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Transcript of the Meeting of the
TAXI AND LIMOUSINE COMMISSION

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7

Held on Thursday, March 9, 2006

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40 RECTOR STREET

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Borough of MANHATTAN

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23 TANKOOS REPORTING AND VIDEOCONFERENCING
24 305 Madison Avenue 142 Willis Avenue
Suite 405 P.O. BOX 347
New York, N.Y. 10017 Mineola, N.Y. 11501
25 (212)349-9692 (516)741-5235

(888)242-Depo Tankoos Reporting and Videoconferencing (516)741-5235

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1 Meeting convened at 10:00 a.m.

2 P R E S E N T

3 MATTHEW W. DAUS
Chairman

4 HARRY GIANNOULIS
5 Commissioner

6 NOACH DEAR
Commissioner

7 ELLIOT SANDER
8 Commissioner

9 IRIS WEINSHALL
Commissioner

10 ELIAS AROUT
11 Commissioner

12 ED GONZALES
Commissioner

13 HOWARD R. VARGAS
14 Commissioner

15 CHARLES FRASER
General Counsel

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1 PROCEEDINGS

2 CHAIRMAN DAUS: Good morning, everyone.

3 Sorry to keep everybody waiting. There's a revised

4 agenda for today. It was revised at 4:30 p.m.,

5 March 8th. It should be out there. We revised it to

6 add a few more bases to the list.

7 Let's go to item 1, the Chairman's report.

8 First I'd like to report there's been some press

9 attention, I'm sure some of the industry picked up on

10 it. There's a long standing lawsuit, Padberg versus

11 Diane McGrath McKechnie, which was privately settled

12 with the City and the private litigants. Some of you

13 remember many years ago where there was an incident

14 where Danny Glover filed a complaint alleging that there

15 was a rash of illegal and discriminatory refusals going

16 on in the city. The agency embarked upon an enhanced

17 Operation Refusal enforcement initiative, and basically

18 it involved enforcement policies and hearing procedures,

19 and these hearing procedures and enforcement policies

20 were put into place over seven years ago, I believe, but

21 they have not been in place for the last four years.

22 We have, I believe, effectively and
23 successfully been enforcing the refusal laws through a
24 similar sting operation which has been taking place and
25 I think that the numbers have really yielded some very,

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1 very good results. We've ranged and hovered in the area
2 of between 95 and 98 percent compliance. So while there
3 still are refusals that are occurring out there, and
4 unfortunately there are drivers that still try to under
5 certain circumstances not go to Brooklyn or, even more
6 despicable, not take people to certain areas because of
7 how they look, we're still going to remain diligent and
8 we're still going to continue our efforts in this
9 regard.

10 Things are certainly better, I believe, than
11 they were seven years ago, but we still have some more
12 work to do. The good news, I think the first four
13 months of this fiscal year, I believe we're at
14 98 percent compliance. So enforcement is doing an
15 excellent job.

16 People may be wondering how this lawsuit
17 settlement affects all of you. While I can't give you
18 the details right now because the Law Department and the
19 plaintiff's attorney are still working out some of those

20 details right now and we're not releasing them to the
21 public yet, but you will know at the appropriate time.
22 We will work, the City, our General Counsel and
23 plaintiff's counsel will be disseminating notices to
24 drivers that may have been affected by this and may have
25 the ability to get settlement monies. Again, this

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1 involves a past practice that was limited in duration
2 and has not been in place for the last four years, so
3 basically the settlement has absolutely, positively no
4 impact on anything we do right now or have been doing
5 for the last four years. It will have an impact on some
6 people who were during this period of time involved with
7 this operation who had their licenses suspended or
8 revoked. So details will follow.

9 There's also been some coverage about cell
10 phone usage. Clyde Haberman of The New York Times has
11 written two columns on the front page of the Metro
12 section drawing attention to a problem which I believe
13 still persists and I think you know it still persists in
14 and around the city. Many years ago, the Commission,
15 which was the first Commission anywhere in the world to
16 do this, as far as I know, and also only the second
17 governmental entity to ban the use of cell phones

18 anywhere in the United States other than Brooklyn, Ohio.

19 This was done not only to ban cell phones that you use,

20 hand-held cell phones while you're driving, but also

21 hands-free devices.

22 I believe that overall the enforcement

23 numbers seem to reflect, anyway, that with consistent

24 enforcement over the years that the number of summonses

25 issued has declined, so on the face of it, it looks like

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1 there's compliance, but anybody who is a New Yorker or

2 visitor who hangs around and taxicabs all day knows that

3 it's still happening. It's become more and more

4 difficult for our Uniformed Services Bureau to enforce

5 because of the new intricate technological devices that

6 are out there on the market now, including Bluetooth and

7 all sorts of -- they have wireless earpieces you can put

8 in on your right ear so that people on the street can't

9 see that you're using it and you're concealing it, but

10 you're still talking on the phone, violating the laws.

11 The laws carry two points and a \$200 fine.

12 I don't know if it's appropriate to start looking at the

13 changing penalties, but this is still a problem, and

14 it's difficult for us to enforce, because enforcement

15 officers on the street, it's hard for them to see that

16 you're even talking on the phone. It's very, very well
17 concealed. We've been relying for the most part on
18 passengers to file complaints through 311 and that has
19 worked somewhat well, but I'm sure there are a lot of
20 passengers out there that don't have the time to come in
21 and testify, unfortunately, and that's probably
22 unreasonable for us to expect everyone to come in.
23 We're here, we need to enforce the law and we need to do
24 our responsibility and I've asked staff to look into new
25 and better ways to try to enforce the law. Pansy

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1 Mullens and Andy Salkin, our counsel, are going to be
2 looking into hopefully new and innovative enforcement
3 methods to try to tackle this problem.
4 Things are better than they were ten years
5 ago. I mean, it was really rampant, but it's still
6 happening, and I think it's incumbent upon the members
7 of the industry as well. I know you can't be out there,
8 especially the owners and the agents, every single day
9 watching your drivers, but if you can help us reinforce
10 this message, not only is it unsafe to drive and use a
11 cell phone while you're driving, but it's also bad
12 customer service. It gives New York cabbies a bad name.
13 We've done so much collectively together to bring this

14 industry to new heights of positivity and new heights of
15 recognition worldwide, let's not have a couple of people
16 talking on a cell phone annoying the people that we
17 serve, who are paying a premium fare to take a taxicab.
18 Let's have some respect for them. They have a right
19 under the passenger bill of rights to a silent trip, and
20 basically this is obviously on New Yorkers' minds and
21 it's obviously on passengers' minds and the industry
22 serves the passengers.

23 So, please, whatever you can do, whether
24 it's sitting down with your drivers, reminding them,
25 helping reinforce the message, because we will be coming

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1 up with some new enforcement techniques, why don't we
2 get people to voluntarily comply with this and get your
3 best efforts. I would appeal to the industry magazines
4 and publications in your next edition, to help us convey
5 this message, I think all your editorial boards will
6 agree with us on this, it's just bad customer service
7 and it's not safe. So let's try to tackle this issue
8 together as we move forward.

9 On reciprocity, I just want to give
10 everybody a very quick update. We have been moving
11 forward and following up with Nassau County. We

12 actually have a followup meeting scheduled for March 22
13 with Nassau County staff out in Nassau County to discuss
14 a draft of the potential statewide legislation that will
15 affect all counties and municipalities in the entire
16 state. We're very positive about this. We've had, as I
17 said, very good discussions with Westchester as well.
18 This tends to be a trend towards regulation as opposed
19 to away from it, both in municipalities nationwide, and
20 also in New York State. Suffolk County has been toying
21 with the concept of regulation. We just learned that
22 Rockland County is thinking about regulating taxis as
23 well. So this may end up being a state issue anyway,
24 but I think we're at the forefront and at the lead of
25 this, and I think it's good for us to be proactive and

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1 try to come up with some legislation that we can agree
2 on, so we're going to continue that effort.
3 Next item. As part of the March renewal
4 period for for-hire vehicles, I know everybody is
5 scrambling to get their insurance documents in and it's
6 been for many, many years a tremendous administrative
7 challenge for both the TLC and for applicants to get
8 their paperwork in and dealing with brokers and
9 insurance companies, and insurance companies, quite

10 frankly have administrative challenges they have to deal

11 with in getting the paperwork in.

12 I want to publicly thank all of the

13 insurance companies that have worked with us; Neil

14 Greenbaum from Hereford, Ed McGettigan from American

15 Transit, Peter Scandaris from Fiduciary, and Hosni from

16 Global Liberty. Those four insurance companies had

17 several meetings with us to try to make things better in

18 terms of how we work with them. They don't have to,

19 they are not obliged to give us information, but they

20 have voluntarily agreed to work with us to have a data

21 or electronic share of information, so we can ultimately

22 work towards the goal by the next renewal period.

23 It seems to be something that we could

24 accomplish, where data will be transmitted automatically

25 showing that you have coverage and what your limits are

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1 so, hopefully, you won't even have to bring in any

2 documentation and be hassled with that. We'll make less

3 work for our staff and, obviously, there will be

4 firewalls and all sorts of protection built into the

5 system to transfer the data. However we work that out,

6 I'm finally pleased to say that the insurance companies

7 are now looking to work with us in a positive,

8 productive way to get this done, finally. It's been
9 hanging out there for many years. I want to thank Andy
10 and Eric Kim, who spent a lot of time on getting this
11 together and I want to thank the insurance companies.

12 In terms of upcoming Commission meetings, so
13 we have a schedule; Tuesday, April 4th is our next
14 meeting. Usually we hold it on the second Thursday of
15 every month, but due to Passover we moved it up a week.
16 We're going to have some details and information and
17 possibly a presentation about the taxicab customer
18 service project at that time, which we had promised to
19 the Commissioners and the public.

20 We also have four public hearings scheduled.
21 The first will be on the medallion auction rules. We
22 published all of these rules in the City Record, and I
23 believe they're on our website as well if you want to
24 have an advanced look at them.

25 We're going to be holding our next medallion

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1 sale in June. There will be several sales we're
2 proposing, but they'll be in June in terms of the
3 auction. We don't have the dates, we'll announce them,
4 but we're looking forward to your feedback based on the
5 past auctions as we deal with these rules in April.

6 We're also going to be holding public
7 hearings on summary suspension rules, digital recording
8 of hearings, and also the TC or LA plate issue we
9 discussed. We made some progress on that front. This
10 is requiring that every single licensee by rule have a
11 TC plate and not be allowed to have an LA plate. We met
12 with the top brass at DMV and they signed off on it and
13 their counsel, so everybody seems to be on the same
14 page. They think it's a good idea. Andy and I met with
15 the first Commissioner at State Insurance and everybody
16 is supportive of this and this will hopefully bring to a
17 resolution and an end this LA plate problem. The next
18 meeting after that will be Thursday, May 11th and we'll
19 give you more details on that agenda as it develops.

20 We have also -- I would like to just remind
21 people "that New York Loves Women" safety stickers are
22 going to be out within the next day or two. We have an
23 industry notice that we're putting out. This is the
24 sticker that the Commission approved, I believe, two
25 months ago to replace the 2012 stickers, which are

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1 voluntary. So the trade organizations within the next
2 few days will have them. I think March is the month
3 when we want to get this out there. It's a public

4 awareness campaign, and it's being supported by the
5 Mayor and the City and the Commission on women's issues.
6 We want to thank them and we want to let everyone know
7 that the trade groups will be, thankfully, handing out
8 these stickers and also they will be available at our
9 safety and emissions facility. As cabs go through
10 inspection, if they want to ask for one we'll be happy
11 to give it to them.

12 I have one more item, but I will wait until
13 a certain Commissioner gets back in the room to discuss
14 that. Why don't we come back to my report at some point
15 and we'll go to the second item on the agenda for now.

16 COMM. DEAR: Mr. Chairman, I just want to
17 comment.

18 CHAIRMAN DAUS: Sure.

19 COMM. DEAR: First of all, thank you very
20 much. I know a lot of effort went into the Nassau
21 County issue. I know that the industry and your office
22 was going back and forth on this issue, so I hope that
23 it will come to a real resolution. I want to thank you
24 for your efforts, and we should still be on top of it,
25 because every time we pull back a little bit, that's

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1 when we all suddenly find we have a little problem.

2 The other thing is, I know that traveling
3 around, we had this discussion many months ago, about a
4 fuel surcharge, and one of the things that came up at
5 that time in a certain period of time we were going to
6 talk about, look at the fare increase and I just wanted
7 to know if the time has come yet that we could take a
8 look at it, in particular that fuel hasn't really
9 dropped the way that we thought it would drop, which is
10 surprising, and I would hope that we could start taking
11 a look maybe, if not as a fuel surcharge, as we were
12 supposed to review the fare increase I think every two
13 years or something like that, I know there is a
14 timetable that we've set to review it again and I'd like
15 to see if we can put it back on the agenda.

16 CHAIRMAN DAUS: We're having a related
17 discussion on that today, actually because of the lease
18 cap. I think some of the issues relating to driver
19 earnings and what owners are making will come up today
20 and we can take it from there, but I think the concept
21 of having some type of periodic review is something that
22 we're open to exploring. I certainly am. We do it for
23 the lease cap, so let's see. We'll talk about it and
24 come up with some recommendations. Okay. All right.

25 Can we take a look at the minutes?

1 COMM. AROUT: Motion to accept the minutes.

2 CHAIRMAN DAUS: All in favor? It's
3 unanimous. Commissioner Sander and Dear are out of the
4 room right now.

5 Next item on the agenda is base licensing
6 application review, item 3. Why don't we proceed to
7 item 3A?

8 MR. FRASER: The first item A pertains to
9 bases whose applications were denied by the Commission
10 at the February meeting. There were six bases denied at
11 the February meeting. Five of them came to us and
12 essentially asked to be allowed to continue operating.
13 The sixth one we verified is actually out of business.

