
20 so it doesn't necessarily favor the Prius or the Toyota
21 or the Honda, since they are the largest producers of
22 hybrids.

23 COMM. WEINSHALL: Peter, why is there only a
24 State tax break on the Prius? Did they only specify
25 that model in their bill?

1 MR. SCHENKMAN: Actually, I don't know.

2 COMM. WEINSHALL: Can you find out?

3 MR. SCHENKMAN: I can.

4 MR. FRASER: I think the answer has to do
5 with the footnote there, it has to do with the fuel
6 economy and vehicle weight rating and my guess would be
7 that the Prius is the only one that qualified.

8 MR. SCHENKMAN: Okay.

9 COMM. RUBINSTEIN: I'm sorry, could you
10 clarify the potential aspect of whether or not -- I was
11 a little fuzzy on the aspect of whether or not a car
12 qualifies or not for the Federal incentive.

13 MR. SCHENKMAN: Well, the Federal incentive
14 is under the Comprehensive Energy Bill and it is
15 condition-based and the full credit is available, as I
16 indicated, only until the manufacturer has sold 60,000
17 vehicles. So with the Prius it's expected that by the
18 first quarter the incentive is gone. First quarter of
19 production, which would probably end, make the
20 assumption of January.

21 COMM. RUBINSTEIN: So that means the Prius
22 would not qualify.

23 MR. SCHENKMAN: Correct, it gets phased out.
24 And as more Priuses are built -- this isn't just the
25 Prius, it just happens the Prius is the most popular.

1 It gets phased out.

2 COMM. RUBINSTEIN: Isn't that kind of a
3 reversal? I would think the Government would want more
4 cars --

5 MR. SCHENKMAN: Absolutely. But this is a
6 Federal bill.

7 COMM. RUBINSTEIN: So the less cars made the
8 more the incentive?

9 COMM. GIANNOULIS: And if you lose the
10 Federal incentive, you lose the State one as well?

11 MR. SCHENKMAN: No. The State incentive is
12 set to expire December 31, 2006 and the incentives are
13 only applicable to the Prius and the Honda Insight at
14 this point, which is a two-door vehicle and the
15 incentive allows for a tax credit of up to \$3,000,
16 depending on the fuel economy and the gross vehicle
17 weight, so they're not dependent on each other.

18 COMM. GIANNOULIS: Thank you.

19 CHAIRMAN DAUS: Okay?

20 MR. SCHENKMAN: If we go to the yearly
21 operational cost comparison, we did some numbers based
22 including insurance, loan payments and gas costs on the

23 vehicles, and it's expected that on a Crown Victoria the
24 yearly expense will be approximately \$25,296 with 7,258
25 of that being in gas; \$6,500 in loan payments, \$10,000

15

1 in insurance, approximately \$1,500 in maintenance and an
2 MSRP, manufacturer's suggested retail price of \$27,570.
3 And then we compared all of the vehicles to the Crown
4 Victoria, and as I mentioned before, there is
5 significant gas savings and with the incentives and
6 savings on the loan for the Ford Escape, the savings are
7 approximately \$3,667. The Highlander would be a \$2,151
8 savings in comparison to the Crown Vic. The Prius would
9 be an \$8,134 annual savings factoring in all costs to
10 operate a vehicle. The Honda Accord savings would be
11 2,129; the Civic, 6,659 and the Lexus would actually be
12 negative 2,089 so it would not have any savings at all
13 in comparison to the Crown Vic.

14 Those are the numbers that we've worked
15 with. We've gone to manufacturers' websites, spoken
16 with representatives from the manufacturers and we feel
17 that these numbers do show that there is significant
18 savings to be had with any of -- almost all of the
19 hybrid vehicles.

20 CHAIRMAN DAUS: Thank you, Peter, great job.

21 COMM. SANDER: A question, Peter. Two
22 things: One, any sense of how you think the industry
23 will react to these numbers in terms of projections? If
24 not exact numbers, a generalized sense and, number two,
25 presume by virtue of this presentation or any other

16

1 outreach, we will have this information distributed to
2 the industry so there will be no secret about the
3 potential benefits of this, and I guess tied to that is,
4 are we concerned that there may not be enough production
5 of these vehicles to meet demand?

6 MR. SCHENKMAN: Well, that's always a
7 concern. The one area that we didn't have concrete data
8 on was the maintenance, because a lot of these vehicles
9 haven't even been out for a year. Some of the data was
10 taken from the citywide fleet management system because
11 the City has owned the Priuses and the Civics for quite
12 a while.

13 It's based on also the fact that for the
14 Crown Victoria there are a lot of aftermarket parts
15 available where you could literally shop until you got
16 the right price, whereas the newer vehicles there was
17 not.

18 CHAIRMAN DAUS: Peter, I think Commissioner
19 Sander has a great point. You and your staff threw this
20 together and if the Commission acts on this, I think
21 it's great information for the public and the consumers
22 in our industry, the cab owners, so we'll put it on our
23 website today, and make it available through an industry
24 notice as well.

25 COMM. SANDER: As per our discussion, we had

17

1 a discussion about whether there's anything more we
2 should do to incentivize, this is a question I asked, I
3 think Commissioner Weinshall appropriately said let's
4 wait to see what the numbers are before changing
5 replacement schedules for hybrid vehicles. I think this
6 is very compelling, so I would hope that we get it out
7 there so we create -- so there appears to be a
8 Commission incentive, let's get it out there.

9 CHAIRMAN DAUS: Yes, it's exciting.
10 Hopefully the Federal government will put more
11 incentives in place as opposed to taking them away.

12 Okay, any other questions for Peter?

13 COMM. RUBINSTEIN: I just have a brief
14 question. As we all know, the Crown Vics are beefed up
15 Crown Vics, they're not a standard that a person would

16 purchase. Has there been any information that was
17 arrived at on any of these vehicles through their
18 manufacturers, where we could have, if you could call it
19 a taxi package or beefed up package?

20 MR. SCHENKMAN: It's commonly referred to as
21 the fleet package. In my conversations with some of the
22 manufacturers, I don't know if it's interest or feeling
23 the need to actually beef up the suspensions. It's just
24 not something that they're looking to do.

25 For example, with the Prius, they can't keep

18

1 them in the showroom, so they certainly don't need to
2 build a custom vehicle, and I think that these vehicles
3 will hold up better than expected. We're thinking about
4 it completely different, we're comparing apples and
5 oranges, but I think they will hold up. I hope to come
6 back in a year and update this comparison with real life
7 numbers that will reflect that.

8 CHAIRMAN DAUS: Just so you all know as
9 well, we sent Peter and Andrew Salkin, our First Deputy,
10 to Detroit, I believe, about three weeks ago, and
11 basically we've started the dialogue not only about
12 future designs of cabs, but in particular about some of

13 these issues, and I think if you read some of the
14 literature that's out there and some of the news
15 reports, it looks like all of the major automobile
16 manufacturers are now gearing up to put more and more
17 hybrids on the market.

18 In particular, I know Toyota in 2008 is
19 going to increase its market share and all the companies
20 are pretty much responding to I think all the issues
21 that are out there in terms of the rising price of fuel.

22 So I think there's a great opportunity,
23 Commissioner Rubinstein, for us to share our thoughts
24 right now with these manufacturers, to let them know we
25 would like to get some taxi package hybrid electrics on

19

1 the road, like to see them be a little bit bigger,
2 hopefully, and there are other characteristics that we
3 should look at.

4 We started that dialogue, Peter and Andy are
5 going to continue meeting with them, we're going to
6 continue to meet with them. That's pretty important
7 now. This is in the developmental stage now, money is
8 being put into research by the manufacturers now.

9 COMM. AROUT: Commissioner, are we going to
10 see vehicles like the Crown Victoria, or are we going to

11 see hybrids where you can't sit in the back seat? I
12 think it's very uncomfortable for passengers to sit back
13 there. We fought to get these large vehicles. Are we
14 going to see them in the future?

15 This is my personal opinion. I'll vote for
16 them, but I've got to know today if the Commission is
17 going to look forward to having larger vehicles like the
18 Crown. The people are paying good money to sit behind
19 the cab, they're entitled to have room in their
20 vehicles. I know we have to start the hybrid now and
21 they're all small.

22 So do you have any indication that we're
23 going to see larger vehicles?

24 MR. SCHENKMAN: Ford has indicated that the
25 current Crown Vic will stay in its current configuration

20

1 until model year 2008. They have no intention of
2 changing it. They have pretty much 90 percent of the
3 share for fleet vehicles, police vehicles and taxis.
4 Ford and General Motors indicated that they will be
5 expanding the hybrid. Next year Ford will be
6 introducing a Hybrid 500, which is considerably larger
7 than a Taurus. It's actually got almost as much room as

8 a Crown Victoria, that will be for model year 2007. For
9 model year 2007, General Motors is rolling out the
10 Tahoe, which is a large SUV as a hybrid, as well as the
11 Saturn View, which is a smaller SUV.

12 So the bigger cars are starting to come.
13 Toyota is going to bring out the Sienna hybrid minivan,
14 which we have almost 700 of them as taxis right now.

15 So the move is on to build bigger cars, it's
16 just a matter of how fast they can produce them.

17 COMM. AROUT: Thank you.

18 COMM. WEINSHALL: Mr. Chairman?

19 CHAIRMAN DAUS: Yes.

20 COMM. WEINSHALL: I always respect the view
21 of my colleague from Staten Island, but I have stated
22 before at this Commission meeting, I don't always think
23 bigger is better, and I think in light of a number of
24 things that have happened in the last couple of weeks,
25 both the increase in the gas prices throughout the

21

1 country, as well as the issue of global warming and what
2 effect that's having on the number of hurricanes that
3 are coming and the weather conditions and the fact that
4 the First Deputy has pointed out to me on numerous
5 occasions that the average ride of a cab, someone taking

6 a cab is, what, 2.8 miles, and maybe they stay in the
7 cab for ten or fifteen minutes, I could see where we
8 would need bigger cabs from people coming from the
9 airports.

10 Again, people coming from Kennedy should,
11 although I'm not advocating on behalf of one group,
12 should be taking the Train to the Plane. I think that
13 there is a market for smaller cabs in the City of New
14 York, and the Commission has to keep in mind that we're
15 not mandating that every cab be a hybrid cab.

16 What we're saying is for those drivers and
17 for those fleets that want to look at this as an
18 alternative, we're making that alternative possible, so
19 although I agree with you on most things --

20 CHAIRMAN DAUS: Mostly.

21 COMM. WEINSHALL: And I was not on this
22 Commission at the time when there was this obsession
23 with bigger being better, you know, I think that this is
24 the Commission responding to what's really going on in
25 the world today.

22

1 CHAIRMAN DAUS: I would concur with you,
2 Commissioner. I think that it's a bigger priority right

3 now that we help the drivers make ends meet and make
4 more money by getting better fuel economy and I think
5 it's important for the environment. So I think we all
6 agreed on that in terms of the priorities and we'll see
7 where it goes in terms of how we end up years from now,
8 if the technology will support the bigger cars.

9 But I think the priority, like Commissioner
10 Weinshall said, and I'm in 100 percent agreement and I
11 think we're all in agreement on that, I think we had
12 pretty good discussion on that last time at the last
13 meeting, now it's up to the public to let us know how
14 they feel.

15 Any other questions? Okay. Last question.

16 COMM. RUBINSTEIN: Something that's aside.
17 The minutes of the last Commission meeting, I believe my
18 name was omitted before the minutes were adopted. I
19 know I was there.

20 CHAIRMAN DAUS: Okay, that's a mistake.
21 Should we revote them?

22 We apologize for that, it was unintentional.
23 I'd like to make a motion to add to the minutes the
24 presence of Commissioner Harry Rubinstein.

25 Okay, all in favor?

1 (Chorus of "Ayes.")

2 CHAIRMAN DAUS: Okay, it's passed. Thank
3 you for pointing that out.

4 I'd like to go to item 4 on the agenda, the
5 public hearing for the proposed rules to approve hybrid
6 electric vehicle specs. I'd like to turn it over to
7 Chuck Fraser, our General Counsel.

8 MR. FRASER: These rules are intended to
9 supplement Local Law 72 of 2005, whereby the City
10 Council adopted a new section of the Administrative
11 Code, Section 19-533, which requires the Commission to
12 approve at least one model of hybrid electric vehicle
13 for use as a taxicab within 90 days of the effective
14 date of Local Law 72, which is mid-October, I believe
15 it's October 18th.

16 The rules follow our customary -- our
17 standard vehicle specifications in that paragraph C of
18 3-03.1 states exceptions to the existing rules that the
19 hybrid is entitled to under these proposed rules, and
20 paragraph D provides that there will be no extensions of
21 retirement dates for hybrid vehicles.

22 The reasoning for that, just so you know,
23 is that our concern was that if we provided for
24 extensions now and we found out that the hybrids had
25 maintenance problems, we might be really constrained

1 from removing the entitlement to an extension later,
2 whereas if we provide now there are not extensions and
3 if we find that maintenance is not a problem, we have
4 three years until the first vehicles would be retired to
5 decide that we want to permit extensions.

6 There's one change I need to note based on
7 one of the comments we received. In 3-03.1, paragraph
8 C, subparagraph ii, there's an error of terminology and
9 an there's error of number that needs to be corrected.
10 The phrase "EPA passenger compartment interior volume
11 index" should just read -- this is on page 3 of the
12 draft -- I don't know if you have the same thing I'm
13 looking at.

14 CHAIRMAN DAUS: Yes.

15 MR. FRASER: This is the proposed rules.

16 CHAIRMAN DAUS: The rules, not the
17 PowerPoint. It's page 3, Roman numeral 3, right?

18 MR. FRASER: Roman numeral ii.

19 The phrase "EPA passenger compartment"
20 should be deleted, that's an incorrect reference. And
21 the number 104.3 should be replaced with the number
22 101.5. That was an error that we discovered in
23 analyzing one of the written comments we received, I
24 believe it was from the NRBC, and discovered that we had
25 made an error in the terminology and in the number.

1 CHAIRMAN DAUS: Okay.

2 MR. FRASER: So the people who have signed
3 up to testify will be entitled to three minutes each and
4 testimony will be limited to the proposed rules, and I
5 guess we have the timer will be set for the three
6 minutes.

7 Mr. Chairman.

8 CHAIRMAN DAUS: Okay. Let's go to the
9 preregistered speakers first.

10 The first speaker is Bob Muldoon from the
11 Sierra Club.

12 I'd also like to note for the record that
13 the Commissioners have been provided copies of the
14 written comments that we received to date. That
15 includes comments from Dr. Richard Thaler of the
16 National Resources Defense Council as well as the Sierra
17 Club.

18 MR. MULDOON: Good morning. My name is Bob
19 Muldoon, I'm associated regional representative with
20 the national Sierra Club office in New York City. I'm
21 speaking on behalf of the New York City group.

22 Sierra Club is one of the oldest and largest
23 grass roots environmental organizations in the country,

24 with over 750,000 members nationwide and over 15,000
25 members in New York City.

26

1 We thank the TLC for quickly moving forward
2 with drafting rules for hybrid electric taxis. We
3 especially appreciate the time you took to test drive
4 the vehicles and the lively and constructive discussion
5 that followed. We also want to thank Councilmembers
6 David Yassky and John Lieu for their leadership in
7 passing legislation to allow hybrid electric vehicles to
8 be used as taxis, and we greatly appreciate the
9 leadership of Speaker Miller and Mayor Bloomberg in
10 supporting the law behind this program.

11 The hybrid era has arrived. Hybrid electric
12 vehicles are much cleaner, much cheaper to operate, will
13 lower our dependence on foreign oil. They can cut smog
14 pollutants by up to 80 percent, reduce greenhouse gas
15 emissions by about 40 percent, double gas mileage and
16 cut fuel costs in half. Hybrids are now being used in
17 taxis and other cities, namely, the Escape hybrid in San
18 Francisco and the Toyota Prius in Victoria, Canada.

19 The rules the TLC is now considering set
20 vehicle specifications that would allow any of the six
21 models of hybrid electric vehicles on the market to be

22 used as taxis. In our opinion, any of these vehicles
23 would be a tremendous improvement in emissions and fuel
24 efficiency over the Ford Crown Victoria. However, we
25 want to address the trend towards larger hybrid vehicles

27

1 that emphasis power and performance over fuel
2 efficiency.

3 Sierra Club recommends that the TLC modify
4 the draft rules to provide a means to prevent hybrid
5 electric vehicles with little or no improvement in fuel
6 efficiency from qualifying. Specifically, we recommend
7 that this language be added to paragraph C, allowing the
8 Chairperson to make a determination that it meets the
9 intent of Local Law 72. This would allow the
10 Chairperson to use his or her discretion to prevent a
11 worst case scenario where a vehicle with hybrid electric
12 technology shows little or no improvement in fuel
13 efficiency.

14 This is just with regard to some of the
15 trends we've seen and we're concerned about in future
16 vehicles, again, power and performance over fuel
17 efficiency.

18 Since my time is limited, I'll just touch

19 briefly on my other comments.

20 We urge a full program to monitor the
21 performance of the hybrids in comparison to the existing
22 fleet.

23 CHAIRMAN DAUS: I'm sorry, Mr. Muldoon, I
24 have a question. What would the criteria be for making
25 that determination? What would you suggest?

28

1 MR. MULDOON: It would be that it meets the
2 intent of Local Law 72 and Local Law 72 clearly states
3 that the intention is to increase fuel efficiency and
4 reduce air pollution. So we're allowing some discretion
5 on the part of the Chairperson.

6 Does that make sense?

7 CHAIRMAN DAUS: Yes, just discretion, not a
8 formula to be followed. Understood.

9 MR. MULDOON: Exactly, at this point. To
10 just summarize my comments, in terms of going forward,
11 we also recommend incentives.

12 CHAIRMAN DAUS: You can continue, because I
13 interrupted.

14 MR. MULDOON: I'll keep it very brief.

15 We also recommend the TLC pursue incentives
16 with a target of vehicles of 45 miles per gallon or

17 better, and the purpose of our recommendations is to
18 push towards a fleet -- we envision a fleet in the
19 coming several years of reaching 40 to 45 miles per
20 gallon fuel efficiency. And the Sierra Club position is
21 this is something that can be achieved using current
22 technology and we know that the American -- the fuel
23 efficiency standards for our vehicles in the U.S. could
24 be much higher. We just haven't pursued this kind of
25 direction and the TLC can pursue that in terms of the

29

1 incentives that we've listed in our testimony.

2 Just to summarize, these are exciting and
3 challenging times. We face the impending threat of
4 global warming caused by our own man-made greenhouse
5 gasses and yet we have the technical means to reduce and
6 eventually eliminate these emissions. The TLC has taken
7 a bold new step in that direction today with this broad
8 hybrid electric taxi program and we're happy to be here
9 to support your efforts.

10 Thank you.

11 CHAIRMAN DAUS: We have a question from
12 Commissioner Sander.

13 COMM. SANDER: Actually to the Chair. Is

14 there anything in terms of the recommendation by
15 Mr. Muldoon in terms of our intent with a paragraph that
16 he's specifically proposing that would be problematic
17 with what we're trying to achieve personally? The idea
18 of creating incentives for hybrid vehicles that are just
19 creating more power but are not creating efficiency I
20 think is antithetical to what we're trying to do.

21 CHAIRMAN DAUS: I would agree with that. I
22 think it's a good discussion. My only concern is how do
23 you defined the standard that leaves a lot of discretion
24 for anybody, the Commission or the Chair. This is a new
25 process, these are new vehicles, the market is

30

1 developing. We, I think, as a Commission will be
2 reconsidering and taking a look, like Peter said, in a
3 year at what's going on.

4 COMM. WEINSHALL: Mr. Chair, could I ask
5 Peter to come to the mike? In light of what the Sierra
6 Club is recommending, Peter, would some of these models
7 not qualify that we have listed?

8 MR. MULDOON: Could I make a brief comment?
9 Just to repeat what I said in my testimony. The models
10 you're looking at today we fully support introducing
11 into the fleet. They are an improvement over the Crown

12 Victoria, in most cases doubling the fuel efficiency.
13 But what we do see is a trend towards power and
14 performance over fuel efficiency with the newer
15 vehicles.

16 COMM. WEINSHALL: Peter, all those models
17 that we saw would --

18 MR. SCHENKMAN: No, not with that mile per
19 gallon estimate the Honda Accord, Lexus and possibly
20 Escape would not qualify.

21 COMM. WEINSHALL: That's with the 45.

22 COMM. SANDER: But your proposal for the
23 45--

24 MR. MULDOON: That's for purposes of
25 incentives. Again, what we're trying to deal with is a

31

1 worst case scenario where we end up with a hybrid Hummer
2 situation, where you just add -- it's coming -- where
3 you just have a big fat vehicle, you put in a hybrid
4 engine and you're not getting much of an increase in
5 fuel efficiency.

6 CHAIRMAN DAUS: Yes, Commissioner Dear.

7 COMM. DEAR: Is there any cars that they're
8 envisioning now that they're planning to make as a

9 hybrid just to increase the power, not the fuel
10 efficiency?

11 MR. SCHENKMAN: The Honda Accord is one of
12 those, the Lexus is one of those.

13 COMM. DEAR: Just for power?

14 MR. SCHENKMAN: What you're doing is taking
15 an already powerful vehicle and adding a 100 horsepower
16 motor on top of it.

17 COMM. DEAR: But the fuel efficiency is
18 better than if it wasn't a hybrid.

19 MR. SCHENKMAN: The Honda Accord hybrid is
20 essentially the same.

21 COMM. DEAR: That's going to be approved in
22 our regulations. So the question was asked by one of
23 the Commissioners if the language, not the second part
24 of the language, the first part of the language to give,
25 to make sure there was only fuel efficiency we're

32

1 allowing to happen, if we put in that language, do any
2 of the cars fall off the map?