14 As to the five, the staff have reviewed the
15 situation and have recommended a stipulation, copies of
16 which have been forwarded to the Commissioners. The
17 stipulations provide, in sum, that the five bases will
18 be allowed to continue operating, pending decision by
19 the Commission today on how to handle the five
20 applications.

21 The bases will be fined in the amount of \$70
22 per day from February 9th, the date that their renewal
23 was denied, until ten days after they file a completed
24 renewal application. Some of the bases have already
25 done that, but nonetheless, ten days after they file

1 that application, a \$75 per day penalty, and in the
2 event that the Commission should deny their application
3 for renewal, the bases are all agreeing that they can be
4 closed pursuant to our padlock provisions without
5 further process or further notice.

6 The five bases are St. Albans Hollis Car
7 Service, Bee Bee Car & Limo Corp., Elant Car &
8 Limousine, d/b/a Habirah, Inc., Monumental Radio
9 Dispatch Corporation and Java Car & Limousine Service,
10 d/b/a STM Enterprises, Inc.

11 The staff recommendation is the staff
12 reconsider the denial vote of February and approve the
13 renewal applications on condition, on the condition
14 stated in the stipulations, and obviously subject to
15 compliance by the bases with those stipulations.

16 CHAIRMAN DAUS: Any questions or comments?
17 Does everybody understand this and have they reviewed
18 the stipulations? Is everybody okay with this? I just,
19 before we bring this to a vote, I just want to make a
20 statement to the industry. I mean, you know, we're at
21 the point now where I think we bent over backwards. I
22 think you'd be hard pressed to find an agency that holds
23 seminars on how to complete applications, puts
24 applications out in several languages, makes phone calls
25 to bases at least six or seven times reminding them to

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1 send an application.

2 If you get a permit from a city or state
3 agency and you don't fill out a piece of paperwork,
4 you're denied. If you operate outside the law, you're
5 enforced against. I think we've been very, very
6 reasonable as an agency in terms of bending over
7 backwards with this new process to give everybody more
8 than one bite at the apple. I think we're coming really
9 close to the point where it's just getting a little bit
10 ridiculous.

11 I reluctantly agree with going forward with
12 this, but there has to be, as the stipulation points
13 out, some type of penalty for the bases, and I am very,
14 very uncomfortable with offering this six months a year
15 from now. Everybody has to get their act together and
16 if they can't get the basic resources together to fill
17 out an application, a renewal application, especially
18 some of these bases have been in business for ten,
19 fifteen, twenty years, it's beyond me. I just don't
20 understand it.

21 So I would hope that this would be the last
22 time we'll ever have to deal with a situation like this.
23 If anyone has any suggestions as to how we can get the

24 word out, it's beyond my comprehension as to how many
25 times we have to call somebody and how many different

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1 languages to explain, well, you need to like file a
2 renewal application, otherwise you're not going to be in
3 business. Maybe I'm missing something.
4 Some of the Commissioners have spoken to
5 bases. What are the excuses.
6 COMM. AROUT: Mr. Commissioner, I'd like to
7 say something. I think you know my position on this
8 particular issue. I've been with the TLC quite many
9 years and I think this Commission has gone far and above
10 with the licensing. A letter goes out to a base,
11 they're given enough time to do it. If there's a
12 problem, they should call you up. They don't. They
13 just neglect it and get away with it over the years.
14 I believe this is a good issue coming up,
15 and if they cannot accept it, then they don't belong in
16 the industry. We've given them too many breaks and
17 there's no reason for it, unless there's a tremendous
18 hardship. So, yes, I agree with that. Just on that
19 condition, but we shouldn't continue this every time.
20 Once and for all, we've got something in writing, let's
21 adhere to it.

22 CHAIRMAN DAUS: I agree with you, but I
23 think we need to commend -- I mean, the staff has really
24 gone above and beyond to help these bases. Holding
25 seminars, calling people. I don't know. I mean, maybe,

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1 at some point I'd like to know what the problem is. I
2 don't understand it. Is it just people didn't take us
3 seriously?
4 I believe that they need to take us
5 seriously. I mean, we have a lot of important licensing
6 requirements that they have to meet and we're trying to
7 help get this process moving a lot more efficiently and
8 expeditiously, and we're trying to do all that we can.
9 So I have no problem, but I would like to know in the
10 future how this is proceeding, and I'm very reluctant to
11 agree to this six months a year from now. I think we
12 need to do our best to educate the industry that they
13 need to get their act together. We're not talking about
14 the entire industry, we're talking about, you know, out
15 of the 700 bases, we're talking about maybe 30, 40, 50
16 bases, so I don't want to condemn the whole industry.
17 But for those bases who have been in business for so
18 many years, shame on them. Shame on them. Let's get
19 our act together and think about what happened here.

20 I have no problem, I'd like to vote these
21 stipulations to give these guys one more chance.
22 COMM. AROUT: I second that.
23 CHAIRMAN DAUS: All in favor?
24 (Chorus of "Ayes.")
25 CHAIRMAN DAUS: All right. Item 3B.

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1 MR. FRASER: Item 3B pertains to 26 bases,
2 I'm sorry, it's actually been revised, it's now 23. I
3 understand some correction of the numbers was done since
4 this was put together, but 23 bases who failed to submit
5 any renewal application and therefore were not brought
6 before the Commission for a vote, since there was no
7 application for renewal to be voted on, and we initiated
8 padlock proceedings, in effect. 23 of them -- some of
9 the 23 have come forward and said that they want a last
10 chance to comply, and again, the staff recommendation
11 here is that on a one-time basis, that these 26 be
12 afforded an opportunity similar to the stipulation that
13 you've just seen as to the six, or as to the five from
14 February. We haven't yet made that offer to those
15 bases. We wanted to get the input and feedback from the
16 Commissioners before we did that, but that is the staff
17 recommendation.

18 CHAIRMAN DAUS: Does anybody have any
19 questions on this or have any problems with us, with
20 this situation? It's basically the same scenario,
21 except the ones that we just dealt with now with this
22 stip are people who filed applications that weren't
23 complete, so we had to deal with them as a Commission.
24 These guys never filed their applications at
25 all. In many respects they're similar in some ways, and

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1 we don't have to vote on it, from what I understand, but
2 if you're comfortable, I wanted to get your guidance, I
3 think we should at this time, anyway, treat them the
4 same way and offer them the same stipulation, if it's
5 okay with you.

6 COMM. GONZALES: Would it be possible to at
7 least detail what's in the package, the number of
8 contacts we made with these bases, just to document that
9 we've contacted them and said, hey, you didn't even file
10 an application; just for the Commissioners to have, at
11 least something objectively to assess.

12 CHAIRMAN DAUS: I think that's a great idea,
13 Commissioner. In fact to try to get to the root of why
14 this is happening, maybe we can, as they file their
15 applications, have a frank discussion with them, ask

16 them how did this happen, did you not understand
17 something, did you not have a computer? There may be a
18 legitimate reason. I'd like to know. Right now there's
19 no reason offered to me, it's just neglect.

20 Yes, Commissioner Vargas?

21 COMM. VARGAS: I certainly am in support of
22 giving the 23 bases the opportunity to come in and fill
23 out under the guidance of a stipulation and possible
24 monetary penalties on why they didn't do what they were
25 supposed to do. Certainly, business folks ought to at a

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1 minimum have a comprehension of deadlines and statutes
2 and things of that nature, but I like the idea of TLC
3 and staff and under your guidance, Mr. Chairman,
4 certainly going forward and giving them the opportunity.
5 Therefore, we don't put potential drivers out of work,
6 close bases. Certainly, I would not like to see that
7 happen and I like the possibility of giving these guys
8 another chance.

9 CHAIRMAN DAUS: Okay. Well said. Anybody
10 else? Okay. So licensing staff will proceed with the
11 stipulations, offering them the similar stipulations or the same stipulations
12 as we just did for the five bases.

13 Item 3C, we have some applications that are

14 being recommended for approval.

15 MR. CARTER: Good morning, Mr. Chairman.

16 CHAIRMAN DAUS: We'll proceed with the

17 calendar call as we usually do, Bill, and any

18 reservations, we can red flag them for Bill.

19 MR. CARTER: I'll be reading what we're

20 recommending for approval this month.

21 Cobble Hill Car Service.

22 CHAIRMAN DAUS: Could we just put that to

23 the side, please?

24 MR. CARTER: Delince Car Livery Service

25 Corp. d/b/a White Top Car Service; Diamond Car &

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1 Limousine, Inc.; Erushalaim Corp.; Lincoln Limo Service,

2 Inc.; Llama Limo Car Service Corp.; NY Limo

3 Transportation Corp.; Rite-Way Private Car Service

4 Corp.; Rose 'N Dale Car Service, Inc.; The Excellent Car

5 Service, Inc.; Try Management Company, Inc., doing

6 business as Apple Car Service.

7 The following seven are combination

8 requests, where the business is moving or changing

9 ownership or renewing and changing ownership: 18th

10 Avenue Private Car Service, Inc.; A Kings Highway Car

11 Service, Inc.

12 CHAIRMAN DAUS: Could we put that to the
13 side, please?

14 MR. CARTER: Yes. Bakoss Trading, Inc.;
15 Best Deal Private Car Service, Inc.

16 CHAIRMAN DAUS: That one as well.

17 MR. CARTER: Mazad Car & Limo Service; New
18 American Car & Limousine, Inc.; Stillwell Avenue Inc.,
19 doing business as Tee Jay Car Service.

20 CHAIRMAN DAUS: Any issues or questions to
21 the bases that haven't been pulled to the side that have
22 been read into the record.

23 Do we have a motion to approve?

24 COMM. AROUT: Make a motion to approve.

25 CHAIRMAN DAUS: Second?

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1 COMM. WEINSHALL: Second.

2 CHAIRMAN DAUS: All in favor.

3 (Chorus of "Ayes.")

4 CHAIRMAN DAUS: Okay. On Cobble Hill, Kings
5 Highway, Best Deal, I think those have records where
6 there are one or more convictions for unlicensed
7 activities, dispatching unlicensed vehicles. Have we
8 received a copy of their business plan?

9 MR. CARTER: We sent them a copy of their

10 violation history. They're going to take action to make
11 sure these things don't happen again. They've addressed
12 them in the operating plan.

13 CHAIRMAN DAUS: Licensing is satisfied with
14 their plan?

15 MR. CARTER: Yes.

16 CHAIRMAN DAUS: We're going to keep on top
17 of them and evaluate them as they come up?

18 MR. CARTER: Yes.

19 CHAIRMAN DAUS: I'd like to make a motion to
20 approve those three bases, with the caveat and
21 understanding that enforcement will keep a close eye on
22 them. We will look at whether they comply with their
23 business plan upon their renewal.

24 COMM. AROUT: Make a motion we accept.

25 CHAIRMAN DAUS: All in favor.

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1 (Chorus of "Ayes.")

2 CHAIRMAN DAUS: Unanimous.

3 MR. CARTER: Next, seven bases on the list
4 are the bases we're recommending denial. These bases
5 have not completed an application.

6 Always Able Car Service, Inc., Azteca
7 Express, doing business as New Mexicana Car Service II;

8 Fat Livery Inc.; Kew Gardens Enterprises, Inc.; Kew
9 Gardens Operating Corp., Lib Car Service Corp., doing
10 business as Jilly's Car Service, and Perirl Corporation
11 doing business as North American Limousine Car Service.

12 COMM. DEAR: Mr. Chairman, could I --

13 CHAIRMAN DAUS: Yes.

14 COMM. DEAR: I know, because we went through
15 this, we went back to approve them and obviously it was
16 brought to my attention. I don't know any of these car
17 services, I don't know anything about it, but could you
18 tell me when we go to them, obviously, there was a
19 history with TLC, if you get a notice, you ignore it, is
20 that what has happened in the past and now we're taking
21 this and we want to shake up the industry to let them
22 know that we're taking this seriously, because we
23 haven't denied applications in the past.

24 Now, I just want to make sure, besides
25 sending them letters, did we reach out to them and tell

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25

1 them?

2 MR. CARTER: Yes, the bases that we're
3 recommending denial, I believe the Commissioners were
4 all supplied with a chart that gives you in the right
5 hand column the number of times that we've communicated

6 with these bases and the nature of the communications.

7 As you can see, for instance, Azteca Express d/b/a New

8 Mexicana Car Service, ten times by telephone.

9 COMM. DEAR: I'm just curious, are any of

10 these car services in the audience, any of their

11 representatives, their attorneys? There are two or

12 three. Could I, do you mind if I ask them,

13 Mr. Chairman, what's going on? They're in the audience.

14 CHAIRMAN DAUS: Enlighten us, please.

15 COMM. DEAR: Could you come up here?

16 CHAIRMAN DAUS: What is the name of your

17 base? What is your name?

18 MR. DELACRUZ: My name is Carlos Delacruz.

19 The name of the base is Fat Livery. We've been in the

20 taxi and limousine for 25 years. The last one year and

21 a half, we've got some economic problems.

22 COMM. DEAR: Speak into the mike.

23 MR. DELACRUZ: The last year and a half

24 we've got some economic problems. At this point we work

25 so hard that we are able to keep going with TLC. We

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1 have all the papers, we paid the thousand dollars to

2 TLC. We got the wheelchair, we got all the papers. The

3 only thing that we don't have, and that's why we need

4 only one month's chance, 25 years that we have this
5 business, to pay the quarters that we owe to New York
6 City and the State, and I think in a month we'll be all
7 right. The other papers we'll be all right.