3 COMM. SANDER: Sounds like the Accord would.

4 MR. SCHENKMAN: Yes.

5 CHAIRMAN DAUS: Are you concerned more about
6 the future?

7 MR. MULDOON: I'm concerned more about the
8 future. The standard that we're using is against --

9 CHAIRMAN DAUS: It's an interesting idea.
10 Maybe, if this is okay -- it's a very good point and
11 it's new and we haven't really thought about this, but
12 Andy wants to say a few words. I would ask that if
13 anyone has any ideas when they're testifying in the
14 public hearing about how we can accomplish this, please
15 feel free to add that to your thoughts.

16 DEP. COMM. SALKIN: I want to remind the
17 Commissioners, this was discussed at the last Commission
18 meeting, I think, if I remember correctly, the idea of
19 not all the vehicles having much better fuel mileage
20 even though they're hybrid, and the idea being some of
21 those vehicles, even though they don't have better fuel
22 mileage would be much more expensive so they don't
23 actually get put on the road.

24 But the other conversation focused on the
25 fact, and I think the Chair said this, the technology is

33

1 new, I think Commissioner Weinshall stated that the idea
2 of putting new vehicles on the road, testing the hybrid
3 technology is the right way to go.

4 I think we wrote the rules in a way to allow
5 all these vehicles on the road with the idea of maximum
6 testing of the hybrid technology with the intent of
7 revisiting the rules as the vehicles change and they
8 begin to phase in more appropriate vehicles for cabs.

9 I think one of the things to think about is
10 how these rules read, allowing these vehicles to get
11 passed and get on the road, and then revising the rules
12 down the road to better meet the standard of the
13 vehicles that should be cabs. So I think that was the
14 intent.

15 COMM. SANDER: To clarify, Commissioner
16 Salkin, what you're saying, from the staff perspective,
17 you're recognizing that the Honda Accord probably
18 doesn't have much of a benefit, but for purposes of a
19 pilot in getting the technology, that would be the
20 argument not to revise or include the paragraph that
21 Mr. Muldoon is --

22 DEP. COMM. SALKIN: He stated correctly, in
23 terms of the Crown Vic, even the regular Honda Accord
24 would be an improvement. So the Crown Vic --

25 COMM. SANDER: That is a relevant point.

1 COMM. GIANNOULIS: Could I ask a question?

2 What do we perceive the intent of the law to be of the
3 Council? Obviously, I'm wondering if somebody's going
4 to come up tomorrow -- this is my problem with this. I
5 want to abstain today because I wasn't here last month.
6 This is my problem. The City Council rushed this
7 through and these discussions have not occurred
8 properly.

9 Quite honestly, with all respect, I don't
10 want to be in a situation where we go to the Sierra Club
11 to ask them which vehicle is acceptable.

12 COMM. WEINSHALL: Harry, one point, although
13 the Council is working on their own time frame, the
14 Commission staff was already looking at this hybrid
15 issue and it's sort of the two, I guess, efforts sort of
16 met at one point.

17 COMM. GIANNOULIS: I think it's a good
18 thing.

19 COMM. WEINSHALL: The Commission has been
20 looking at this for six to eight months now, so I think
21 the Council was doing their own thing.

22 COMM. GIANNOULIS: In reference to this
23 issue that just came up, the Council, the rule that the
24 Council passed, I mean, we're getting into definition of
25 what a hybrid vehicle is, really, is what the debate is

1 about at this point. So does the law that they passed
2 say that the intention is fuel efficiency, et cetera;
3 that that might help you out here?

4 CHAIRMAN DAUS: I think Chuck should really
5 answer that, our General Counsel. I think that there is
6 a definition, from what I understand. My understanding
7 is that a certain amount of discretion was given to us
8 to approve the vehicles, but that we had to approve
9 something within 90 days. I know, Chuck, the date of
10 the statement of intent --

11 COMM. GIANNOULIS: I just wondered if they
12 say -- if it's all in the way it's interpreted.

13 MR. FRASER: There is a prefatory paragraph
14 in the legislation and it does say, as the gentleman
15 indicated, it's to increase mileage and decrease
16 emissions. But the definition of the hybrid vehicle is
17 word-for-word what you see in paragraph B of the
18 proposed rule. We very definitely chose precisely the
19 same definition as the Council did in order to not
20 deviate in any respect from the mandate.

21 COMM. SANDER: I want to make a point to my
22 colleague. Certainly we view the Sierra Club and
23 anybody else who testifies in front of the Commission as
24 advisory and so forth.

25 COMM. GIANNOULIS: They're a great

1 organization.

2 MR. MULDOON: Could I make a brief comment?
3 Again, we support the direction you are going and what
4 you are doing. All these vehicles are going to
5 basically double the fuel mileage over the Crown
6 Victoria and that's a tremendous improvement.

7 What we're looking at is in terms of the
8 direction going forward. It's not a big point to hold
9 you up at this point. That wasn't the intent of my
10 comments.

11 CHAIRMAN DAUS: We understand your point and
12 I think at this point we don't have to make a decision
13 right now. Why don't we hear from everyone, and if you
14 have an opinion on this, please let us know.

15 Thank you, Mr. Muldoon.

16 The next speaker is Mr. Mark Izeman from the
17 Natural Resources Defense Council.

18 MR. IZEMAN: Good morning, Commissioners.

19 CHAIRMAN DAUS: Good morning.

20 MR. IZEMAN: My name is Mark Izeman. I'm a
21 senior attorney with the Natural Resources Defense
22 Council, which has worked on air quality and
23 transportation issues here in New York City for 35
24 years. It's a national environmental group. We have

25 more than 10,000 members in New York City and 30,000 in

37

1 New York State and we're very happy to be here to offer
2 our support overall for the proposed rules and we also
3 speak today on behalf of the New York League of
4 Conservation Voters.

5 While we commend the TLC for advancing these
6 rules which will allow us to save oil, allow drivers to
7 save money, cut global warming and make the air in New
8 York City cleaner, we do offer a few suggested
9 enhancements, some of which are similar to the comments
10 that my colleague from the Sierra Club just made.

11 Let me very briefly in a minute just
12 highlight again the four primary benefits of hybrids,
13 some of which were discussed in the excellent
14 presentation prior to the public hearing.

15 The first benefit is that hybrids produce a
16 lot less pollution than conventional cars. All six of
17 the hybrid models that are being proposed for approval
18 by the TLC are significantly below the Crown Victoria,
19 for example, nitrous oxides, which is a key contributor
20 to smog would be reduced between 73 and 89 percent
21 compared to the Crown Victoria, which, again, is about
22 94 percent of the fleet.

23 In our testimony we set forth a chart that
24 lays out all the pollution reductions of key pollutants.

25 A second major benefit of using hybrids is

38

1 that it would help slash oil consumption. Again, all
2 six hybrids that would be allowed under the TLC's rules
3 would get significantly greater fuel mileage than the
4 Crown Victoria. In stop-and-go traffic, which is where
5 hybrids perform best, all the models would get at least
6 61 percent better mileage, according to EPA statistics.
7 The Toyota Prius would get 233 percent better mileage.
8 We realize the EPA numbers may not be what you actually
9 get, but if you're comparing models across the board,
10 it's a good comparison.

11 The third major benefit, it would help taxi
12 drivers save cold hard cash. There was just an article
13 in Reuters this week where a New York cab driver was
14 quoted, after he looked at the billboard saying \$3.49 a
15 gallon, saying, "If the price keeps going up like this,
16 I might have to quit driving for a while."

17 Assuming drivers are paying \$2.80, which is
18 below where we are today, and assuming a doubling of
19 mileage, which is conservative because some of the cars

20 get triple, we estimate a cost savings of roughly
21 \$25,000 over five years. That's a number that's
22 consistent with what the TLC has found in their own
23 research.

24 It's important to recognize that for
25 owners -- the website "IntelliChoice" noticed that some

39

1 hybrids, including the Prius and Ford Escape have total
2 ownership costs, much better value than the Crown
3 Victoria.

4 Given the time, let me very briefly
5 highlight the several recommended changes we're
6 suggesting.

7 The first relates to the issue we were just
8 talking about, which is the definition of hybrid. We're
9 suggesting an amplification of the term "integrative
10 manner," which is common, again, for agencies to amplify
11 statutory definitions and to insure that at least
12 4 percent of the -- that the electric portion of the
13 engine, at least 4 percent goes to the power. This is
14 in the new Federal Energy Policy Act which was passed by
15 Congress in July, so consistent with that Congressional
16 definition. That definition limits the Federal tax
17 credits available for hybrids and we believe the TLC has

18 the authority to amplify that particular term.

19 We also recommend that the TLC consider an
20 extension of time for the retirement of the hybrids. As
21 you know, the TNG and the minivans get some extension.
22 We're suggesting at a minimum that the TLC consider an
23 extension similar to the minivan.

24 The third, given the 81 clean air medallions
25 that were set aside under Local Law 51 of 2003, that the

40

1 TLC move expeditiously to finalize the auction of those
2 to insure at least those medallions can be put to use in
3 hybrids.

4 Lastly, while this is a huge step forward,
5 we think the TLC should continue to research ways to
6 encourage, both to maximize the total number of hybrids
7 and other clean air cars and also to encourage cars that
8 get the best mileage and produce the least pollution.
9 The 4 percent definition that I mentioned would go a
10 long way to insuring that you're getting the best and
11 the cleanest cars on the road and the Federal Energy
12 Policy Act, again, just passed, also limits the Federal
13 tax credits to cars that meet more stringent air
14 emission standards. That's something the TLC should

15 look into.

16 We're not suggesting that should be looked
17 into today, but we think by looking into it we can
18 enhance those rules down the lines. Thank you for
19 listening and for embracing the move to get hybrids on
20 the road.

21 CHAIRMAN DAUS: Thank you for your support
22 and your suggestions.

23 Next speaker is Bart Chezar from the
24 independent -- an independent transportation consultant.

25 MR. CHEZAR: Do you have my testimony,

41

1 because I don't know if that got passed out.

2 CHAIRMAN DAUS: I just want to clarify the
3 record. We have written testimony from Dr. Richard
4 Thaler, National Resources Defense Council; the Sierra
5 Club, the Coalition Advocating for Smart Transportation.
6 Do you have an extra copy of your testimony?

7 MR. CHEZAR: I just --

8 CHAIRMAN DAUS: Thank you. And that's it,
9 right, Chuck?

10 MR. FRASER: Yes.

11 CHAIRMAN DAUS: Okay, that's what we have.
12 Okay, can you proceed.

13 MR. CHEZAR: Good morning. My name is Bart
14 Chezer. I'm an independent transportation consultant.
15 I worked for over 25 years with the New York Power
16 Authority as an R&D engineer. Later I managed their
17 electric transportation department. We were involved in
18 the development and introduction of many electric and
19 hybrid electric vehicles including the New York City
20 Transit bus, the hybrid bus that's now in service within
21 New York City.