8 We paid the \$1,000 to TLC. We went over
9 there, they say when we got everything together to go
10 over there, but at this point we need that. New York,
11 the State, to pay that and we need one month. After the
12 month --

13 COMM. GIANNOULIS: What is this, is it taxes
14 you have to pay? What is New York City, New York State?

15 MR. DELACRUZ: It's New York City taxes that
16 we owe some quarters.

17 COMM. GIANNOULIS: Is that required for the
18 license certification?

19 MR. CARTER: What's required is they bring
20 us a clearance from the State and the City. Many times
21 they can't secure clearance.

22 COMM. AROUT: I just want to say something.
23 I'm looking at a total fine of \$1,600. With 133 cars,
24 that's not bad. But the point is, sir --let me get
25 their record. According to the information that we

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1 have, in nine times by phone, three times by letter, how

2 many times do you expect us to get in touch with you?

3 You haven't got the decency to call us up and let us

4 know what's happening?

5 MR. DELACRUZ: I went to the TLC, I spoke

6 with and I want to give all the papers. He said when

7 everything is all together --

8 COMM. AROUT: When? When is all together?

9 COMM. SANDER: When did you see them?

10 MR. DELACRUZ: I went to the TLC, we also

11 paid the \$1,000.

12 COMM. AROUT: Where is the TLC you referred

13 to.

14 MR. DELACRUZ: Queens Boulevard.

15 COMM. SANDER: When did you do this?

16 MR. DELACRUZ: The last time I was there, I

17 don't recall the exact date, but I guess it was like a

18 month ago. They even gave me the applications, what I

19 need to acquire, which I have all the papers

20 requirements. The only thing based on the economically

21 problems that we have --

22 COMM. AROUT: Can I read you something, if I

23 may? The below eight bases were mailed their renewal

24 applications during or prior to August, 2005. By

25 January, 2006, they had not submitted a complete renewal

1 application. On December 20, 2005, they were mailed
2 letters giving them one final chance to comply with the
3 TLC renewal requirements. These letters stated that
4 they had until February 10, 2006 to submit letters
5 mailed on December 20, 2005. The TLC license staff has
6 contacted them numerous times and any attempt to
7 finalize their renewal applications.

8 What have you got to say about that?

9 MR. DELACRUZ: I went to TLC with the
10 informations that I have.

11 COMM. AROUT: You're not answering the
12 question.

13 DEP. COMM. SALKIN: I think it's important,
14 to interject for a second, the Commission is raising a
15 good point. I think it's important to talk about what
16 exactly happens. What's happened in the past, and Bill
17 can talk more about this, is the bases come to the TLC
18 and it's not complete. In the past the Commission would
19 accept information and wait around and wait around for
20 the base to complete it. Often what would happen is the
21 two years would run up and there would never be a
22 renewal or a vote or anything. So the Commission's
23 policy now is you have to submit a completed
24 application.

25 What this gentleman is saying is he's tried

1 to work with TLC, but he's also saying he's not been
2 able to complete the application.

3 COMM. GIANNOULIS: Could we have, you or
4 Bill, if it's a short list, tell us exactly what, this
5 tax thing is interesting, but just is there a quick kind
6 of list that you could tell us what is needed other than
7 the obvious stuff, stuff that's interesting?

8 DEP. COMM. SALKIN: A lot of it is statute
9 and Bill will give you the list. Maybe we can find it,
10 because it's on line. It's about 18 items. It's
11 basically everything that you see in the executive
12 summary, those are the items that we're basically
13 looking for.

14 COMM. AROUT: May I say something? Pardon
15 me interjecting. Number one, you must have an
16 application form; two, sufficient vehicle affiliation
17 off street parking, \$5,000 security bond, proof of the
18 6-07 compliance, Department of Finance comprehensive
19 operating plan, Department of State and quality of life
20 inquiries. That's what it needs.

21 DEP. COMM. SALKIN: Yes.

22 COMM. GIANNOULIS: What about this tax
23 certification? I'm just asking. I'm not saying people
24 shouldn't pay their taxes, but quite honestly, I'm going

25 to make a guess here and one person is not a poll, but

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1 I'm going to guess 50 percent of the people in the
2 business aren't up to date on their taxes, so if they
3 can't get a clearance, I assume 20 percent of the
4 population is not. I assume that maybe this is why all
5 these are bouncing back. I'm not saying we should
6 change that, but if that's the case, we should know it.

7 MR. CARTER: Commissioner, we require that
8 if it's a corporation they be in good standing with the
9 State. We don't know if it's a tax issue or it's just a
10 matter of them not having a proper EIN notice on file.

11 COMM. GIANNOULIS: The State issues letter
12 to them.

13 MR. CARTER: We send a file to the State of
14 all the bases we have and the State sends back a letter
15 whether or not the base is registered with the State as
16 a corporation or not. If it's not clear, we recommend
17 the owner go to the State and get a clearance. They go
18 and take care -- it may not be a tax issue, it may be a
19 matter of a number being off. They get a clearance
20 letter, they bring it back to us, they're clear.

21 DEP. COMM. SALKIN: So I think what we're
22 discussing is, really what we're trying to clean up, and

23 what we have found is as the Commission takes a harder
24 stance -- as the Commissioners take a harder stance, the
25 bases are more proactive in filling out their

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1 applications.

2 What we have seen, certainly if the
3 Commission makes a stance, as they have here,
4 comprehensive operating plan, they come back, we set a
5 drop dead date for six, one dropped out, and we have
6 five completed applications. Your opinion is weighted
7 very heavily and we find when we take action that the
8 industry does respond.

9 One of the things, I don't know if this is
10 the punchline, but one of the things we're recommending
11 for bases in this gentleman's stipulation is rather than
12 following the stips that we give, is we're recommending
13 we give them 30 days to complete their application and
14 then they're closed; basically give them one more
15 warning, have our staff go to the facility and serve
16 them that letter directly so there's no mistake about
17 who got the letter who didn't get the letter.

18 But we give a gentleman like this, who seems
19 to have been trying in good faith or not, whether he'll
20 be able to complete the application, I don't know, at

21 least he'll be able to complete it. This is different

22 from the other places --

23 COMM. DEAR: I just happened to call him up

24 here. If we didn't know, he would not have known who to

25 call, would have called some elected official

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1 eventually. We just called him up because we asked who

2 is here, and let's find out what it's about.

3 COMM. AROUT: We've already discussed this.

4 What are you talking about?

5 COMM. DEAR: Excuse me?

6 COMM. AROUT: You're talking.

7 COMM. DEAR: I'm allowed to talk. Are you

8 the Chairman now?

9 COMM. AROUT: No. I'd like to voice my

10 opinion.

11 CHAIRMAN DAUS: I'm the Chairman. Let's try

12 to calm down. This is an emotional issue. Let's calm

13 down.

14 COMM. DEAR: It's not emotional.

15 CHAIRMAN DAUS: It is. I'm upset about it.

16 COMM. DEAR: Can I finish, if you don't

17 mind?

18 CHAIRMAN DAUS: Let me say something real

19 quick. I'm sorry, with all due respect, sir, you didn't
20 answer our questions. You know what? Maybe this isn't
21 the place to do it. Andy has a good point. We don't
22 want to come back and do stips. I don't have any
23 problem giving your base and other bases another thirty
24 days, because it makes more work for us to have to do
25 these stips.

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1 If you look at your record, we don't have
2 that many safety issues on your record, but Fat Livery
3 does have numerous convictions for failing to respond to
4 TLC communications. There seems to be, with all due
5 respect, a problem with your base responding to the TLC
6 and communicating with us. So whether it's because you
7 don't have the appropriate staff or the staff doesn't
8 communicate with us well, you don't have a followup
9 mechanism, this is something or maybe there's another
10 reason, you really need to look at your application --

11 Basically, something is wrong here, there's
12 a disconnect, there's a problem with your base. We
13 don't have to have an embarrassing discussion here about
14 it, even though I think the Commissioners have a right
15 to know, but something is wrong. Whatever it is,
16 whether it's hiring the appropriate staff, putting a

17 good mechanism in place for your base to promptly follow
18 up with us, I think we have a very legitimate point that
19 the problem is not with us, it's with your base and with
20 these other bases. How many times do we have to make
21 these phone calls? This is why we get backed up in
22 licensing with too much hand holding going on. We're
23 willing to listen to what you have to say, but you
24 haven't answered our questions.
25 COMM. GIANNOULIS: Can I just, is this an

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1 application that's mailed in?
2 MR. CARTER: The application is mailed out
3 to them with the renewal form. The payment is brought
4 in to us and the applicant is brought in and assigned a
5 staff member who they work with, and that staff member
6 on every single base contacts them back and forth as a
7 communication from the beginning of the process.
8 COMM. GIANNOULIS: So they don't go to TLC
9 in Long Island City or anywhere else and go to a window
10 and say, "here's my stuff."
11 MR. CARTER: No. In fact. There's an
12 accompanying letter that goes with them that introduces
13 the person on the staff. We also have seminars for the
14 application, as the Commissioner mentioned before, we

15 give seminars now because the application form is a
16 little more difficult.
17 CHAIRMAN DAUS: Andy, I agree with you, if
18 we could somehow try to probe what the issues are. That
19 should really be part of their business plan, how they
20 should be better able to communicate and respond. I
21 have no problem with giving them, these seven bases an
22 additional thirty days, but if they don't within that
23 thirty-day period comply, that we are going to be at
24 their doorstep and we're going to shut them down the
25 next day. That's what I would like to do.

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1 COMM. DEAR: What I was trying to get to,
2 and it was not because of this individual, I have no
3 idea who he is, but there's obviously a problem. Andy,
4 thanks for backing me up. We had a history here on this
5 Commission, like you said, you put in the application,
6 you're missing some, who cares, two years from now,
7 three years from now, it didn't matter.
8 The culture has changed, but rapidly,
9 instead of going out to all these people, they're
10 learning now. A lot of these people, for example, take
11 this one, this livery person and others, rely on some
12 attorneys, excuse me, as a fellow attorney, I am one, I

13 want to call them to the task, have done things that
14 were not appropriate and not proper, by claiming that
15 they're going to represent them, put the papers in and
16 say they did put their papers in and I know they didn't.
17 I just had one now where I'm telling you the attorney
18 itself was at fault. It wasn't the person because they
19 don't know. If you ask all of these guys, these
20 applicants, they're fearful of the TLC because they
21 figure oh, you guys could shut me down.

22 On the other hand, there's a new, I don't
23 want to say new regime, a new way of doing business.
24 That's great, we're now focusing on the livery as an
25 important part of our business. What I'd like to do, if

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1 we see these seven, it's not a big thing to call, find
2 out what is your problem, if there is a problem, let us
3 see if we can help you.
4 COMM. SANDER: If I may just add, again, I
5 think it is particularly important, echoing what
6 Commissioner Dear said, to figure out what the
7 motivation is and where these bases are coming from. If
8 they clearly have no respect for the law and for
9 regulation, I share in Commissioner Arout's reaction
10 about coming down on them like a ton of bricks, but if

11 it appears like they are trying to respond but they are
12 still trying to get with the program, then obviously we
13 need a somewhat more measured response. At the end of
14 the day they still have to get there too, but still to
15 have that kind of sensitivity.

16 COMM. DEAR: I think in the immigrant
17 communities, they have no experience. I've seen that
18 time in and time out where they don't know where to turn
19 to, they don't know they could come to the agency and
20 people would talk to them. They hear one, they listen
21 to a another and they don't understand.

22 You've seen time and again people who come
23 here, they claim they speak English well and they don't
24 understand. I think it's important when it comes to
25 some of the immigrant communities there may be a

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1 problem. They want to listen to us, but maybe we should
2 help them come bring and that's what we're here for.

3 DEP. COMM. SALKIN: You've all made
4 important points. Following Commissioner Daus and
5 Commissioner Dear's lead, we will give them thirty days
6 and follow this up, have them explain in their
7 application and ask them why --

8 COMM. AROUT: Excuse me, I got a problem.

9 This particular base and all the rest of them have
10 outstanding items. How can one open up a base?
11 According to the outstanding items, this particular one
12 and many others -- application form. Does he have an
13 application form? Insufficient vehicle affiliation.
14 Can he prove off street parking?

15 DEP. COMM. SALKIN: He has to prove all of
16 this. At the time this was printed, this is what was
17 outstanding. What the gentleman has said, he's
18 collected a lot of the data, because he knew time was
19 running out, but he wasn't able to complete it all.

20 COMM. AROUT: I can't buy that.

21 DEP. COMM. SALKIN: If he's not able to
22 complete the application, you're correct, it cannot be
23 reviewed.

24 CHAIRMAN DAUS: Commissioner Arout, we all
25 share your frustration, there's no doubt about it. I

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1 think we should deny these bases. I make a motion to
2 deny their applications if they do not within thirty
3 days supply these items. This is the last straw.

4 COMM. SANDER: And we're assisting them in
5 responding to that. Sounds totally fair.

6 CHAIRMAN DAUS: Yes.

7 COMM. SANDER: Seconded.

8 CHAIRMAN DAUS: All in favor?

9 (Chorus of "Ayes.")

10 CHAIRMAN DAUS: Any opposed? Okay.

11 Commissioner Arout is opposed to the motion. I hope the

12 industry gets the message.

13 COMM. DEAR: Just be clear, we're denying it

14 after the thirty days if they don't come up.

15 CHAIRMAN DAUS: That's correct.

16 COMM. DEAR: Someone should explain it to

17 him.

18 CHAIRMAN DAUS: On a more positive note,

19 Commissioner Sander has joined us, he was out of the

20 room before. I would like to congratulate Lee Sander

21 for his reappointment to the Commission for a commission

22 that expires on January 31, 2012. You're right now the

23 longest serving Commissioner. There may be no more

24 left. Congratulations.

25 There's not enough I can say about Lee.

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1 Lee, not only are you diplomatic, even tempered and have

2 been the voice of reason throughout the years through

3 difficult times and good times, you've been a consistent

4 voice on this Commission that has made it better. You

5 are analytical, thoughtful, I think a lot of where we
6 are today is, quite frankly, a result of your efforts,
7 challenging staff and the Commission to analyze facts
8 and figures and statistics that are basically grown out
9 of your work as an educator, and also in the work that
10 you've done as a public servant and in private practice.

11 So I join my colleagues here in thanking you
12 for agreeing to serve, and Mayor Bloomberg, as your
13 Mayoral appointee has also seen the merit in continuing
14 to have Lee on the Board and the City Council voted
15 unanimously to approve you, Commissioner Sander, so
16 mazal tov, congratulations. Welcome to the Commission.

17 COMM. SANDER: Thank you, Mr. Chairman. And
18 I want to thank the Mayor and the confidence of the
19 Chairman, Commissioner Weinshall and it has been a
20 privilege to work with the drivers, the owners, the
21 Commission, and I just look forward to serving this new
22 term, so thank you very much.

23 CHAIRMAN DAUS: Congratulations.

24 Okay, item 4, executive session. Chuck, do
25 you have a report on what happened?

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1 MR. FRASER: Yes, the Commission in
2 executive session in February considered the appeal of

3 Evangelos Kyriazopoulos, whose license had been revoked.
4 He was appealing the revocation and in executive session
5 by a three to three vote the revocation was affirmed.

6 Just, by the way, I would like to mention
7 that our procedures for handling Commission appeals, we
8 issued a revised procedure dated March 7, 2006. The
9 Commissioners at our last meeting expressed a desire to
10 have the lawyers for both sides present at every appeal
11 and not just when they might choose to invite them, and
12 so we've made that change in the procedure and reissued
13 it and a copy of that is on our website.

14 CHAIRMAN DAUS: All right, now we'd like to
15 move to item 5, staff presentations.

16 The first presentation is the current state
17 of the New York City taxicab. Peter and Andy. Peter?
18 Peter Schenkman, our Assistant Commissioner for safety
19 and emissions will be joining us. This is in response
20 to not only the work that we've been doing with TAXI 07,
21 the vehicle as a whole, but the Commission had asked
22 that we give an update on how hybrids are doing and also
23 as we move to our next medallion sale in June, I think
24 it's important that we have vehicles and those vehicles
25 work and everybody is clear on what they can and can't

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1 buy.

2 Peter?

3 MR. SCHENKMAN: Good morning, everyone.

4 I'm going to speak, as the Chair said, about
5 the State of the New York City taxi. We're covering the
6 first slide, we're going to show the current fleet by
7 model year, and as you can see, the average age of the
8 fleet is 3.3 years, which is the lowest it's been in
9 quite some time, and that's good for safety and
10 certainly for pollution.

11 And the next slide addresses the initial
12 inspection results. I just want to state, before anyone
13 gets scared looking at these numbers, that every taxi on
14 the road for hire has passed the TLC safety and
15 emissions inspections. The numbers we're looking at is
16 their first visit in what usually ends up as a cycle of
17 two or three reinspections. This is a snapshot of the
18 last cycle, which was from November 2005 to
19 February 2006. And as you can see, there is a
20 noticeable difference in the vehicles.

21 Other vehicles referred to the handful of
22 Honda minivans, Isuzu minivans that are still on the
23 road and it does say something. The Crown Victoria does
24 seem to be a little bit older than the Sienna also.

25 We've come up with the workhorse of the

1 industry, the Ford Crown Victoria. It does have
2 incredible leg room. Most importantly, it's supported
3 by the manufacturer, Ford, which has allowed us to make
4 requests such as stretching the vehicle for more leg
5 room and coming from the factory with rear air
6 conditioning, which is a huge benefit with the partition
7 in the summer. It is a five-star crash rated vehicle.
8 Side air bags are possible on this vehicle. We're
9 working with Ford to discuss perhaps making it standard
10 equipment.

11 It is an old design. As indicated, it's
12 built on a 1979 platform. It is one of the only body on
13 frame designs left in production. Gas mileage is poor.
14 It's a large vehicle, it's heavy and it meets the lowest
15 level emission standards, which is, LEV stands for low
16 emissions vehicle. On the chart that we'll look at
17 later, it is the lowest and of course due to the design,
18 it is not wheelchair accessible.

19 The number two most popular vehicle, which
20 counts for 9 percent is the Toyota Sienna minivan. A
21 little less leg room, but higher head room, so it gives
22 a feel of airiness. Toyota has been in contact with
23 myself and other members of the TLC and apparently one
24 of the presidents or vice presidents was driving around
25 Manhattan and saw almost every other cab was a Toyota

1 Sienna and that got them a little interested.

2 It's a four-star crash rated vehicle and
3 makes up for some of that by having five standard air
4 bags. Gas milage isn't great, it's a little bit better
5 than the Crown Victoria, and it does meet the latest
6 ultra low emissions vehicle level 2 standards, and as I
7 indicated it's the only minivan to meet that standard
8 nationwide.

9 It is not wheelchair accessible, but a lot
10 of retail people are having it retrofitted, but
11 unfortunately that may not translate into an acceptable
12 wheelchair accessible taxi.

13 COMM. GIANNOULIS: Can I ask you a question?
14 What's the cost of each of them?

15 MR. SCHENKMAN: We'll actually cover that in
16 a later slide.

17 COMM. GIANNOULIS: Another question? Where
18 are they made?

19 MR. SCHENKMAN: The Ford Crown Victoria is
20 made in Canada and the Toyota Sienna is made in Japan.

21 The next slide, we start discussing the
22 cleaner vehicles. This is more of an outline of the
23 next few slides, but very briefly, the current
24 experience from the TLC side has been very positive with

25 the hybrid taxis. Drivers report positive responses and

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1 then later on we're going to discuss other types of
2 clean vehicles that are out there.

3 There are 22 hybrids in use as medallion
4 taxis and we have reason to believe there will be a
5 handful more in the next month of those. 19 of those
6 are Ford Escapes, two Toyota Highlanders, one is a
7 Toyota Prius. The surprise is that the for-hire vehicle
8 industry had 60 of them.

9 COMM. DEAR: What kind?

10 MR. SCHENKMAN: The majority are Priuses.
11 We have one Prius, but the FHV industry has, I believe
12 one base has 30 Priuses.

13 COMM. DEAR: How is the Prius holding up?

14 MR. SCHENKMAN: Initial inspection a month
15 ago, the vehicle only had 5,000 miles on it, performed
16 as expected.

17 COMM. DEAR: The drivers are happy?

18 MR. SCHENKMAN: One individual driver, the
19 owner decided to put the vehicle on a regular medallion.
20 He's very pleased, nothing but compliments.

21 COMM. DEAR: In the FHV industry, are there
22 any bases that have multiple hybrids or are they spread

23 out among various bases?

24 MR. SCHENKMAN: It's all Ozo.

25 COMM. DEAR: What about the Ford Escapes?

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1 MR. SCHENKMAN: Inspection results have been
2 positive. They passed with no issues. Right now the
3 Escapes are running at about 30 to 35,000 miles. The
4 Prius, as I indicated, has almost six at this point and
5 the Highlanders have approximately 15 to 20.

6 COMM. DEAR: Highlander is expensive.

7 MR. SCHENKMAN: Yes.

8 COMM. DEAR: The Escapes are more
9 affordable, probably even less than Crown Victoria.

10 MR. SCHENKMAN: Right around the same price.
11 As I indicated, TLC initial inspection results have been
12 very positive. Drivers that either lease them or own
13 them are ecstatic. My conversations with the drivers
14 indicate ten to \$15 for a two-hour shift in fuel and
15 it's not empty when they do that.

16 Maintenance costs as reported to me by the
17 majority of owners have been only preventive
18 maintenance, oil changes, a couple of flat tires. No
19 major component failures or any issues that we will
20 concern ourselves with. I'd also like to note that the

21 manufacturers have participated, Ford and Toyota in the
22 initial inspections have come out to the Woodside
23 facility and were very pleased to see that the vehicles
24 were all holding up.

25 Short-term outlook, as was mentioned before,

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1 there's a medallion sale coming in June. We expect 62
2 of those to be alternative fuel medallions and currently
3 we have three owners who are using regular medallions on
4 their hybrids and we have reason to believe in
5 discussions I have had that that number is going to
6 double in the next month or so.

7 That brings me to the discussion of the
8 hybrid rule specifications. When the Commission passed
9 the rules, it was agreed that all current hybrids would
10 be approved. We have not seen any Accords, we have not
11 seen any Civics, even questions about them being hacked
12 up, and it may be time to, with a whole handful of new
13 vehicles coming out in the next few months, it may be
14 time to discuss modifying the rules and eliminating the
15 smaller vehicles.

16 There was also discussion during the
17 approval of increased visibility of the hybrid vehicles,
18 possibly a green stripe or a sticker, as we had on the

19 CNG vehicles, indicating that it's a clean air vehicle.
20 That's something certainly for discussion.
21 As to cleaner vehicles, the California Air
22 Resources Board sets the standard for the country. They
23 exceed the EPA standards considerably and what we've got
24 here basically addresses the most popular vehicles on
25 the road as taxis with a little chart giving you an idea

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1 from, dare I say, dirtiest to cleanest. The Ford Crown
2 Victoria is a low emissions vehicle, which means that
3 the standards it meets are pre-2000. The ultra low
4 emissions vehicle two is approximately 50 percent
5 cleaner than the low emissions vehicle and the partial
6 zero emissions vehicle is two things. Obviously, the
7 emissions out of the tailpipe are near zero, but it has
8 zero evaporative emissions. Which means the entire fuel
9 system is contained and sealed, so you're not getting
10 fuel vapor, which translates into hydrocarbons and
11 ultimately carbon dioxide in the air and carbon
12 emissions vehicles come standard with a 15,000/150,000
13 mile emissions control warranty. The hybrids are an
14 advanced technology partial zero emissions vehicle.
15 Which brings me to discussion of partial
16 zero emissions vehicle. This year a lot of vehicles

17 have come out and as you can see, there's a whole range
18 of vehicles here and they are all as clean, in some
19 cases possibly cleaner than the hybrids on emissions.
20 They don't necessarily get as good fuel economy as the
21 top Priuses, but as you can see by the numbers they're
22 all quite respectable. These cars tend to be a little
23 bit smaller, but that leads me back to the possibility
24 of instead of tailoring, we should consider the rules
25 for vehicles based on fuel economy and emissions

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1 ratings, not just necessarily the new technology that's
2 out there.

3 COMM. GIANNOULIS: Excuse me, what's the
4 difference between a partial zero emissions vehicle and
5 a hybrid?

6 MR. SCHENKMAN: A partial zero emissions
7 vehicle, as far as emissions, there is none. They tend
8 to be as clean. The AT in front of the PZEV on the
9 hybrids just indicates advanced technology, meaning it's
10 a hybrid or in some cases CNG. And it should also be
11 noted all of these vehicles do meet the current rules
12 for hybrid taxis.

13 The next discussion is regarding accessible
14 vehicles. We've got 27 of them out there. They are all

15 Ford Freestars. The modification is not manufacturer
16 supported, there's no warranty on the vehicle except
17 from the modifier. We've noticed a very high inspection
18 failure rate due to some very serious issues, and this
19 could be related to the fact that the modification was
20 not supported by the manufacturer. We've noticed a lot
21 of suspension component failures, brake line failures
22 and ABS computer failures of the wires going to the
23 wheels. And the actual subframe is cracked due to the
24 design of the vehicle.

25 Fuel mileage isn't great. It is also a low

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1 emissions vehicle, meaning that it does not meet the
2 most stringent standards. It's a rear entry accessible
3 vehicle and it is not compliant with all federal
4 mobility aid guidelines.

5 COMM. GIANNOULIS: Excuse me. How many of
6 those, do you know how many of those have been renewed,
7 if any?

8 MR. SCHENKMAN: 26 of the 27 are on the road
9 at this time. They failed the inspections, but all
10 issues have been corrected and reinspected.

11 COMM. GIANNOULIS: I'm sorry, let me change
12 my question. My question is, do we know whether people

13 would use these vehicles once these vehicles were up,
14 purchase the same vehicles?

15 MR. SCHENKMAN: They're all 2005's

16 DEP. COMM. SALKIN: How many miles do they
17 have on them?

18 MR. SCHENKMAN: They have ranging from
19 70,000 -- one I looked at the other day is about 98,000
20 and unfortunately they're just not holding up real well.

21 The safety and emissions division has
22 developed interim specifications for wheelchair
23 accessible taxicabs and we hope the Commissioners will
24 review these interim specs later on this spring. The
25 specifications were developed through an ongoing

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1 assessment of the current program and were designed
2 better to meet the TLC goals. The new specifications
3 allow for a larger and sturdier vehicle and it's capable
4 of transporting up to two wheelchairs and two
5 non-disabled passengers at the same time.

6 This vehicle is manufacturer supported,
7 therefore, the original owner warranty is in place in
8 addition to a modifier warranty. It is strictly
9 designed for commercial use. It is one of the approved
10 accessible vehicles in the City of Chicago.