22 First of all, I'd like to congratulate the
23 TLC on taking this move, modifying the specifications in
24 compliance with Local Law 72. I won't reiterate the
25 timeliness of this action in terms of what's going on

42

1 with the energy picture in this country, but we
2 shouldn't overlook the emissions reduction, and one of
3 my biggest concerns is global greenhouse gasses and I
4 think this is a very significant step New York City is
5 taking to be up front in dealing with this particular
6 issue.

7 I'd also like to congratulate you on
8 taking -- you don't use the term, but this is basically
9 a market-based approach. You're not requiring anything,

10 but you're giving the market a chance to select the type
11 of hybrids that make sense for taxi service in New York
12 City, so it's a decision of the drivers, the fleet
13 operators and the public as to what it wants and they
14 will decide through the marketplace what fits that
15 market best.

16 It also allows the introduction of future
17 hybrids. I believe hybrids will get better, they'll
18 meet the requirements of the industry better in the
19 future and that will be to the betterment. We don't
20 have to come back and fine tune specifications to
21 include future vehicles.

22 It hasn't been said before, but I think the
23 allowance there for having security cameras as an
24 alternative to the partition wall is important. We all
25 realize these vehicles aren't as big as the vehicles out

43

1 there today. Eliminating the partition wall gives us 3
2 to 5 inches that help deal with that issue.

3 I'd like to offer four suggestions for your
4 consideration, most of which don't require modifications
5 of the regulations. The first is I think you need to do
6 a detailed monitoring program of fuel use. Before, it
7 was stated 18 miles per gallon for a Crown Vic. I'm

8 sure no taxi in New York City gets 18 miles per gallon.
9 In the same context, none of the hybrids will get the
10 fuel efficiency that's stated by the EPA on the
11 windshield. We need to get good data on that to really
12 see what those savings are, so the marketplace can make
13 sound decisions as to what the cost effectiveness of
14 these vehicles are.

15 The second thing is to monitor maintenance
16 requirements. No hybrid has gone into New York City
17 taxi service. It's an extremely rigorous service and it
18 will be demanding. I expect the hybrids will do very
19 well, but we don't know that. The more we could learn
20 about what the maintenance requirements are, the more we
21 can make future modifications, be it for suspensions or
22 otherwise, so these vehicles could be exemplary for
23 service in New York City.

24 One further factor concerning maintenance is
25 battery life. These are hybrids, they have a battery.

1 We don't know what the battery life will be in New York
2 City service. We should monitor that, because that will
3 be a factor in determining what the cost effectiveness
4 of these vehicles will be in the long term.

5 The third suggestion is extended service
6 life. I would recommend for double shift operations we
7 extend the service life allowed for these vehicles. I
8 think this would be important in getting certain fleet
9 operators involved in this. I think the owner-operators
10 won't need much more encouragement, but I think the
11 fleet owners would need some incentive.

12 CHAIRMAN DAUS: Could you sum up, please?

13 MR. CHEZAR: The final suggestion is
14 financial incentives. I would recommend for those that
15 have EPA ratings of 45 miles per gallon we consider some
16 sort of incentives, be it reductions in license,
17 registration fees, grants or otherwise, that we should
18 encourage some of those vehicles.

19 I don' know what the public's reaction -- it
20 happens to be only the Prius now would meet that
21 requirement. Hopefully there will be others in the
22 future. But I would like to see perhaps some of these
23 smaller hybrids out there to see how the market reacts
24 to this. But there's a risk on the part of the driver
25 in going with a smaller car such as that and maybe an

45

1 incentive will be warranted.

2 Thank you for allowing me to make this

3 presentation.

4 CHAIRMAN DAUS: Thank you. Appreciate your
5 thoughts.

6 The next speaker is Dr. Richard Thaler.

7 DR. THALER: Commissioners, thank you for
8 allowing me this time. I assume my written comments
9 have been entered into this record.

10 CHAIRMAN DAUS: Yes.

11 DR. THALER: I was present at the City
12 Council hearing on Intro 644 and Commissioner Daus'
13 testimony at that time. I have to compliment him on
14 explaining to the Council the caution that the taxi
15 Commission must exercise in protecting the public
16 safety. In all of the review of the hybrid program,
17 either on the part of the Council or the part of the
18 Commission, a number of the safety issues were not borne
19 out and I think I would like to introduce some realism
20 into this discussion, realism in terms of taxi
21 operation.

22 There have been worldwide advisories issued
23 from fire departments, police departments about hybrid
24 use. This certainly is limited and no experience in
25 taxi operation in New York. It's well known that the

1 manufacturers have introduced many safety system
2 requirements. For example, in a precrash situation,
3 prior to air bag deployment, the battery is
4 disconnected, things like that. However, all bets are
5 off in the New York taxi environment and we do know that
6 in a severe accident, it is possible for the high
7 voltage cables to provide a risk of electrocution to
8 EMT's to fire and police responders and even to
9 passengers.

10 A break in the shell of the battery will
11 release very, very highly toxic electrolytes. These
12 things should be addressed in my comments. I submitted
13 a sample of this advisory.

14 These responders are outside of the
15 jurisdiction of the Taxi Commission. For instance, I
16 think it would be important almost to put a warning
17 label on these cars. I think the police, fire and EMT
18 responders should be advised of the precautions they
19 should exercise in responding to such exercise.

20 In the meantime, I have to say I agree with
21 the previous speaker. There seems to be a significant
22 policy shift here that a market-based approach is
23 welcome, that apparently, although Local Law 72 requires
24 that at least one hybrid vehicle be approved or more,
25 the Commission is looking at approving as many as six,

1 and I think it's great that the taxi vehicle owners will
2 now have a choice to do the evaluation and the selection
3 in an open market, unrestricted by the Commission,
4 subject to these rules, but I have to say that the
5 extreme measure in removing some of these rules to
6 admit, admittedly these cars that don't meet the rules,
7 subject also to these safety considerations should be
8 very, very carefully considered.

9 There are, however, other alternative
10 opportunities to reduce fuel consumption significantly,
11 reduce emissions and absolutely eliminate CO2. Now, I
12 don't think it's appropriate to discuss these here, but
13 because this was the basis of Local Law 72, the
14 justification for Local Law 72, I might just allude to
15 them.

16 There's been no discussion about agrifuels.
17 Agrifuels really have a problem, so I'm surprised I
18 haven't heard of this from the Sierra Club. The life
19 cycle of certain agrifuels virtually reduce CO2 to zero
20 and eliminate the use of petroleum.

21 I should add, if you look at the Federal
22 energy bill that's been cited here, in certain
23 agrifuels, B100, ASDM 6751, you can get as much as a \$1
24 tax credit per gallon, in addition to, if you buy the
25 right type of vehicle, you can get your \$3,400 tax

1 credit as well. But an ongoing \$1 per gallon tax
2 credit.

3 Perhaps at another time the Taxi Commission
4 can take up the use of agrifuels in their operations.

5 CHAIRMAN DAUS: Thank you. Actually,
6 Dr. Thaler we anticipated these topics in comments from
7 you, and Assistant Commissioner Schenkman has done a
8 little research and would like to address some of your
9 comments.

10 MR. SCHENKMAN: In regard to the use of
11 electricity, electric vehicles have been on the road in
12 some form since 1998. In the year 2000 when the Prius
13 was introduced, Toyota did a major campaign by
14 contacting every emergency response agency in the
15 country, explaining the dangers of dealing with hybrid
16 vehicles. The dangers are no worse than driving around
17 with 20 gallons of gasoline and getting rear ended.

18 What I have found as a former fleet director
19 with 28 Priuses in my fleet and probably more than half
20 of them had been in some form of accident -- I've seen
21 Priuses split in half and crashed into walls and the
22 battery casing has never been breached in any of those.
23 There are certain precautions that do need to be taken

24 by emergency personnel and those are all well marked in
25 all hybrid vehicles. All electrical voltage cables,

49

1 high voltage cables are bright orange and it is standard
2 practice now to run the wires through the door rather
3 than through the floor.

4 This has been addressed by the National
5 Highway Transportation Safety Administration as well.
6 If there was any question about the safety of the
7 vehicles, I don't think they would have been approved
8 for street use.

9 CHAIRMAN DAUS: Okay. Thank you for that
10 information.

11 The next speaker is Corri Friedman from the
12 American Lung Association.

13 MS. FRIEDMAN: Good morning. My name is
14 Cory Friedman, I'm the director of advocacy for the
15 American Lung Association of the City of New York.

16 For more than one hundred years the Lung
17 Association has fought for lung health, including the
18 fight for cleaner air. Consistent with that fight, I'm
19 pleased to offer support and comments on the Taxi and
20 Limousine's Commissions proposed rules for implementing

21 Local Law 72 of 2005.

22 I'd like to thank the TLC for drafting a
23 rule for hybrid electric cabs so promptly and the
24 leadership of the New York City Council and Mayor
25 Bloomberg for supporting this legislation.

50

1 The City of New York and the TLC have
2 importantly recognized the economic, environmental and
3 public health benefits of hybrid electric technology.
4 In the New York City metropolitan area, the air fails to
5 meet the national ambient air quality standard for both
6 fine particles and ozone. Bronx, New York, Queens and
7 Richmond counties all failed the clean air test graded
8 in the American Lung Association's State of the Air
9 report released in April. Mobile source emissions are a
10 large reason why.

11 The emissions from the passenger vehicle
12 fleet, including taxis, are the main contributor to high
13 ozone levels, which negatively impact the 1 million
14 asthmatics living in our city.

15 Given the well known poor quality of New
16 York City's air and the millions of New Yorkers living
17 with lung diseases, we support the encouragement and
18 introduction of as many clean vehicles to our streets as

19 possible. Introducing fuel efficient hybrid taxis is a
20 critical step for our city to take. With lower
21 emissions of ozone-causing chemicals, a key ingredient
22 in smog, as well as reduced emissions of particulate
23 matter and carbon dioxide, more clean hybrids in our
24 streets will contribute to cleaner air for New Yorkers
25 to breathe.

51

1 The rules proposed by the TLC would allow
2 for the adoption of the six hybrid taxi models that are
3 currently on the market, all representing vast
4 improvements over the Crown Victoria for gas mileage and
5 emissions. While we believe these six models
6 contribute to our ultimate goal of promoting less
7 polluting vehicles and improving fuel efficiency, we
8 want to stress the need to maintain standards of vehicle
9 emissions for new models of hybrids introduced on the
10 market, as previously stated.

11 We strongly support recommendations to
12 clarify the definition of hybrid electric vehicles in
13 order to insure that hybrid taxis approved by the TLC in
14 fact have significant increased fuel efficiency and
15 reductions in emissions. This clarification would

16 prevent the ability of hybrid vehicles with minimal fuel
17 efficiency from entering the taxi fleet.

18 Additionally, the ALCNY supports
19 recommendations to insure an increasing number of hybrid
20 taxis on our streets. We recommend the TLC actively
21 promote and advocate the use of hybrids, to educate
22 owners, drivers and the public about the benefits of
23 hybrid technology.

24 The American Lung Association looks forward
25 to working with the TLC to promote the use of hybrid

52

1 taxis in New York City. Implementation of Local Law 72
2 represents an important step in improving the air New
3 Yorkers breathe.

4 Thank you.

5 CHAIRMAN DAUS: Thank you very much. Next
6 speaker is Mr. Bill Lindauer.

7 MR. LINDAUER: I'm Bill Lindauer. I'm with
8 the Taxi Workers Alliance, as you may very well know.

9 I know today we're discussing hybrid
10 vehicles, but why we're doing this today when -- rushing
11 to judgment when there's a crisis? Are you like FEMA
12 and Katrina? You don't rush in to help. There's an
13 emergency. Feel the drivers' pain.

14 But let me get to the hybrids. I suggest --
15 first of all, I suggest the Commissioners make a motion
16 to call an emergency meeting next week and you
17 immediately decide on a gas surcharge. We cannot have
18 it stalled. We cannot be put off. This is a democracy
19 and other cities have a dollar surcharge. Are they so
20 stupid? Why are we left behind? We're the capital of
21 the world. Bad enough that our cab rates are moderate
22 compared to other cities in America, but not to have a
23 fuel surcharge?

24 One thing. This sums it up. Since 1996,
25 two raises for us drivers of less than 50 percent. At

53

1 the same time, since '96, gas prices have skyrocketed
2 300 percent. That says it all. Ha-ha-ha. To decide
3 against a surcharge is just outright oppression and
4 cruelty.

5 Let me get to the hybrids. No one is
6 against improvements. No one's against pollution-free
7 vehicles or nearly pollution-free vehicles, even though
8 you seem to, because you approved 900 medallions which
9 would add to pollution, even though that whitewashed
10 report said in New York City it wouldn't have any

11 effect. First of all, the TLC report is deeply flawed.
12 How could anybody cite EPA estimates? CNN says they're
13 widely exaggerated. Consumer Reports October 2005 says
14 they're off the list, the real gas mileage is 35 to
15 50 percent less, and I could tell you from experience
16 that is certainly true. And how could you even mention
17 a two-door vehicle? This is a cab.

18 And a Lexus is like \$20,000 more than any
19 other vehicle, and according to the Times of yesterday,
20 they don't consider it a fuel-saving vehicle. It's in
21 the Times business section yesterday, you can get it on
22 the Internet.

23 Another thing, this could lead to higher
24 lease prices and in turn higher fares. If my boss with
25 the 63 cars has to spend five to \$10,000 more for a

54

1 vehicle, he'll naturally want to pass on the cost and
2 we'll want to naturally want to pass on the cost to the
3 public, that's the only way we make money. So don't
4 rush to judgment and consider the gas surcharge now.

5 CHAIRMAN DAUS: Okay, thank you.

6 All right, the next speaker is Bhairavi
7 Desai from the New York Taxi Workers Alliance.

8 MS. DESAI: Good morning. I just, I can't

9 say it better than Bill just did. I really cannot.
10 Really. I mean, talking, you know, we are definitely in
11 favor of hybrid vehicles for all the reasons that have
12 already been cited. Of course, I mean, taxi drivers pay
13 100 percent for the cost of fuel, so any vehicle that is
14 going to allow for fuel efficiency is something that the
15 Taxi Workers Alliance will certainly support. Also in
16 terms of just our larger concerns over the environment
17 as citizens of this planet.

18 But talking about hybrids while we're not
19 going to be talking about the fuel surcharge is like
20 putting a band-aid on a gunshot wound. I mean, we need
21 action now. Something must be done right now. The TLC
22 must announce a public hearing as soon as possible to
23 discuss the soaring gas prices.

24 As far as the hybrids are concerned, I also
25 agree we must extend the discussion as far as incentives

55

1 are concerned. You know, not only because we don't want
2 to see the price passed down to drivers, but also
3 because, you know, quite frankly, if garage owners and
4 medallion owners are going to be required to spend more
5 money, there are other priorities we have, such as a

6 health insurance fund, such as a retirement pension and
7 a disability fund. I cannot tell you the number of
8 members we have who have been stricken with cancer or
9 other illnesses and continue to work because they don't
10 have access to disability, and in most other industries,
11 you know, alongside with Social Security disability, the
12 industry itself will supplement a fund.

13 And so for us, you have to look at the
14 larger picture. Whenever you're raising a cost and
15 you're putting them on to an industry, what you're
16 actually doing is prioritizing how the money should be
17 spent. And our concern is, therefore, money that should
18 be spent on the well-being and the health and the wages
19 of taxi drivers get sidelined and we're very, very
20 concerned about that.

21 I also want to say that given that the
22 medallion price for the hybrids is lower than on other
23 vehicles, for driver-owned vehicles, given that they
24 would be paying for the vehicle cost, I think you should
25 consider a different weekly medallion lease for

1 driver-owned vehicle lessees who are going to be driving
2 hybrids. Because while owner drivers are going to be
3 getting compensated with the lower medallion payment,

4 DOVs should also have that same benefit.

5 Lastly, I want to say again, we should not
6 rush to judgment. We're very concerned about some of
7 the things that we've heard in terms of the safety, and
8 all due respect to the staff, in terms of the research
9 they've done. I think this is a very serious issue and
10 we want to make sure that our members are going to be
11 safe in these vehicles and we want to be sure not only
12 in terms of combustion with the vehicle, but also in
13 terms of the leg room within the vehicle.

14 Lastly, I want to say, Commissioner
15 Weinshall, no Train to the Plane. We've got to get
16 people to cab it. That's what this industry is about.

17 Thank you.

18 CHAIRMAN DAUS: Thank you. Just for the
19 record, Ms. Desai, we do have the petition, we're
20 studying it, and we'd like to -- I think we're equally
21 disturbed by what's going on with the gas prices and we
22 do share the concerns of the drivers. There is a
23 process that the law requires that we follow and that
24 process takes some time, but we will get an answer to
25 all of you and all the drivers groups that petitioned,

1 including yours, and we're going to keep our fingers
2 crossed for the price to come down.

3 The President made some statements
4 yesterday, Senator Schumer, as well as the Attorney
5 General, I believe, have made some statements about the
6 price of fuel. The Department of Consumer Affairs has
7 been out there issuing summonses. Let's hope that the
8 price starts to come down. That still doesn't mean we
9 don't need to look at this issue. We will. I assure
10 you, for the record.

11 VOICE: Schedule a hearing. Put a time line
12 down.

13 CHAIRMAN DAUS: There is a time line in the
14 law and we'll address it as soon as possible.

15 VOICE: Ninety days.

16 CHAIRMAN DAUS: Could I please have some
17 quiet and I will explain it? There's a 60-day period
18 under the law. I think we received it, if I'm not
19 mistaken either Friday or Monday. We have to wait --

20 MR. LINDAUER: We cannot wait 60 days. We
21 have to have it now.

22 CHAIRMAN DAUS: Mr. Lindauer, have some
23 respect.

24 MR. LINDAUER: I'll have some respect when
25 you have a surcharge. You drove me into bankruptcy in

1 2004. I can't declare bankruptcy again.

2 CHAIRMAN DAUS: Mr. Lindauer, please.

3 The next speaker is Mr. Vincent Sapone.

4 Mr. Sapone, are you here?

5 MR. SAPONE: I don't know if I'm here. I
6 don't know if I can talk after that.

7 CHAIRMAN DAUS: Pretty hard to top that.

8 MS. DESAI: Do you finally agree with taxi
9 drivers?

10 MR. SAPONE: Not finally agree. I always
11 agreed with certain things, but I disagree when you said
12 my owners were owners that are making tons of money and
13 oppressing your people. I came from the same area every
14 one of your drivers did. I worked seven days to buy my
15 medallion.

16 CHAIRMAN DAUS: Excuse me, if you guys want
17 to have a debate, you can have it outside.

18 MR. SAPONE: Excuse me. Do you have a
19 platform out there?

20 CHAIRMAN DAUS: Do it on your own time.

21 MR. SAPONE: Did I go past the three
22 minutes?

23 My name is Vincent Sapone. I'm an ex-cab
24 driver, I'm now the managing director of the League of
25 Mutual Taxi Owners, approximately 3200 men.

1 I want to thank the TLC for making the
2 hybrids optional and I hope it stays that way, but with
3 the hybrid there are some people here said about the
4 mileage, the EPA mileage. When they do testing for
5 mileage, they do it in a desert somewhere. They don't
6 do it in New York City streets, so that's -- forget
7 about what reports we got here about the mileage, that's
8 baloney. Okay. Every time I bought a car I never got
9 the mileage that was on the sticker, never, no matter
10 where I drove, that's number one.

11 Number two, I'm concerned about the smaller
12 hybrids, okay, about God forbid if there's an accident,
13 the danger. City workers have the Prius hybrids. If
14 you go around the City, half of them are parked on the
15 sidewalk somewhere, they're not used that much.

16 CHAIRMAN DAUS: We use our hybrids.

17 MR. SAPONE: How often?

18 COMM. WEINSHALL: I just want to let you
19 know that the Department of Transportation has numerous
20 hybrid vehicles, which are all now field vehicles. All
21 people in the field, all are inspectors are using hybrid
22 vehicles.

23 Peter I know you ran the fleet for DCAS.
24 All the city agencies are now extensively -- am I right?

1 MR. SAPONE: I don't completely disagree
2 with you, but driving a cab is different, that's all I
3 have to say about that. It's a different ball game.
4 Everyone is talking -- listen, it's optional, fine, go
5 right ahead with it. But no one is talking about the
6 price. I heard everything else, but I haven't heard --
7 we cannot go out there as an individual owner, driver,
8 or fleet for that matter and go for a Highlander that
9 probably costs ten, \$15,000 more, okay? I think most of
10 my men wouldn't go for the Prius, they would go maybe
11 for the Highlander.

12 You know, there's no -- there's no reason
13 why the buyer, for fifteen thousand, God knows, maybe it
14 would be \$20,000 more by the time they're ready, and if
15 Ford came out with a hybrid, it would probably be
16 \$40,000. You know, listen, I'm not against this, okay?
17 I'm not going to put down the hybrids. If the
18 passengers like it, fine. But I remember years ago,
19 this TLC got many complaints about the Fords being too
20 small, no room in the back. They worked diligently with
21 the taxi industry and Ford to get the stretch Ford and

22 everybody is happy, including me, because I take a lot
23 of cabs.

24 But again, if you want to put the Prius or
25 the Ford Escape, that's fine with me, as long as it's

61

1 optional, there's no problem with that.