11 Unfortunately, gas mileage isn't great either, but it
12 does meet the newer level emissions standard. It
13 differs in the current accessible vehicle in that it is
14 side entry and as I mentioned before, it can transport
15 two wheelchair and two non-wheelchair passengers and it
16 is fully compliant with all federal mobility aid
17 guidelines.

18 The next chart basically shows a picture of
19 a side entry accessible vehicle and the situations that
20 may occur in a congested area, and you could see neither
21 the side nor the rear is an idea situation, because
22 either way the person in the wheelchair is out in the
23 street. It's just a matter of whether it's going to
24 take up one lane or two lanes.

25 The Commissioner asked before, this is a

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1 comparison of the current vehicles out there; the two
2 main vehicles and the accessible vehicles, and as you
3 can see, the Crown Victoria, the manufacturer's
4 suggested retail price is 27,500. We know that for the
5 most part, no one pays that. Same with the Sienna, is
6 23,000.

7 The Ford Freestar is the current modified
8 vehicle and that is in line with the proposed vehicle

9 specs. The proposed vehicle will actually come with a
10 custom made partition standard with the vehicle. And we
11 also show here the leg room, and one of the interesting
12 things about the proposed accessible vehicle is that
13 with the middle seat folded up to allow a wheelchair,
14 the passenger has literally endless leg room due to the
15 fact that it is a minivan. Also, it's much more
16 spacious due to the higher headroom, and as you can see,
17 the Crown Victoria is longer than just about every other
18 car that's approved as a taxi.

19 COMM. GIANNOULIS: In the new medallion sale
20 do we have any disabled specific? How many?

21 COMM. WEINSHALL: 54.

22 COMM. GIANNOULIS: Is the intention to get
23 this new vehicle approved before the sale of these 54?

24 COMM. WEINSHALL: Absolutely.

25 CHAIRMAN DAUS: And 62 hybrids, 62

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1 alternative fuel?

2 MR. SCHENKMAN: Yes.

3 Finally, I just want to leave everyone with
4 some food for thought. What is the future taxi? Is it
5 a sedan, is it a minivan? With technology growing by
6 leaps and bounds in the automotive industry, nothing can

7 be ruled out at this point. I've met with major auto
8 manufacturers, they all have great ideas. It could be
9 the Saturn hybrid, it could be the Toyota hybrid, it
10 could be something that's not even here that we've never
11 seen before, and that is the current state of New York
12 City taxi.

13 COMM. GIANNOULIS: Who is Amerivan?

14 MR. SCHENKMAN: That's their model
15 designation. The company that manufactures that is El
16 Dorado International. They're the largest public
17 transit manufacturer in the country.

18 COMM. GIANNOULIS: Are there other similar
19 vehicles that we may be making a proposal to include?

20 MR. SCHENKMAN: We certainly don't want to
21 limit it to one manufacturer. We've reviewed the
22 specifications for other municipalities and other
23 states, and this seems to be the only vehicle that we
24 could find. We're certainly open to anyone. I got a
25 phone call last week from a gentleman who believes he

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1 has the next accessible taxi for New York City. So
2 we're not closing the door on competition, we actually
3 encourage it. We just haven't found anything that is as
4 rugged and most importantly is supported by the

5 manufacturer.

6 COMM. GIANNOULIS: What was the difference
7 in the last public auction, a range of top low prices
8 for the medallions for disabled vehicles and the other
9 medallions? What was the difference?

10 DEP. COMM. SALKIN: The top was just over
11 400,000 for corporate medallions and the accessible
12 medallions sold for about 275, 280.

13 I want to add on to what Peter is saying.
14 The spec was set forth by the staff. The vehicle is the
15 only one that meets the spec. We're not looking to say
16 here's the vehicle, here's the spec. We feel strongly
17 about the spec. When rules are passed, we will
18 obviously send them out to manufacturers and encourage
19 them to also meet that spec. If that was your point, I
20 agree with that.

21 CHAIRMAN DAUS: I think it's important also
22 that the Commission look at these rules sooner rather
23 than later so we have viable vehicles once people buy
24 accessible medallions at the next auction.

25 Do you think we can have some proposals

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1 ready by the next meeting, Peter? For May? Okay.

2 Any questions?

3 COMM. WEINSHALL: I just want to thank Peter
4 and Andy. I think this was a really comprehensive and
5 really excellent report. And I think the Commission has
6 often been criticized about putting rules in effect and
7 not knowing the implications and I think this is, I
8 think, Peter, the second report you've given and I know
9 that this information is very timely and very useful.

10 So on behalf of the Commission, I just want
11 to thank you.

12 MR. SCHENKMAN: Thank you.

13 COMM. GONZALES: I'd also like to thank you
14 and Andy for the site visit out to the Woodside
15 facility. I would like to note Commissioner Vargas and
16 I actually saw the problem with the brake lights with
17 the wheelchair accessible vehicles.

18 CHAIRMAN DAUS: Great work, gentlemen.

19 Also, it should be noted that Andy and his
20 staff had a TAXI 07 kickoff. Were you there as well
21 Peter?

22 MR. SCHENKMAN: Yes.

23 CHAIRMAN DAUS: If you remember, the Design
24 Trust gave a presentation at the last meeting. Now
25 they're going into the implementation phase and I think

1 it's particularly interesting the manufacturers were for
2 the first time at the table. I think the goal is a
3 vehicle built from the ground up, as opposed to having
4 ideas pie in the sky. These are ideas that are becoming
5 more practical, more honed and the manufacturers are
6 paying more attention to the Commission.

7 So I think we're on the right road. But
8 thank you.

9 All right, the next staff presentation is
10 our leasing review, which will immediately precede our
11 start of the lease cap public hearing as required by
12 rules. We have Samara Epstein and Jen Palmer joining
13 us, who have done a lot of hard work on this
14 presentation. Welcome, ladies.

15 MS. PALMER: Good morning. My name is
16 Jennifer Palmer, I'm here with Samara Epstein, and we're
17 going to be talking about leasing within the taxi
18 industry.

19 Our presentation today is going to cover
20 several different things. First, we're going to be
21 giving you an explanation of our research, we're going
22 to cover lease cap review, different leasing scenarios,
23 driver income and expenses, driver retention. We'll
24 give you some examples of contracts we've seen in the
25 industry, then we'll present you with some of our

1 conclusions.

2 So to start things out, our requirement was
3 that we complete an investigation of operating expenses,
4 driver earnings and the retention of experienced drivers
5 in the taxi industry, and to that end, we conducted
6 telephone interviews with base agents. We also
7 collaborated with enforcement to do an investigation of
8 base agents. We followed up on the information that was
9 submitted to us through enforcement, then followed up
10 with agency and owners and drivers as well and combined
11 that information with internal data and had some data
12 analysis.

13 So to start this discussion, we wanted to
14 talk to you a little bit about the lease caps. What
15 you'll see with this chart is what we stipulated in our
16 rules.

17 For all a.m. lease caps they're set at \$105,
18 and that's for a twelve hour shift. For p.m. shifts the
19 lease caps vary. Sunday through Tuesday is \$115,
20 Wednesday is 120; Thursday through Saturday is 129 and
21 the weekly lease cap for a medallion and vehicle for one
22 shift is 666 weekly, and for a medallion only it cannot
23 exceed \$800.

24 So what this means is when we were doing our
25 research, we found that leasing definitely goes beyond

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1 the lease caps, and we found that bases and agents are
2 creative in how they operate and there are numerous
3 themes that emerged. So to simplify this, we outlined
4 and simplified this down into five basic scenarios and
5 we're going to walk you through these.

6 The first scenario is a daily driver. This
7 is a driver who leases a vehicle and medallion for
8 either an a.m. or p.m. shift.

9 Second we have a weekly driver who leases
10 the vehicle and a medallion for either the a.m. or p.m.
11 shift on a weekly basis.

12 Now the third scenario is something we were
13 unaware of that was happening, and it's what we call the
14 fleet to buy. This is when a driver leases a medallion
15 from a fleet who acts as an agent and they do this on a
16 weekly basis. There's a separate payment agreement to
17 purchase the vehicle and they're doing that from the
18 same fleet who is acting as the agent.

19 The fourth scenario is the weekly medallion,
20 where the driver leases a medallion only on a weekly
21 basis, and, lastly, we have the medallion with a vehicle
22 purchase, where the driver leases the medallion from the
23 agent and then there's a separate payment plan to

24 purchase the vehicle.

25 COMM. DEAR: Vehicle with the medallion or

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1 just the vehicle? When you say the vehicle, the vehicle

2 with the medallion or just the vehicle?

3 MS. PALMER: This is just the medallion.

4 They lease the medallion only and then they purchase the

5 vehicle from an agent.

6 Now, you're going to notice that the

7 medallion with the vehicle purchase and the fleet to buy

8 look very similar. The difference is that in the fleet

9 to buy situation, the driver is purchasing the vehicle

10 that's a fleet vehicle, so it's from a fleet who

11 operates as an agent.

12 So it's understood that these are a little

13 complicated. We wanted to walk you through some of

14 these scenarios and speak a little bit about the

15 monetary transactions that were taking place, so we're

16 going to walk you through these five scenarios.

17 The first scenario is the vehicle and

18 medallion. This is a normal fleet leasing situation.

19 The yellow represents the fleet. They have the vehicle

20 and the medallion and there's a driver who either leases

21 on a daily or weekly basis and the driver pays the fleet

22 for the vehicle and the medallion.
23 Scenario two is what we are describing as
24 the fleet to buy, where the driver is paying the fleet
25 who operates as an agent for just the medallion and then

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1 has a separate contract and financial agreement with
2 that agent to purchase the fleet vehicle.

3 COMM. DEAR: Could you explain why; why it's
4 done that way?

5 MS. PALMER: That's a really good question
6 as to why they would be doing it. We talk about it a
7 little bit more in our conclusions. We're unsure as to
8 why this sort of emerged from the agent's perspective,
9 it's to give the drivers an opportunity to own their own
10 vehicle.

11 COMM. DEAR: I still don't understand. Is
12 there an economic -- has someone figured out an economic
13 issue on this?

14 MS. EPSTEIN: We think probably what happens
15 is the fleet offers this and they say for this amount of
16 money rather than just getting a weekly medallion and
17 vehicle, what you can do is have a separate agreement
18 with us to finance the purchase of a vehicle, and I
19 mean, something we're going to talk about a lot more

20 later on in the presentation, we don't know what that
21 means, we don't know what the contract looks like, we
22 don't know at the end of the contract what happened.
23 COMM. DEAR: Is it legal?
24 MS. EPSTEIN: We assume it's legal. We
25 don't talk about this in our rules at all. It's a

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1 different agreement. It's what we've seen, the
2 differences with a DOV, they have a purchasing plan with
3 a separate entity often, or the agent is sort of helping
4 them, but it's not an internal vehicle that they're
5 purchasing that the agent owns.

6 COMM. GIANNOULIS: If I can make a
7 recommendation, please. We have a lot of new
8 Commissioners on the Commission, and a lot of this stuff
9 is confusing even to the old timers. Why don't we allow
10 the presentation to go on first and then for people like
11 you, Commissioner, who really understand this stuff, you
12 could ask later.

13 But I think the reality is you're going to
14 lose people because this is the first time -- quite
15 honestly, I congratulate the Commission for doing
16 this -- that we've ever done this. It's taken me years
17 talking to people in the audience trying to figure out

18 how this business works. Let's let them do the
19 presentation and let's not confuse everybody.

20 CHAIRMAN DAUS: I would agree, if we could
21 hold off on questions, because I've gone over this with
22 them and it flows very naturally.

23 MS. PALMER: We understand that it is
24 confusing.

25 Scenario three is a straight agent, where

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1 the driver is leasing the medallion only. The driver
2 has their own vehicle and they lease just the medallion
3 on a weekly basis from the agent.

4 Scenario four is an offspring of the
5 scenario three. Where you still see that driver one has
6 their own vehicle and they're leasing just the medallion
7 from the agent. The difference in this situation is the
8 driver one then has contracts and financial agreements
9 with either a second or third driver and they lease out
10 their vehicle and possibly the medallion as well. We're
11 unsure about the financial agreement and the contracts
12 that are taking place between driver two and driver
13 three. They're often informal. We don't have a grasp
14 on what financially is happening.

15 The fifth scenario is where you will have

16 just the leasing of the medallion and there are two
17 drivers. The two drivers both pay the medallion owner,
18 the agent individually to lease the medallion and then
19 they have an agreement between themselves for the
20 vehicle, whether that means driver one owns the vehicle
21 and he leases it to driver two, or they have a joint
22 contract and agreement for purchasing the vehicle.

23 So now that we've talked about sort of the
24 trends that are happening in the leasing world, we
25 wanted to talk to you a little bit about the financial

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1 trends we've seen and in these two charts you're going
2 to see the top rows indicate the daily lease caps
3 stipulating our rules and beneath that you see what's
4 actually happening, based on our investigation and data
5 analysis. This actually number represents the median in
6 our data set.

7 So for a.m. leasing, there are only two days
8 that are below the caps; that's Saturday and Sunday,
9 both are approximately 14 percent below. For p.m.
10 leasing, Sunday, Monday and Tuesday you see the prices
11 are below the caps, and on Sunday and Monday they're
12 between 6 to 9 percent below the lease caps.

13 Interviews indicated if they're charging

14 below the lease caps, this is usually a day that is hard

15 to get people to drive their vehicles and fleets are

16 incentivizing it by reducing the lease cap.