2 CHAIRMAN DAUS: So you support the rules?

3 MR. SAPONE: I support the rules as long as
4 it's optional. But you should give some kind of an
5 extension more than the regular. Make it appetizing.
6 What's the appetizer there? I don't see anything.

7 And number two, number two, I have to say --

8 CHAIRMAN DAUS: Could you sum up, Vinnie?

9 MR. SAPONE: Yes, I will. I was involved
10 for three minutes with something.

11 CHAIRMAN DAUS: That was extra.

12 MR. SAPONE: Don't count me for everything.

13 Number two, we desperately need a surcharge
14 now. There's a way that the Mayor can bypass, it's not
15 60 days, Mr. Chairman, it would be 90 days. By that
16 time we could be buried, and I want to -- the
17 Commissioners are not aware. Eight years ago LOMTO put
18 in a surcharge when gas was \$1.60. Went from \$1.10 to
19 \$1.60. I remember McKechney, Joe Gianelli was first

20 deputy there, he was sitting in the room, I'm not sure
21 if Dawes was there, and Diane, let her be well, nice
22 lady, she was good to me outside and rough with me
23 inside. She said, "You're wrong, Vinnie, you're telling
24 me -- all statistics show it's going to go down?

25 It went down 2 cents and went up 15; went

62

1 down 3 cents and went up 18.

2 I hope this Commission -- excuse me, I'm
3 summing up. When you say gas is coming down, I hope
4 when it hits 2.75, when it does, you say, okay,
5 everything is all right. It's not all right. We should
6 get a surcharge for everything over \$2.

7 Thank you. Any questions?

8 CHAIRMAN DAUS: No, I have no questions. Do
9 you have a question?

10 COMM. DEAR: Thank you, Vinnie.

11 CHAIRMAN DAUS: About the hybrids.

12 MR. SAPONE: Thank you, because I'm
13 completely exhausted. Have a nice day.

14 CHAIRMAN DAUS: How about Hollywood, Vinnie?

15 All right, the next speaker is Mr. Erhan

16 Tuncel from LOMTO. Erhan.

17 MR. TUNCEL: Good morning, Chairperson.

18 Good morning, Commissioners.

19 CHAIRMAN DAUS: Good morning.

20 MR. TUNCEL: This hybrid issue, I believe
21 it's being rushed a bit. It's being too rushed. The
22 industry itself is not ready for us to have a car that
23 is going to serve the public the proper way, and be
24 green at the same time, as you say, even though it's
25 going to stay yellow. I think making the smaller

63

1 cars -- Commissioner Arout said that safety and comfort
2 is important and I'm hearing a lot about this ten to
3 fifteen minute average ride cab, 2.8 miles average ride
4 cab. That might be average, but our passengers weigh
5 about average 250 pounds, so let's try to hear about
6 that.

7 So safety and comfort is number one issue in
8 this business as far as my passenger is concerned, and
9 also, Crown Victoria is currently, what is it,
10 95 percent of the fleet, is one of the ten safest family
11 cars of 2005. So we're stepping away from that and jump
12 into a Toyota Prius, which is not proven safety wise,
13 durability wise, and everything else.

14 Gas savings. You're saying that gas savings

15 are the big incentive, enough for us to buy these
16 vehicles. I am going to change my car within two
17 months. Right now I'm not considering it the way you
18 have it set up because you're not giving me enough
19 incentive. Gas savings incentive, gas savings will be
20 eliminated by battery cost, high maintenance and
21 everything else that we will have to go through. It's
22 not enough. Two year extension would be enough for me
23 to consider it.

24 And there was one more thing I wanted to
25 mention. I guess that will have to be it. I can't

64

1 remember it. Thank you very much. Any questions?

2 CHAIRMAN DAUS: Commissioner Dear?

3 COMM. DEAR: Just a comment.

4 CHAIRMAN DAUS: A comment, okay.

5 COMM. DEAR: You're all right, I just want
6 to make a comment.

7 CHAIRMAN DAUS: Thank you.

8 COMM. DEAR: I'm just amazed about some of
9 these people coming to us, no matter what we do, I think
10 they'll just say no. I'm just amazed about the cars,
11 because I remember when this Commission was considering

12 the bigger cars, I was Chairman of the Transportation
13 Committee of the City Council, and this same group and
14 many others came to me telling me this is crazy what we
15 want to do, bringing in the bigger cars, let's bring in
16 smaller cars.

17 I remember bringing a smaller car into the
18 City Hall lot to show Mayor Giuliani, who wanted to see
19 it himself and of course he object to it. I was just
20 amazed.

21 No one is mandating these cars be on the
22 road. You don't want to use it, don't use it. In fact,
23 we'll give you the opportunity -- some of these cars are
24 cheaper than the Crown Vic, so it's not a question of
25 more. I'm just scratching my head. I just don't

65

1 understand it. I wish people would understand. This
2 Commission is trying to be helpful, walking a fine
3 balance, a fine line to be sure that the customer is
4 taken care of as well as the driver and that's what we
5 have to do.

6 Please don't be so disparaging to us,
7 because I think we're trying very hard.

8 CHAIRMAN DAUS: I would concur with that
9 statement. I thought you were going to stop scratching

10 your head when you left the Council.

11 The last speaker is Todd Sigaty, CAST.

12 Actually, I think we voted on it right before you got
13 on, but I know you supported it. Todd Sigaty from CAST.

14 MR. SIGATY: Thank you. I don't know if
15 I'll be as entertaining, but I'll try to be as
16 informative and to the point.

17 As the last speaker, I don't know if I will
18 say too many things new, but I'll quickly be brief. I
19 believe you have written comments from Coalition
20 Advocating for Smart Transportation. I'm the executive
21 director and we've been a coalition for a lot of the
22 environmental health groups that spoke today and others
23 in D.C. that work on all dependency issues.

24 First of all, I really want to say -- I
25 think today is actually a historic day and it's not a

66

1 rushed issue. Actually, we can go back three years.
2 This issue has been worked on by the City Council and
3 TLC and many people from legislation dating back to 2003
4 and I think today is finally a day everyone should feel
5 happy and congratulated about, because steps are being
6 taken to implement a law.

7 And today, actually, I'd like to really
8 congratulate the TLC. It's amazing to sit here over the
9 last three, four months and to really see a growth of
10 awareness and action and leadership being taken. I'd
11 like to congratulate you, Commissioner Daus, and the
12 rest of the Commission along with the City Council,
13 because today you're giving a green light to greener,
14 more healthier and more cost-effective taxis in New York
15 City and thereby, actually more importantly, sending a
16 message, a message to manufacturers, a message to the
17 rest of the country -- you wouldn't believe the calls
18 we've gotten from other cities around the country
19 wanting to take steps like New York City has taken,
20 especially with fuel prices.

21 So congratulations on the specific
22 regulations, and more importantly the message that gets
23 out there and the manufacturers will continue to change.

24 A couple of quick points. I also want to
25 support the extension to at least four years, of course,

67

1 according that they pass all the tests that you have
2 three times a year. In consideration of that, our work
3 on this issue was really for the taxi drivers and owners
4 as well, and I think to work with you on an awareness

5 campaign over the fall is important. I think those
6 early incentives in order to purchase, from the hundreds
7 of taxi drivers I've talked to, that is an important
8 issue and it's important to put in now, even though you
9 might be able to change something down the road.

10 Also, on an awareness campaign, there was
11 mention in some of the written comments making a decal,
12 decals, I think, for making that statement nationally
13 also in New York City might be important, but also to
14 work together for an awareness campaign. I think the
15 awareness campaign can do a lot also in co-existence
16 with the incentives.

17 Real quickly, to clarify a few things that
18 came up today, some misinformation, lack of
19 communication. Federally, the Transportation Act of
20 2004 still is in effect, that's currently a tax
21 deduction you can get, but the Energy Act that was just
22 passed, which we worked very hard with a lot of people
23 from New York, does have a tax credit that will be
24 applicable here. Also the State, the State one has
25 already expired in 2004, actually, December 31st.

1 However, there are several pieces of legislation that

2 have been drafted and are in the Assembly in Albany,
3 hopefully we'll be working in 2006 to get those passed.

4 So just to let everyone know the incentive
5 package is important State and Federally, but we will be
6 working die hard on this issue to bring that back home
7 to the taxi drivers and owners of New York City.

8 I think the City can go one step forward is
9 my point. Whether by NYSERTA funds that could be
10 available for black cars or the City, we talked about
11 \$5,000 a vehicle for the initial 60 vehicles or other
12 things the administration may do regarding registration
13 fees or other types of things. I think these incentive
14 packages are what we want to work on to deliver to the
15 taxi owners, so the cars can get on the road.

16 Again, to summarize, it's not a mandate,
17 it's market-based, I want to congratulate you on that.
18 So we're all here together on this issue. And I just
19 want to say today I think is a day we all can actually
20 take to celebrate this. Thank you.

21 CHAIRMAN DAUS: Thank you for your efforts,
22 for your comments.

23 All right, do we have any comments on the
24 proposed rules?

25 COMM. SANDER: Yes, one, briefly, following

1 up on the presentation by the Sierra Club and the
2 paragraph that was recommended. Commissioner Giannoulis
3 made a comment here to me, which I think was a good one,
4 which is we have to approve prospectively all new
5 vehicles, so it may not be necessary to use that
6 paragraph, but just to use that as guidance a year from
7 now or whenever we review new vehicles to insure they
8 are moving towards this objective, the power and fuel
9 efficiency, and not to be supportive of this technology
10 simply to have more power.

11 I think at least on the face of it that is
12 perhaps a better way of dealing with that particular
13 issue.

14 Again, open to comments from the Chairman or
15 staff in terms of how to work with that particular
16 issue, again to reiterate my concern and support that we
17 want fuel efficiency and not to have this technology
18 used for increased power.

19 CHAIRMAN DAUS: I certainly agree with the
20 point that's being made to the extent that we don't want
21 to see these vehicles -- they may go beyond the
22 definition of whatever the Council has called a hybrid,
23 and I think you have to really think about how you want
24 to word something like that if you were going to even do
25 it.

1 Just having unfettered discretion brings
2 into question whether you should have rule making at
3 all. You're going to give me all that discretion and
4 you have to really think it out and have guidelines.
5 I'm more comfortable, since this is an evolving area, I
6 would be more comfortable with passing these rules, even
7 though it's a valid point, and then coming back to the
8 table, as we had promised, as Peter had promised, within
9 six months to a year, because it's developing and I
10 think it's better policy, we may want to revisit the
11 specs at that time in general, so I don't know if it's
12 the right time to do it.

13 And even though it's a good idea, I wouldn't
14 even know how to draft it right now. It was something
15 that requires a lot of thought.

16 COMM. SANDER: I think it's important that
17 the TLC as a statement shows that it's conversant with
18 this issue and that our intent is this way and I'm
19 comfortable with what the Chairman was saying.

20 CHAIRMAN DAUS: Does anybody disagree?
21 Okay. Does anybody have any comments? Okay. All
22 right, we need a motion to adopt.