17 This is just an extension. This gives you

18 the weekly numbers that we figured out. One thing that

19 you'll notice is the idea of a fleet to buy that we

20 discussed earlier and there's an absence of a lease cap,

21 because our rules don't speak to this trend happening.

22 You'll see that as well with the medallion and car

23 purchase. We don't have a lease cap, because we don't

24 address that in our rules.

25 Now I'm going to turn it over to Samara.

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1 She's going to talk to you a little bit about earnings

2 and income.

3 MS. EPSTEIN: Okay, so what we've compiled

4 here is a framework of finances. Based on the

5 information available to us, this is what we believe is

6 a good picture of the driver's daily operating expenses.

7 So this information includes the medallion leasing,

8 which for the owner-driver we included also just for

9 standardization, so you could compare across the three,

10 the depreciation of the vehicle, the maintenance, gas

11 insurance and fees.

12 So you see the total expenses for the driver

13 vehicle for DOV are about \$109; for fleet drivers is

14 about \$130 and for owner drivers it's \$147.

15 So the next slide we're going to talk about

16 driver income and this is building off the previous

17 slide which talked about the expenses. The assumptions

18 that we're making through trip sheets that we have

19 looked at that on average people are doing 30 trips per

20 shift and if you note under the DOV column of the long

21 term lease it says, "lease income is unknown." This is

22 because we don't really know what these agreements are

23 like, as Jen mentioned, so we're not sure when the DOV

24 is leasing out their medallion vehicle to the second and

25 third driver how much they're charging for the lease for

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1 the car. We figure that it has to be at least as much

2 as they're paying on their car payments, but apart from

3 that we don't really know.

4 You can see the total daily take-home, which

5 is consistent with the presentation we did a few months

6 ago on the fuel surcharge, where you've got the DOVs are

7 in the middle, the fleets are making the least and the

8 owner-drivers are making the most.

9 So we're going to talk about driver

10 retention and tenure, because that's something also that
11 we needed to review for this lease cap hearing. To this
12 end we've highlighted the tenure of the current drivers
13 totaling 42,949. The largest percentage of the drivers
14 have been driving between five and seven years, as you
15 can see, that's about 35 percent. The second largest
16 group of drivers has been driving from one to three
17 years, 22 percent, and there's a substantial amount of
18 new drivers, 10 percent. So you can see when you look
19 here that the number of drivers that have been driving
20 for more than nine years is relatively small by
21 comparison.

22 This next slide builds on the idea of driver
23 retention by looking at annual attrition. You can see
24 what the annual attrition is for the last five years,
25 pretty constant, and averages around 2400 people leaving

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1 each year, and the numbers show the drivers that did not
2 renew each year, that's how we came up with these. It's
3 about 5-1/2 percent.

4 As Jen mentioned earlier, something that we
5 wanted to show you is examples of contracts. Now, the
6 contracts that we saw really varied widely and we picked
7 two contracts that were sort of the least formal, least

8 comprehensive that we saw, so this is an example of a
9 fleet contract, this is the entire agreement. The
10 contract doesn't specify how much the driver is going to
11 be paying daily. And then this is another contract
12 that's a leasing agreement, so this is probably more of
13 a long term lease and what you see again, this is the
14 entire contract. The price is not stated in the
15 agreement, but I also want to note that not all
16 contracts look like this. Some fleets have much more
17 comprehensive detailed contracts that have everything
18 written out and some fleets it looks like this, so we
19 don't really know what this sort of general standard is,
20 we don't really think there's a standard.

21 This is something that came across pretty
22 clearly to us in our research. We look forward to
23 hearing from the rest of the testimony to build about
24 what we talked about to get a more complete picture of
25 what's going on.

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1 So, in conclusion, we just wanted to point
2 out some of the few themes that came across to us when
3 we were putting this together. The most important
4 message we wanted to get across, there's no one way that
5 leasing is carried out. Right here we highlighted five

6 different structures, which, as we were going through
7 them were sort of confusing. As Jen mentioned, when we
8 were putting this together it was difficult for us to
9 understand what was going on, so we have written down
10 here as clearly as possible, but we're certain there's
11 additional information that we're hoping will be
12 provided later on through the testimonies and, again,
13 you've got some more complicated arrangements, some of
14 them are formal, some of them are not formal. We don't
15 know what they look like.

16 Other findings show there are surcharges and
17 additional expenses on top of the lease caps, so the
18 drivers can be tipping dispatchers between 5 and \$15 to
19 get their cars, so that can be added as an additional
20 fee. There's also taxes like sales tax and vehicle
21 rental tax, which can be 8 to 14 percent above that.
22 But that again isn't consistent. Some people charge
23 that, some people don't. We're not sure how that works.

24 Additionally, the week set in the weekly
25 rate by us is interpreted as 5, 6 or 7 days, depending

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1 on who is doing the rental. That was something that was
2 interesting when we looked at that. The contracts,
3 again, that we looked at varied really widely, ranging

4 from that one page sort of vague agreement that we
5 showed you, to much more comprehensive legal contracts.
6 Lastly, there are fleets that serve as agents by leasing
7 a fleet vehicle to the driver and we're not sure how
8 these financing agreements work, how long they last or
9 how they conclude.

10 So we're going to open the floor to
11 questions at this point, but I also wanted to point out
12 that we're really hoping that today we're going to get a
13 more complete understanding based on the testimony of
14 people that have been in the industry longer than Jen
15 and I. We're pretty new here.

16 So thank you very much.

17 CHAIRMAN DAUS: Thank you. Great job. We
18 really appreciate all the work you put into this. I'm
19 sure there's a lot more work to do after the hearing.

20 COMM. GIANNOULIS: One quick question. This
21 presentation, who is it shared with before it's
22 presented here? Anybody in public?

23 CHAIRMAN DAUS: No. It was shared with me
24 and in an early form with staff.

25 COMM. WEINSHALL: It was excellent.

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1 COMM. GIANNOULIS: It was without a doubt

2 excellent, but I think it's something to know. I
3 understand you want a presentation to be -- but it's a
4 presentation in a public forum. I don't know if it
5 makes sense maybe to post it the night before so people
6 aren't kind of scraggling to look at it. I know there
7 are changes at the last minute, but I think it's
8 something to think about, because it is a
9 presentation --

10 CHAIRMAN DAUS: Not at all. They have made
11 changes as early as --

12 COMM. GIANNOULIS: I understand. I don't
13 know if it's consistent with what other Commissions do.

14 DEP. COMM. SALKIN: The agenda is changing,
15 but as we begin to know things we'll post things on the
16 Internet. I understand your point. As presentations
17 become prepared, we can certainly, I know people ask us
18 what's on the agenda, what are the topics. This will be
19 posted on the Internet after the meeting, and we're also
20 updating the visual graphics in this room so people will
21 be able to see.

22 CHAIRMAN DAUS: Commissioner Weinshall.

23 COMM. WEINSHALL: I want to say, a couple of
24 years ago, when we were endeavoring to do a fare
25 increase, I know the information was very skimpy and

1 scanty. We didn't have a lot of information and again,
2 I want to applaud the staff because this is probably
3 more information than I think this Commission has gotten
4 regarding lease caps and what the drivers are making,
5 what the drivers aren't making and how the various parts
6 of the industry are working.

7 So, again, probably it should have been
8 given out in a more timely fashion, Harry, but
9 nonetheless, I think there's a lot of information here
10 and I think that we're having meetings every month and
11 we can come back and discuss this next month if need be.

12 CHAIRMAN DAUS: And I take responsibility
13 for that, because I asked them to make a number of
14 changes late last night.

15 COMM. GIANNOULIS: I'm not being critical.

16 CHAIRMAN DAUS: I think it's a great idea.

17 Lee?

18 COMM. SANDER: Ditto all these remarks.
19 This is a significant improvement. We all work on the
20 process. That's great.

21 Two specific followup questions. Can you
22 elaborate -- first question is, can you elaborate a
23 little bit more on the issue of tips and other charges
24 you referred to? I'd like to explore that a little bit
25 more.

1 And then secondary, I'm interested about how
2 the annual income, when you extrapolate, again, with the
3 different categories of driver, a kind of annual income,
4 how that correlates to what we projected and what we aim
5 to get done when we did the fare increase two years ago.
6 We made projections, we increased it by 26 percent, we
7 made some assumptions about what we were trying to do
8 with the average annual income and then trying to boost
9 that. If you could comment on how this data relates to
10 that.

11 DEP. COMM. SALKIN: It's something we talked
12 about in November, but the projections that we actually
13 made were pretty close to what actually turned out to be
14 the reality, and we talked about that. The amount of
15 ridership went down slightly, the amount of trips that a
16 driver did daily was relatively the same, and the income
17 that they did earn went up significantly, I think from
18 \$121 a day to \$155 a day, given the information
19 available to us. I went back and looked at our
20 predictions and our predictions were the drivers would
21 earn 150 to \$160 a day.

22 What that meant to me is that we were doing
23 good analysis and we're using reasonable theory, and
24 what we did here was took it a step further, so we've
25 gone a little bit deeper than we've gone before by

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1 calling and visiting bases and agents and fleets and
2 getting real information. We're trying to get a
3 repository so the next time we have to do analysis and
4 as we do analysis going onward, we'll make it more fine
5 tuned and have a better understanding throughout the
6 different parts of the agency.

7 COMM. SANDER: I think that's a substantial
8 accomplishment. Certainly after the fare increase when
9 we individually got feedback from the drivers, they said
10 they didn't think this would be attained, didn't see an
11 increase. It's nice to see the data reflects -- I know
12 we only covered November, but it definitively covers
13 that, that sounds excellent. Sounds like the average
14 income for a driver under lease scenario is now in the
15 neighborhood of \$35,000, \$36,000 a year.

16 DEP. COMM. SALKIN: If they work those
17 shifts. All we can do is per day. One of the things we
18 have to figure out is how many days a driver does work
19 over a given year.

20 COMM. SANDER: We were speaking about that
21 privately, whether it's five days, six days.

22 DEP. COMM. SALKIN: Frequently drivers made
23 it clear to us they work six days a week. In other

24 parts of the industry, we have drivers that would leave
25 the country for three months. So are these drivers that

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1 claim they work six days a week, but then leave the
2 country for three months a year? I don't know what the
3 answer is. In fact, that's what we have to get a better
4 handle on, actually how much do drivers work. I know
5 different drivers in different scenarios, work less.

6 We have to talk about if you did work six
7 days a week, if you did work 48 weeks a year, you would
8 crack approximately \$44,000 is our best estimate.

9 COMM. SANDER: That's great.

10 The third question -- I don't want to hog
11 the mike, but at some point when the other Commissioners
12 key on your issue of attrition and those thresholds,
13 whether we feel that's a good scenario in terms of when
14 people leave, is that natural or is that good from a
15 public policy perspective, but I'll leave that --

16 DEP. COMM. SALKIN: You raise a good point.
17 That's one of the things we're going to look more at.

18 One of the things I point out is the
19 licensed drivers we have now is the highest I've seen.
20 I did have some conversations with people who were
21 tracking that number yesterday. They also confirmed

22 this is the highest number that they've seen and I think
23 it's a combination of more vehicles being available, but
24 I also think it might be a combination of hopefully it's
25 more receptive to getting a license, and it's a more

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1 receptive industry and hopefully people are earning
2 more. We have to do more research to confirm that.

3 COMM. SANDER: My first question -- I'm a
4 little concerned about that point.

5 MS. EPSTEIN: Jen may want to add to this.
6 She spoke to a lot of people. First thing we came
7 across, there's a tipping culture, some people will tip.
8 The more you tip, the better the car. I'm sure there
9 are a lot of things going on that we haven't heard
10 about. Not everyone has the same practices across the
11 board, bear that in mind, and the range we saw was
12 somewhere between five and \$15.

13 COMM. SANDER: A day.

14 MS. EPSTEIN: Per shift and the other, the
15 taxes you asked about was the sales tax, I think it's
16 like 8.6 percent, I always mix that up, and the vehicle
17 rental tax, which is the same you would have on a rental
18 vehicle from Avis or Hertz, which is 5 percent. It's
19 13.3 or something at the end of the day.

20 COMM. SANDER: I look forward to your
21 continuing to work on this and for the direction of the
22 First Deputy and the Chairman, obviously, looking to
23 what practices you think are appropriate for the
24 industry and those which we may think may not be so
25 great. So I look forward to that.

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1 COMM. GONZALES: One thing I would have some
2 particular interest in is if there's any details on the
3 financing terms, just so we have an understanding and
4 have some assurance, particularly where there's a
5 purchase of the vehicle, that the applied interest rates
6 and things of that nature are fully disclosed and also,
7 more importantly, that the purchaser of these vehicles
8 are not being gouged.

9 CHAIRMAN DAUS: That's a fair point.

10 COMM. DEAR: First of all, thank you very
11 much for this wonderful presentation. It enlightens us
12 to a lot of things we did not know, including, maybe we
13 should start looking at when we look at lease caps
14 adding some regulations, including a unified contract
15 and also the taxes that you talk about, either -- what
16 kind, is it a real sales tax, or is it something they're
17 calling sales tax and taking for themselves.

18 DEP. COMM. SALKIN: There is a court case --

19 Chuck?

20 MR. FRASER: This comes from -- it's a real

21 tax. Obviously, the tax authorities will be concerned

22 if they don't get their tax. The lease of the medallion

23 is not construed to be covered by the State sales tax,

24 the lease of the vehicle is. The portion of the lease,

25 if you're leasing both, that is attributable to the

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1 vehicle is deemed to be taxable, both the 8 percent and

2 the 5 percent.