23 COMM. AROUT: I make a motion to adopt.

24 COMM. SANDER: Second.

25 CHAIRMAN DAUS: All in favor?

1 (Chorus of "Ayes.")

2 CHAIRMAN DAUS: Any opposed? Commissioner
3 Giannoulis.

4 COMM. GIANNOULIS: No, I abstain.

5 CHAIRMAN DAUS: I'm sorry. Harry abstains.

6 Just to note for the record, that motion
7 included the changes that Chuck suggested to 3-03.1C
8 Roman numeral ii deleting "EPA passenger compartment"
9 and changing 104.3 to 101.5.

10 All right. Thank you. Congratulations.

11 (Applause.)

12 CHAIRMAN DAUS: Item five, base licensing
13 application review.

14 COMM. DEAR: Could we talk about the fuel
15 issue that's been raised? I know that there's a few --
16 there's quite a few petitions we have received.

17 CHAIRMAN DAUS: Those who are exiting, could
18 you please be quiet? The meeting isn't over yet.

19 COMM. DEAR: I know we talked about the fuel
20 issue, and I've been talking about this the last meeting
21 and the meeting before this. I know there's a process.
22 I'm just questioning if there is somewhere, somehow that

23 we can move this process real quickly, because the way
24 things are going right now, it's ridiculous, it's over
25 \$4 a gallon and the drivers are just really feeling it

72

1 and I think something must be done about that.

2 COMM. WEINSHALL: Commissioner Dear, I want
3 to make one more point, it was \$4 a gallon last weekend.

4 CHAIRMAN DAUS: Could we have quiet please?
5 Could you please be quiet?

6 COMM. WEINSHALL: I rode around Brooklyn and
7 Manhattan yesterday, prices are coming down a little
8 bit. I saw them in Brooklyn for 3.29. I don't know
9 what they are on Staten Island.

10 COMM. AROUT: Staten Island is about 3.20.

11 COMM. WEINSHALL: Prices are beginning to
12 come down.

13 COMM. AROUT: I haven't seen anything over
14 \$4.

15 COMM. DEAR: I've seen it all over Brooklyn.

16 COMM. AROUT: I doubt it. Then they have to
17 be summoned. If it's over \$4 they have to be summoned.

18 COMM. DEAR: Bottom line is, it's even over
19 three bucks, we don't know what tomorrow will bring. We
20 have no idea. This is very fluid. It's obviously over

21 a rate -- a tremendous amount over. We never believed
22 it would go over 2.50, over 2.80, we're over three
23 bucks. Right now on Bay Parkway and Cropsey Avenue --

24 COMM. RUBINSTEIN: I'm sorry, I would like
25 to make a comment. I'm personally angry at the fact

73

1 that the people who complained the most, once the
2 cameras were shut down, they're gone, and I want to make
3 a point to that, I want it noted, and I'm very happy to
4 bring this up. We are now discussing the fuel charge.
5 Where are the people who complained? Cameras are gone,
6 they've shut it down.

7 I'm sorry to interrupt you, Commissioner
8 Dear, but I'm personally angry about this and I think
9 the rest of the Commission should note this. Where are
10 the people? They're gone.

11 COMM. DEAR: Where's that what's-his-name
12 who was carrying on?

13 COMM. GIANNOULIS: No, we don't want them
14 back.

15 COMM. DEAR: Lindauer and the others and
16 Vinnie and the others. It's true, we're talking about
17 the very same issues they cared about, so very good.

18 Now we know in the future, they really truly don't
19 believe in what they're writing to us.

20 COMM. RUBINSTEIN: The only thing I think is
21 a concern is that if the cameras and the radio people
22 and all the media people are here, then they should
23 appear. Maybe we should call the media back.

24 VOICE: We're still here.

25 COMM. RUBINSTEIN: Maybe you should tell

74

1 them so they'll come back.

2 COMM. DEAR: This is obviously a very
3 serious issue. Obviously, a question if it's 4.01 or
4 3.78, I checked this morning, the gas stations basically
5 on Coney Island Avenue and I noticed them going from
6 3.55 to 3.89 and I told you in Bay Parkway it was over
7 four bucks.

8 COMM. WEINSHALL: Is that why you were late?

9 COMM. DEAR: That's why I was late. I was
10 looking for cheap gas.

11 CHAIRMAN DAUS: It's excused. For the
12 record.

13 COMM. DEAR: Obviously, the truth is, there
14 was comments made, if we wait 60 days, wait 90 days, it
15 really hurts.

16 CHAIRMAN DAUS: It's a valid question.

17 COMM. DEAR: Is there anything that we can
18 do now? I don't know if we can suggest that people add
19 extra surcharge when they're paying their bills just to
20 keep that in mind --

21 COMM. GIANNOULIS: Could I ask, just
22 because, I looked at some of the stuff. Could somebody
23 maybe just quickly, maybe Iris or you, just explain
24 generally what the concept of the surcharge would be?
25 Because I'm not sure --

75

1 COMM. WEINSHALL: I'm not recommending it.

2 CHAIRMAN DAUS: It's more complicated than
3 you think. There are many ways to do it.

4 COMM. GIANNOULIS: I don't even know what it
5 would be.

6 CHAIRMAN DAUS: This is fresh off the
7 presses, Harry. We got it the other day. I was
8 chatting with my First Deputy and staff, this will take
9 a little bit of time. Noach has a valid question. I'll
10 have Chuck answer it.

11 COMM. WEINSHALL: Has there ever been a
12 surcharge ever imposed by the TLC --

13 COMM. DEAR: We have one right now.

14 COMM. WEINSHALL: Not for fuel.

15 CHAIRMAN DAUS: Not that we're aware of. If
16 you remember, we included in the last fare increase --

17 COMM. DEAR: A surcharge.

18 CHAIRMAN DAUS: Not only that, we looked at
19 the gas prices going back and going forward. There's
20 nothing preventing anyone, passengers, there's nothing
21 preventing them from tipping better. They really
22 should, aside from the legal process, tip a little bit
23 better, in my opinion.

24 COMM. GIANNOULIS: The general theory would
25 be there's a spike, somebody is paying a lot more,

76

1 they're going to pass that on to the passenger. Is that
2 the general theory?

3 COMM. DEAR: I thought about this. I did
4 make phone calls, looked out for the industry, I talked
5 to drivers. I thought what is the least complicated way
6 of doing this? I was a in a cab in Washington, went out
7 of the cab, he said, "Oh, this is a rush hour
8 surcharge." I was laughing. I said, "That's okay."

9 COMM. WEINSHALL: We have that, too.

10 COMM. DEAR: Then you go into another cab in

11 another city, you have an extra passenger, an extra
12 charge for that; an extra valise, another 50 cents. I'm
13 thinking something very small. That's what I'm
14 thinking. They say the average driver does 20 trips a
15 day, something like that.

16 DEP. COMM. SALKIN: Closer to 30. 28 is the
17 number we use when we do analysis.

18 COMM. DEAR: 25, 30, whatever it may be. I
19 don't think 50 cents would be a bad surcharge. I don't
20 think anybody will complain by the. I know there's a
21 question here, one petition has about it goes up \$2 to
22 \$3.50. What triggers the \$3 if you're getting gas in
23 Brooklyn or Manhattan whatever it may be, three to \$4,
24 so forth and so forth.

25 I thought a number of like 50 cents, 75 or

77

1 50 cents everybody will swallow.

2 COMM. GIANNOULIS: What's the trigger?

3 COMM. DEAR: If it goes down --

4 COMM. GIANNOULIS: Who makes that decision,
5 then? If it goes back up we do it again?

6 CHAIRMAN DAUS: It's very complicated.

7 COMM. DEAR: Gasoline is not going down so

8 fast.

9 CHAIRMAN DAUS: With all due respect,
10 gentlemen, I really think we should not prejudge this.
11 It's a process. The public is not here, the passengers
12 are not here and they have a say, too. I think we
13 should really hear from them.

14 COMM. DEAR: I'm just asking what the
15 process is.

16 CHAIRMAN DAUS: I'm trying to answer the
17 question. Chuck, can you answer the legal question? I
18 think Noach is asking, I described what the petition
19 process is, which is the route that these organizations
20 took. Is there any other process to speed up our
21 review?

22 COMM. DEAR: One second. I want to bring up
23 one thing. When we did talk last time you said you
24 would bring it to the next meeting, when there was a
25 full forum then thirty days later we could have a vote

78

1 on it. That's what I remember last time. So where's
2 the 60 days or 90 days?

3 CHAIRMAN DAUS: Chuck?

4 MR. FRASER: In order to change any aspect
5 of our fares we must promulgate a rule and the petitions

6 that have been submitted, the legal limit for us to
7 decide whether to grant it or deny it is 60 days. We
8 received them on Friday and Tuesday. Obviously, we
9 don't need a petition to promulgate rules, we do that
10 all the time, we could promulgate our own rule, but you
11 have to have a comment period available to the public.

12 COMM. DEAR: How long?

13 MR. FRASER: It's a 30-day comment period.

14 COMM. DEAR: Could we somehow start this
15 30-day period quicker? Could we propose it today and
16 then thirty days from today we could have the --

17 CHAIRMAN DAUS: The petitions are there and
18 they exist.

19 COMM. DEAR: Forget about the petitions.
20 I'm a Commissioner, I'm a member of the Commission. I'm
21 asking our rule making. Our rule making doesn't need a
22 petition. I'm asking you today, Chuck, I'm asking you
23 today, I am asking now, that we have a public hearing,
24 that I propose the rule today and in 30 days from today
25 we can vote on it. That's what I want to know --

79

1 COMM. WEINSHALL: Before you answer that,
2 Chuck, I just want to make a point, which is I don't

3 think this Commission should rush --

4 COMM. AROUT: Thank you.

5 COMM. WEINSHALL: -- into making a decision
6 that will impact the public at large. In addition,
7 since I've been on this Commission, I think the staff
8 has done an excellent job in terms of benchmarking and
9 researching and finding out what other municipalities
10 are doing as well as what the economic implications are
11 for the drivers and the public.

12 We did a fare increase about a year ago, and
13 I remember, Noach, at that hearing you spoke very
14 eloquently about the issue of gas prices and that went
15 into the consideration in terms of the fare increase.

16 Now, none of us, I don't think, ever
17 anticipated the impacts of Katrina and the impacts on
18 the gas prices. But again, I would urge the Commission,
19 we have an excellent staff here at TLC, I believe we
20 should allow them to have the time to research this
21 issue, come up with options.

22 I think that Commissioner Giannoulis makes a
23 good point. When does this impact, how do you put the
24 surcharge in, how do you remove it? These are
25 questions -- I don't have answers for them today and I

1 fear that we are rushing into something without having
2 full knowledge.