3 COMM. DEAR: Some people do, some don't?

4 MS. EPSTEIN: We think some people may be

5 passing along the tax to the drivers and some may not be

6 passing along the tax. We're assuming if everyone is

7 paying it, which they probably are, that some are

8 passing them on, some aren't.

9 COMM. DEAR: Again, we have to unify that,

10 get a clarification on the legal ruling, this deals with

11 the whole leasing issue.

12 Next time -- I know we're supposed to review

13 these lease caps continuously. One of the things I

14 think we should do, Mr. Chair, is that we should look at

15 the entire picture, including things that they've been

16 doing that we don't even know about. And one other
17 issue, obviously, is again is the -- what the driver
18 takes home, and I know that you said it's comparative, I
19 don't remember the numbers you told us when we did the
20 increase, but is it the same numbers you were talking
21 about that time with the increase that that was what
22 they were going to take home, basically? And there was
23 no effect because of the gas, spike in gas? We didn't
24 see any change?
25 DEP. COMM. SALKIN: Again, higher gas prices

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1 are money that the driver absolutely pays and that's
2 money that comes away from the driver. What we found is
3 if you looked before the fare increase to where they are
4 now --
5 COMM. WEINSHALL: Still better than ever.
6 DEP. COMM. SALKIN: Still in the range that
7 the Commission had targeted.
8 COMM. DEAR: I would like to see if we can
9 look forward, since now we're trying to review
10 something, if we could review something where we could
11 help drivers get --
12 CHAIRMAN DAUS: Also, Noah, I'm hoping
13 through the public testimony, people listening to the

14 presentation, if you could clarify some things we can
15 get answers for, maybe some of our questions could be
16 answered, particularly on the tax issue. The concern is
17 not that it's legal statewide for someone to pass on a
18 sales tax to a customer or for the owner to bear it, I
19 think that's a choice that's legal from what I've been
20 advised. A retail store could say I'm going to have a
21 week where I pay the sales tax for the customers.

22 The question is as a matter of public policy
23 when we pass these lease cap rules, I don't know if this
24 was something, I can tell you certainly that when I was
25 counsel, when I was on the Commission, was not an issue

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1 that was brought up in the debate that I recall and I
2 think we'd like to get the feedback of the industry on
3 what their thoughts are on that and I think unless we
4 have anything else to add or any other questions, I
5 think it might be more fruitful to start hearing from
6 other people.

7 Okay, thank you Samara, good work; Jen and
8 Andy.

9 The first person scheduled to speak has
10 asked to remain anonymous, Chuck has said that's okay.
11 The person is a driver who wants to speak, but not share

12 their name out of fear of retaliation.

13 Good morning, sir.

14 ANONYMOUS: Good morning. I started driving
15 a cab many years ago. I have some current documentation
16 as to my earnings. The last time I drove I paid \$124
17 for the cab and gasoline and I earned \$139 gross. I
18 tell you, the lease price is way too high and I'm
19 shocked at some of the testimony that I heard here about
20 the annual salary being about \$35,000.

21 I don't have the documentation in front of
22 me to counter that, but I think it's more like \$25,000
23 for a cab driver full time and you speak about these
24 weekly leases, six days, twelve hours a day. What cab
25 driver does that consistently? In the industry it

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1 rarely happens, so, I mean, you know. These statistics
2 and statements that I've heard are just way out of touch
3 with reality.

4 CHAIRMAN DAUS: What have you been paying in
5 terms of a lease, a daily lease?

6 ANONYMOUS: Luckily for me I don't drive
7 full time anymore, I only drive part time, maybe 30 to
8 60 days a year, and as I just mentioned, on this
9 particular day, I think I paid 120 or \$125 for the

10 lease. I have the printouts from the meter. That

11 doesn't reflect the lease price.

12 CHAIRMAN DAUS: What day of the week was it

13 and how many trips?

14 ANONYMOUS: It was either a Saturday or a

15 Sunday, approximately thirty trips.

16 CHAIRMAN DAUS: And you paid \$120?

17 ANONYMOUS: Yes, plus the gas. I hand write

18 the total amount that I spent on the car was \$134 plus

19 the gas. So that was the lease and the gas and my gross

20 earnings were \$139. I have the arithmetic here.

21 COMM. AROUT: Is that with taxes?

22 ANONYMOUS: That's gross earnings.

23 CHAIRMAN DAUS: Was it just a flat lease

24 that you were charged or is the 120 figure, does that

25 include the sales tax?

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1 ANONYMOUS: I don't know.

2 CHAIRMAN DAUS: Was it portrayed to you that

3 this is how much you have to pay, we'll give you the

4 vehicle, just give us \$120.

5 ANONYMOUS: That's correct, there's never

6 any mention of any sales tax.

7 CHAIRMAN DAUS: Do you know what the lease

8 caps are, are they posted?

9 ANONYMOUS: They are posted. Someone
10 mentioned tipping. If you don't tip a dispatcher,
11 you're not going to get a cab.

12 COMM. AROUT: That's a good question, if I
13 may. Excuse me for telling you that. Is it a tip or is
14 it a bribe?

15 ANONYMOUS: It's a shakedown is what it is,
16 it's a shakedown. If you don't give the guy \$5, you're
17 not getting a car.

18 CHAIRMAN DAUS: Does this happen at all
19 fleets?

20 ANONYMOUS: All fleets, okay?

21 CHAIRMAN DAUS: Is this something that you
22 or others have brought to the attention of the
23 management of the fleet?

24 ANONYMOUS: You got to be kidding me.

25 CHAIRMAN DAUS: Well, the dispatchers.

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1 ANONYMOUS: I'm probably going to lose my
2 job after today, because someone here probably knows me
3 or is going to find out who I am, because, I mean, I'm
4 really sticking my neck out by talking to you, so I'm
5 probably going to lose the job. Luckily I only drive

6 part time, so if I lose it, it's not really a big deal.

7 CHAIRMAN DAUS: Is it your sense that the
8 dispatchers are doing this on their own or management
9 knows about it?

10 ANONYMOUS: Management knows about it. If
11 the dispatcher collects a tip, the management has to pay
12 him less money.

13 CHAIRMAN DAUS: Is the tip mandatory to get
14 a car or if you want to get a better car we'll charge
15 you --

16 ANONYMOUS: The more you pay, the better the
17 car and the quicker you are dispatched. In other words,
18 if I give a dispatcher \$2 -- I arrive at the garage at
19 4:00 for a night shift, I give the dispatch issue \$2,
20 somebody arrives behind me at 4:30, he gives the guy \$5,
21 he's going to go out before me.

22 CHAIRMAN DAUS: Okay, anyone have any
23 questions? Thank you, sir, we appreciate you coming
24 here.

25 The next registered speaker is Rizwan Raja.

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1 VOICE: Rizwan is not here.

2 CHAIRMAN DAUS: Anna Rodriguez?

3 David Pollack from the Committee for Taxi

4 Safety. I know he's here.

5 MR. POLLACK: Good morning, Mr. Chairman and
6 Commissioners. My name is David Pollack, the Executive
7 Director of the Committee for Taxi Safety, an
8 association consisting of licensed leasing agents and
9 some fleets. We currently represent approximately 2,000
10 medallion owners and approximately 5,000 men and women
11 who drive these taxis. I'm here to testify today on the
12 lease cap review and appreciate the opportunity to
13 inform this Commission of the current financial
14 realities of our industry related to the lease cap.

15 I want to start by saying DOVs don't
16 dispatch. In May of 2004 a rate of fare increase of
17 over 26 percent was approved by this Commission after an
18 eight-year period without a cost of living adjustment.
19 As of February 2006, going back ten years, the consumer
20 price index or CPI had risen approximately 26 percent.
21 Also in May of 2004, Commissioner Daus testified that
22 the taxi technology costs, including the personal
23 information monitor or PIM, would cost between 1500 and
24 \$2,000. Today we've learned that the cost of the
25 personal information monitor alone may be between three

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1 and \$4,000.

2 As the global positioning system is engaged
3 on the PIM, so is additional cost and estimates we're
4 hearing anywhere between 40 and \$65 per month for PIM
5 charges on each taxi. The driver owned vehicles, better
6 known as DOVs, received a lease cap increase of
7 8 percent in 2004. How is this supposed to cover this
8 huge additional expense? Additionally, the 8 percent
9 increase in the DOV lease cap was the smallest increase
10 given to any one segment of the taxi industry. I
11 believe the increase went from \$741 to \$800,
12 approximately \$59. Obviously, businesses like licensed
13 leasing agents and taxi fleets have had to bear
14 increased overhead expenses in addition to the CPI.

15 Neither the public nor the drivers like to
16 ride in shabby taxis. As older taxicabs are replaced
17 for reasons of retirement schedules, possible theft,
18 maintenance, etc, there will be additional expenses to
19 install and maintain the new taxi technology package
20 without a means to offset the expense, for example, an
21 increase in the lease cap.

22 Some members of the Committee for Taxi
23 Safety provide for a new partition, new meter and
24 rooftop with every hackup at their own expense. The new
25 technologies will also require a replacement as each new

1 taxi is placed into service. Therefore, an increase in
2 the lease cap would justly compensate both licensed
3 leasing agents and taxi fleets. For the reasons stated
4 above the Committee on Taxi Safety supports an increase
5 in all lease cap categories.

6 Here's the testimony for your perusal.

7 Thank you.

8 CHAIRMAN DAUS: Thank you. Next speaker is
9 Mr. Bill Lindauer.

10 MR. LINDAUER: I would like to say for the
11 Commission that I have no idea where your staff got
12 these figures, but what do I know -- I've only been
13 driving 30 years -- you're lucky if you make 70 or \$80 a
14 day and somebody in my garage made 30 cents recently on
15 a Saturday.

16 You want affidavits, I'll give you
17 affidavits. The chart they gave you about driver income
18 is balderdash. It's widely inflated. We do not make
19 that. I only wish we made that.

20 All right, let me address -- well, I thank
21 you, incidentally, for giving me the Diane award for
22 best performance by an SOB in an adversarial role.
23 Thank you.

24 Good morning. I'm the first speaker of the
25 New York Taxi Workers Truth Squad. Oh, thank you,

1 Mr. Chairman, for wasting more than \$6 million of
2 taxpayer's money. Don't you believe in due process?
3 Apparently not. Don't you believe in the great U.S.
4 Constitution? Apparently not. Isn't that grounds for
5 disbarment? It certainly was a wanton display of
6 incompetence and contempt mandating your resignation.

7 COMM. DEAR: Mr. Chairman, he's out of
8 order.

9 CHAIRMAN DAUS: Could we talk about lease
10 caps, please?

11 MR. LINDAUER: Don't be a further
12 embarrassment to the Mayor and all New Yorkers.

13 COMM. DEAR: If he's out of order, he's not
14 welcome to speak.

15 MR. LINDAUER: I'm getting to the point.
16 This is a democracy. Let me speak.

17 COMM. DEAR: Outside you can do whatever you
18 want.

19 MR. LINDAUER: No, this is the forum. Talk
20 about Operation Refusal. We have a refusal here to face
21 simple facts.

22 CHAIRMAN DAUS: Mr. Lindauer, please.

23 MR. LINDAUER: I'm getting to the point
24 here.

25 CHAIRMAN DAUS: Can we talk about the lease

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1 caps?

2 MR. LINDAUER: I'm talking about them right
3 now. Please let me speak. Respect your elders, respect
4 democracy. This is not a dictatorship.

5 CHAIRMAN DAUS: Respect is a two-way street,
6 sir.

7 MR. LINDAUER: You have to earn respect,
8 remember that. You're an appointed official. That
9 doesn't mean you know what you're doing.

10 CHAIRMAN DAUS: Either talk about the lease
11 caps --

12 MR. LINDAUER: I am doing -- let me speak,
13 please. I am appalled by your impoliteness, your
14 rudeness. You must have been raised in the forest by
15 wolves.

16 The repugnant reality of the GPS -- please,
17 I'm talking about these leases.

18 COMM. DEAR: Please, he's out of order. I
19 ask him to be removed from the podium.

20 MR. LINDAUER: Mr. Dear, I'm talking about
21 the subject. Don't you want the driver's voice?

22 CHAIRMAN DAUS: Mr. Lindauer, you're

23 creating disorder. We would be happy to get written

24 comments, but we'll have to ask you to leave.

25 MR. LINDAUER: Let me finish.

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1 CHAIRMAN DAUS: You have to talk about --

2 MR. LINDAUER: Listen, I'm talking about it.

3 You have to let me talk. This is stifling.

4 The repugnant reality of the GPS is it's a

5 debacle --

6 CHAIRMAN DAUS: Could we ask Mr. Lindauer to

7 leave now?

8 MR. LINDAUER: This exorbitantly expensive,

9 born out of corruption, cronyism --

10 CHAIRMAN DAUS: Sorry, sir. We would be

11 happy to take your written comments on leases.

12 MR. LINDAUER: You want higher leases to pay

13 for this do-nothing corruption and cronyism. This is

14 shameless. Higher leases, being higher fares? You call

15 this serving the public? I call it a scam.

16 CHAIRMAN DAUS: Let's move to the next

17 speaker.

18 MR. LINDAUER: I implore Commission members

19 to exert your independence and intellect. Don't be

20 patsies and rubber stamps. The GPS must be tested. So

21 must drivers and passengers. Do you want driver strife,

22 an enraged public? Stop the insanity now.

23 CHAIRMAN DAUS: Next speaker is Mr. Kevin

24 Fitzpatrick. Mr. Fitzpatrick I hope you're going to

25 talk about the lease cap.

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1 MR. FITZPATRICK: Yes. Just point of

2 information on the sales tax. When I was driving for

3 the fleet, it was included in the lease. They broke it

4 down, and I think whatever it was, \$3. I mean, this is

5 back under the old price structure, so, now they put it

6 on top of it.