3 COMM. DEAR: Could I respond do that?

4 CHAIRMAN DAUS: Let's hear Lee, then you can
5 respond.

6 COMM. SANDER: I agree with Commissioner
7 Weinshall in that one specific point. In terms of the
8 recommendation by Commissioner Dear, I'm not sure that
9 50 cents is the number that would offset the gas prices
10 at this level. It needs staff analysis to calculate
11 what is appropriate, if you were going to do a surcharge
12 what would be the appropriate number to offset that
13 economic impact, so I personally completely concur with
14 Commissioner Weinshall that we need to look at this, we
15 need to look at it seriously over the next month to look
16 at the issues that she raised and what I just raised in
17 terms of what would be the appropriate number to offset
18 the impact if gas prices remain at, let's say, more than
19 2.75.

20 COMM. GIANNOULIS: I'm probably the only
21 person here maybe who has worked at a gas station.

22 COMM. SANDER: That's a qualification?

23 COMM. GIANNOULIS: Yes, it is. I guarantee
24 you that if owners think they're within that fifty
25 cents, they're going to jack up their prices. Pretty

1 much guarantee that. Especially people who service the
2 taxi industry. There are certain gas stations -- I live
3 in Long Island City and I see it. There are certain gas
4 stations that service the taxi industry and they're not
5 going to bring prices down if they think there's a fifty
6 cent figure out there.

7 CHAIRMAN DAUS: Noach, I think we share your
8 concerns. This Commission and even yourself have
9 criticized how sometimes in the past under prior
10 administrations we moved too quickly and we need to
11 think things out. Now all of a sudden everything has to
12 be done in two seconds without hearing from the
13 passengers, quite frankly, without hearing from the
14 owners and the drivers who with three petitions have
15 many ideas how to do it.

16 With all due respect, I think this
17 Commission has become more thoughtful, with even better
18 staff, we do a lot of debate, a lot of analysis. I
19 think it's premature. Though we all understand your
20 passion about it, we all agree with that, I would just
21 take Commissioner Weinshall's suggestion and most of us
22 agree we should study this. We should move as quickly
23 as we can, but we need to study and come up with
24 options.

25 I can tell you for a fact there is an

1 ongoing debate, which I have had contact with national
2 regulators about whether to do it at all. We could
3 build it into the fare like last time. There's some
4 real administrative policy issues. Could the meter do
5 it? What happens if the price dramatically goes down?
6 Then we're stuck with it. You know how surcharges and
7 fees are. Once they're on, they don't come off.

8 So there's a lot here. I just want to
9 caution -- this Commission has become a very thoughtful
10 body with a lot of different independent thinkers and
11 one thing everything agreed on and told me when I became
12 Chair, we want to take more time with things, like the
13 hybrid vehicles, we spent three or four hearings
14 discussing the rules. Let's not go back.

15 COMM. GIANNOULIS: Do we have to vote on
16 these petitions?

17 CHAIRMAN DAUS: No. There's a 60-day period
18 for me to accept it or reject it. If I accept it --

19 COMM. WEINSHALL: There's nothing we need to
20 do.

21 COMM. GIANNOULIS: You can accept it or
22 reject it, that's my question.

23 CHAIRMAN DAUS: That's up to me. Noach is

24 proposing an alternative. I don't think that's a good
25 idea. At the end of the day if we do what Noach is

83

1 proposing, they're going to come back with these
2 petitions and say "these are our comments."

3 I promise you, we will give it our immediate
4 attention. All the staff is looking at it.

5 COMM. AROUT: Mr. Chairman, can I say
6 something? Ever since I've been in this as
7 Commissioner, we've always run a good ship, as far as
8 I'm concerned. Let the counsel, the Chairman, let it
9 take its due course. Let them present it to the
10 committee and let them take it. We can't just
11 arbitrarily say let's raise it 50 cents, 75 cents. We
12 have rule made that we cannot change. We cannot rush
13 things here.

14 I'm totally agreeable with Iris on that,
15 too.

16 COMM. DEAR: You keep saying -- we're not
17 voting it today. I'm asking because of the sense of
18 urgency that we start the process today so we have the
19 thirty days. We're not voting on it today and after
20 thirty days you feel we need some more time --

21 CHAIRMAN DAUS: I would disagree with that.

22 COMM. AROUT: So do I.

23 COMM. DEAR: I tell you something, it was
24 something with the hybrid. We rushed into this because
25 the Council said get off your rear end and do it.

84

1 That's what happened. You know it would have taken
2 another six months. What we need --

3 COMM. WEINSHALL: That's unfair.

4 COMM. DEAR: I'm telling you, it's true.
5 They were here, Yassky was here -- let's be honest.

6 COMM. WEINSHALL: That's terribly unfair to
7 the staff here.

8 COMM. AROUT: They were researching it for
9 months.

10 COMM. DEAR: You're right. Yassky was here,
11 and you gave him the floor because you wanted to keep
12 him quiet. Then he got the rug pulled from under him in
13 the City Council for political reasons, he pushed this
14 legislation, so he had no choice -- go ahead --

15 COMM. WEINSHALL: I really think that's
16 terribly unfair to the staff here.

17 COMM. AROUT: Absolutely.

18 COMM. WEINSHALL: Not only that, they had

19 been working with Councilman Yassky and giving him
20 information. So it's not as if there was an adversarial
21 position. They worked hand in hand with the Councilman
22 on the legislation and I think you're being unfair to
23 the staff here. I really do.

24 COMM. DEAR: I disagree with you. This was
25 pulled on us by the Council. That will happen again,

85

1 the Council will force us again to move on this. We
2 can't wait 90 days on a question if gasoline is over
3 3.50. I'll just telling you, it's unheard of.

4 COMM. SANDER: I don't think the Chairman is
5 talking about waiting 90 days.

6 COMM. DEAR: What's the timetable we're
7 talking about?

8 CHAIRMAN DAUS: I'm obliged to follow the
9 rules. I have three petitions on my desk. 60 days or
10 sooner there will be an answer in terms of my opinion
11 and the staff's opinion to the Commission, either
12 accepting it or rejecting it.

13 I understand your point, I understand your
14 sense of urgency, Noach. I respectfully disagree about
15 rushing to judgment on it. We have to be prudent,
16 careful regulators. It's a very passionate issue with

17 the drivers, it's hurting them right now, but we need to
18 be careful.

19 As I said, surcharges go on and sometimes
20 they never come off. So the public has to hear -- we
21 need to hear from the passengers as well as the drivers.

22 COMM. DEAR: I agree.

23 CHAIRMAN DAUS: Quite frankly, there's a
24 whole lot of stuff that the drivers and owners disagree
25 on how to do this; whether to take it out of the lease

86

1 caps so the medallion owners pay for it, the fleet
2 owners, as opposed to passing it on to the customers.

3 There's a lot here. I don't think in a half
4 hour discussion we can address all these issues. Though
5 we will look at it expeditiously, I promise you that.

6 COMM. DEAR: So when --

7 MR. FRASER: Can I add, in terms of the
8 process, I think this may answer your question. There's
9 nothing the Commission can do today to commence the
10 thirty-day period. The thirty-day period can only
11 commenced by publication in the City Record of language
12 that states the proposed rule.

13 COMM. WEINSHALL: We have to work with the

14 staff to figure out what the proposed rule is going to
15 say. We have three different alternatives here. The
16 staff needs time to look at the information that's been
17 presented and draft a rule. You can't just put
18 willy-nilly stuff into rules.

19 COMM. SANDER: It also needs to be
20 integrated into the analysis that the Commission is
21 doing on the impact of the last fare increase, so that
22 needs to be integrated as well.

23 CHAIRMAN DAUS: That's a very, very
24 important and valid point.

25 COMM. DEAR: The timetable is in three

87

1 months from now we'll talk about it.

2 CHAIRMAN DAUS: No, in two months there will
3 be a decision as to whether I'm rejecting or forwarding
4 it to you guys. And if I reject it, it will be
5 presented to you at the next full meeting, the next
6 public meeting and then you'll have the ability to make
7 whatever motions you wish at that point.

8 That's the process.

9 COMM. DEAR: Okay.

10 CHAIRMAN DAUS: Thank you.

11 We have one more item on the agenda, I'm

12 sorry to delay, base license application review.

13 Barbara and Bill Carter.

14 By the way, for the record, we added Optimum
15 Radio Dispatch, which I forwarded to the Commissioners
16 the other day, which is an additional base relocation.

17 MR. CARTER: Good morning, Mr. Chairman and
18 Commissioners. I'm Bill Carter, I'm the executive
19 director of the Base Licensing Unit and we have before
20 us today twelve bases that we're requesting permission
21 from the Commission for.

22 We have two new applications, two
23 relocations and eight bases which have completed the
24 renewal process. Two new applications are 24/7 Luxury
25 Car Service and Farmers Express Car Service. The two

88

1 relocations are Diamond Car & Limousine Inc. and Optimum
2 Radio Dispatch, which was presented late and the eight
3 renewals are Belle-Rock of Beach Channel, Empire
4 Transportation Service, Evelyn Car Service, Linda M.
5 Transportation Inc., Michael's Car Service --

6 CHAIRMAN DAUS: I'm sorry, I just want to
7 make a note about Linda, so hold that over to the side.

8 MR. CARTER: NJM Inc., R&N Car Service Inc.

9 and RPDW Inc. There were three bases that, in your
10 notes that you folks got beforehand that said that there
11 was an anticipated, there was an anticipated form sent,
12 environmental assessment statement, there was an
13 anticipated negative declaration, those negative
14 declarations have been received and issued.

15 CHAIRMAN DAUS: Does anybody have any issues
16 with any of the bases?

17 I'd like to make a motion to approve all of
18 the bases mentioned with the exception of Linda at this
19 point.

20 COMM. AROUT: I second it.

21 CHAIRMAN DAUS: All in favor?

22 (Chorus of "Ayes.")

23 CHAIRMAN DAUS: Commissioners? In favor?
24 It's unanimous.

25 I'd like to make a second motion that Linda

89

1 Transportation be approved but to require them to submit
2 a business plan within 90 days.

3 MR. CARTER: Okay.

4 CHAIRMAN DAUS: Do I have a second?

5 COMM. AROUT: Second.

6 CHAIRMAN DAUS: All in favor?

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

(Chorus of "Ayes.")

CHAIRMAN DAUS: Okay, it's approved.

Any other business, Bill?

MR. CARTER: That's it, sir.

CHAIRMAN DAUS: Okay, I'd like to make a
motion to close the meeting.

COMM. AROUT: Second.

CHAIRMAN DAUS: All in favor?

(Chorus of "Ayes.")

CHAIRMAN DAUS: Thank you.

(Time noted: 11:34 a.m.)

1
2
3

C E R T I F I C A T E

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I, LINDA FISHER, a Certified Shorthand Reporter and notary public within and for the State of New York, do hereby certify that I reported the proceedings of the NEW YORK CITY TAXI AND LIMOUSINE COMMISSION on September 8, 2005, and that this is an accurate transcription of what transpired at that time and place.

Linda Fisher,
Certified Shorthand Reporter