7 Okay. I'm talking about what's going to

8 happen if we raise the lease cap, it's going to be

9 because of GPS. You know, what's going to happen? How

10 about, you know, one of the things that TLC has to do is

11 keep the cabs on the street. Now, the fact of the

12 matter is we've talked to a lot of drivers. They're

13 going to be very, very annoyed if there's a lease cap,

14 if the lease cap is raising.

15 COMM. GIANNOULIS: Could I ask you a

16 question? You said you've seen a listing of pricing

17 when you were driving, what was included in that?

18 MR. FITZPATRICK: Yes.

19 COMM. GIANNOULIS: That was common?

20 MR. FITZPATRICK: That was considered part
21 of the lease.

22 COMM. GIANNOULIS: What was in that?

23 MR. FITZPATRICK: They had a breakdown by
24 taxi license, of course, that's the medallion. That
25 would be most of the expense, then the liability and

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1 what other fees and it was included.

2 COMM. GIANNOULIS: Thanks.

3 MR. FITZPATRICK: It was \$3.

4 Okay, back to what I was saying. The
5 drivers are quite angry about this. They're angry about
6 the fact they're going to be tracked, they're going to
7 be very angry about the fact they're going to have to
8 pay for this if there's a lease increase. Remember,
9 drivers took a hit on gas. Now, you know, we don't need
10 to go into the exact figures. Some guys drive more than
11 other guys, but the fact of the matter is if gas goes up
12 a dollar a gallon, the drivers pay for it, they lost
13 money.

14 Now, I think, you know, people who were
15 around in 1999 and 2000 knew that there was a driver
16 shortage. Frankly, because of what drivers considered

17 really oppressive rules. A lot of guys lost their
18 licenses, a lot of guys left the industry. Now, the
19 fact of the matter is, okay, guys say, well, I'm not
20 doing this, I'm going to go into construction. Now in
21 the case of me, well I'm 56. I'm not going into
22 construction, I'm going to stick around. Sorry. But
23 hey, look at the younger guys.

24 Now, let's say you want to do construction.
25 Now, one of the industries in New York that is booming

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1 is construction. I live in East New York and even in
2 East New York they're building. You can't go to a site
3 in Brooklyn without something being built on it. So
4 there's lots of work in construction.

5 Now, what does that mean? What happens if
6 nobody will drive a yellow cab? Well, you know,
7 remember how people screamed when they had to wait
8 fifteen minutes for a cab on a Friday afternoon in the
9 rain? Well now they're going to have to wait 25, 30
10 minutes and they're not going to blame us, they're going
11 to blame the taxi Commission. This is what's going to
12 happen. Okay, take care.

13 CHAIRMAN DAUS: Thank you. Next speaker is
14 Louis Molina.

15 MR. MOLINA: Hello, my name is Louis Molina
16 and I am a proud member of the New York Taxi Work
17 Alliance. It is the union for the yellow cab drivers
18 and it spells with a capital U, and I better not hear no
19 media reports that they say that we're just a group.
20 This is a legitimate union and it operates as a union.
21 Trust me, I know from experience, eight years sitting in
22 the organizing committee, I've learned a lot. I've
23 learned how to be political as a cabbie and I'm not
24 afraid and ashamed to talk among members of the
25 Commission and to speak to the brokers point blank.

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1 I'm going to say this: It's not easy for me
2 to be here for the hearing, especially when I can be out
3 in the street hacking and earning some money for myself
4 and saving some money for the garage which I have to
5 pay, okay?
6 Now, I'm one of the few yellow cab drivers,
7 I'm considered like a dinosaur in this business, who
8 lease a cab by the week, okay? I pay \$1,035 a week,
9 while most others charge 12 or 1300 a week, which would
10 require two drivers, because it's impossible for one
11 driver to do all. 1035 is a reasonable rate, okay, and
12 this is something that I did not get from a signed

13 contract. There are no signed contracts in some of
14 these garages.

15 I don't understand the logic of the GPS
16 system and the raising of the lease. Why don't the
17 garages open up their books to show us exactly why they
18 need the drivers to pay for the GPS software? Why not
19 instead find ways for the TLC to pay for the software?
20 The TLC needs to pay for health insurance, okay,
21 especially for the few women cabbies who make up less
22 than 2 percent of drivers --

23 CHAIRMAN DAUS: Mr. Molina, can I ask you --

24 MR. MOLINA: -- of child bearing age and get
25 pregnant on the job.

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1 CHAIRMAN DAUS: Mr. Molina, you just
2 testified that you paid \$1,035 to rent a cab for a week?

3 MR. MOLINA: That's correct, 24 hours. But
4 I only work twelve hours a day, because I don't feel
5 like waiting for a cab at the garage.

6 CHAIRMAN DAUS: That was from a garage or
7 from a DOV?

8 MR. MOLINA: No, it's a garage. I used to
9 be a DOV driver and I found it to be a ripoff. It's a
10 ripoff.

11 CHAIRMAN DAUS: Did you pay your money up
12 front for the entire week or did you pay that cumulative
13 amount per day?
14 MR. MOLINA: I pay by the cumulative amount,
15 I pay them twice a week.
16 CHAIRMAN DAUS: They don't have a contract.
17 MR. MOLINA: They make all the money for the
18 medallion. I make very little for myself. I scratch,
19 okay, because I have three children that I have to think
20 about and my wife and I have one grandson, by the way.
21 I look young as a grandpa, I'm 44 years old, but you
22 know it's all right, I got strength, I got dreams that
23 I'm thinking about. I'm a college graduate, I'm very
24 articulate, I'm not one of these drivers that don't know
25 nothing. I'm not a dummy.

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1 CHAIRMAN DAUS: I accept that. We just have
2 some questions for you because you made some statements
3 which are way off the map here in terms of our
4 understanding of what's being charged. If in fact
5 you're being charged \$1,035 a week, that is a very
6 significant overcharge. You know there's a procedure
7 for filing complaints at the Commission against fleet
8 owners and people who are managing agents for these

9 violations. You're out here publicly talking about it.

10 We'd like to learn more about your experience. It

11 doesn't sound right.

12 MR. MOLINA: Mr. Daus, as of today, I am at

13 risk of losing the cab, because how the garages operate,

14 they operate like the Mafia. I may not have a job by

15 tomorrow. They may say, Mr. Molina, you have caused

16 trouble in the garage. We're going to take the cab away

17 from you. You're no longer leasing from this garage.

18 I'm afraid of that.

19 CHAIRMAN DAUS: I'm sure you'll agree with

20 me, you're already out in the open, and you have nothing

21 to lose by filing an official complaint, which we would

22 be happy to receive.

23 MS. EPSTEIN: Because this gentleman is

24 leasing for 24 hours a day, it's actually under, it's

25 666 for half that.

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1 COMM. GIANNOULIS: Excuse me, could somebody

2 cut this guy off? He just claimed that people in the

3 industry are involved in organized crime. This guy is

4 cut off. He doesn't know how to speak. He's out.

5 CHAIRMAN DAUS: Your time is up, anyway.

6 You have the right to file, do whatever you want to do.

7 VOICE: Excuse me, I'm licensed by the

8 Department of Insurance. I back his statement.

9 CHAIRMAN DAUS: He's right, your time is

10 expired anyway.

11 The next speaker is Bhairavi Desai.

12 VOICE: I'm licensed in New York State, I

13 back his statement.

14 MS. DESAI: Good afternoon. At risk of

15 being thrown out, I want to comment on the procedures of

16 these Commission meetings. Some of us have been sitting

17 here for about two and a half hours. Various things

18 have been discussed. I understand that there is a

19 specific agenda item for the public hearing session, but

20 those of us who have been sitting here in the industry

21 have been hearing a lot of different information and by

22 the time you get up here, there's a lot of things that

23 you need to talk about, and I think that either the

24 Commission needs to have an open mike session at each of

25 these hearings where people can come up and speak about

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1 all kinds of topics or --

2 CHAIRMAN DAUS: With all due respect,

3 Ms. Desai, this unfortunately has been an open mike

4 session. We're trying to establish some order, which

5 I'm sure you could understand. There's been a

6 tremendous amount of disrespect.

7 You know, the reason why we put this on at

8 the end of the agenda is because certain Commissioners

9 had to leave and we had to get some business done. This

10 is not something which we need a vote on, not that I

11 need to explain myself, but we're more than happy to

12 hear your points on the lease cap. I know you've been

13 someone who has been an advocate in this area. I'd like

14 to limit to it that. We can talk at another time about

15 other ideas that you might have.

16 I think this Commission has been the most

17 open in the City of New York than ever before. We're

18 open, everything is on the outside, we don't have

19 private meetings, everything is in the open. I hope

20 you're pleased with the advances we've made.

21 MS. DESAI: I would be more pleased if

22 drivers can come up here, thirty-year veterans can come

23 up here and speak their minds without being bullied out

24 of the room.

25 CHAIRMAN DAUS: They're bullying us, quite

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1 frankly. We've been very tolerant, ma'am.

2 MS. DESAI: I made my point, so I'm going to

3 move on.

4 COMM. DEAR: Excuse me Mr. Chairman, if I
5 may, I have no problems with anybody and we talked about
6 this, about having an open mike session. If the open
7 mike session is going to be when they come here and let
8 it out on us to abuse us, we don't get paid to be
9 abused. In fact, we don't get paid at all.

10 We don't come here -- there is respect and
11 if someone has a legitimate way of expressing themselves
12 without calling you names -- they've been calling
13 everybody -- he has fun coming up here, some of your
14 people who spoke on behalf of your organization, and
15 they think it's fun coming here and making this a comedy
16 club. This is not a comedy club.

17 You want to come up, you have an issue, and
18 I'm sure that no one will have any problems if you start
19 to talk about things off the issue and you want to
20 express, but with a respectful way. And someone to say
21 I represent your organization, and this, this and this,
22 great. But so far you haven't brought to the mike any
23 really legitimate people that really come up and make
24 sense.

25 I'm saying, it's a shame. Some of them have

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1 said some really off the wall remarks that I think, and
2 if you're going to say that you stand by those remarks,
3 then shame on you, but if you're going to say I
4 disassociate myself from these remarks, okay. But you
5 can stand here and say to me name calling and things
6 that were said were okay, you condone things like
7 that --

8 MS. DESAI: Commissioner Dear, I don't
9 condone name calling. I didn't hear any name calling,
10 but let me say for the record I do stand by the people
11 in my organization.

12 COMM. DEAR: No matter what they say?

13 MS. DESAI: If that makes me shameful in
14 your eyes --

15 COMM. DEAR: You condone name calling and
16 racial comments?

17 MS. DESAI: What racial comments?

18 COMM. DEAR: You forgot we had an exchange.

19 MS. DESAI: I remember the exchange. I was
20 in the room the entire time of the exchange.

21 CHAIRMAN DAUS: We all agree with
22 Commissioner Dear, quite frankly.

23 Let's get back to the point. Give her the
24 three minutes and let's talk about leasing, but I fully
25 concur with everything you said.

1 MS. DESAI: I stand by my members.

2 CHAIRMAN DAUS: I figured that.

3 COMM. DEAR: Shame on you.

4 MS. DESAI: Shame on me. Shame on me.

5 CHAIRMAN DAUS: Let's get back, and get this
6 over with.

7 MS. DESAI: Looking at the lease caps.

8 I agree with Commissioner Giannoulis, again,
9 if the staff is to make these presentations, that the
10 information is presented to the public beforehand,
11 because it is a lot to digest and for us to comment on
12 on the spot.

13 So in looking at the chart itself, even at
14 the chart of driver expenses, not all of these expenses
15 are really consistent. For example, under the driver-
16 owned vehicles for the medallion lease, it says \$57.14.
17 I'm not sure how many days of the week we're talking
18 about. If the average medallion-only lease, for example
19 is 775, you divide that between two shifts, that's
20 387.50 per shift. You divide that by six days, it's
21 \$64.58 per day, not \$57.14. So I do think some of these
22 numbers need to be more carefully evaluated.

23 Secondly, we must remember that in this
24 industry, the only thing that is guaranteed for the taxi
25 drivers are their expenses. As far as the income

1 calculations are concerned, income is not guaranteed on
2 any day. There have been days of the blizzard where
3 drivers have still had to pay the lease and not one
4 penny was made because they were not able to go out and
5 work. There are days when the car breaks down and the
6 garage may not have a credit policy so you paid up your
7 lease up front, there goes your expense, there's no
8 income coming back in. There may be an emergency where
9 you've been assaulted midshift or you've fallen ill.
10 Again, your income is not guaranteed, but your expenses
11 are. And I think that this is a very serious issue that
12 the Commission needs to take into consideration when
13 calculating how much the leases should be.

14 Secondly, the lease cap should be inclusive
15 of the sales tax. As Kevin mentioned earlier, currently
16 many garages are charging the \$3 in addition, that is
17 above the lease cap itself, but we believe that the
18 lease cap should be inclusive of the sales tax.

19 Tipping, really bribery, is a very serious
20 issue. You can lose up to anywhere from 21 to, you
21 know, \$40 a week just on bribes to the dispatcher to get
22 your car out on time or to get yourself a decent car.
23 Garage owners know about this, it's tolerated and
24 something needs to be done about it. In fact, I think

25 that amount should also be inclusive of the lease cap.

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1 Third point is that as far as the brokers
2 are concerned, there are incidents we've seen where
3 because the meter will be timed and so if you don't pay
4 your lease on time, then the meter will be turned off.
5 There have been incidents, and those scenarios drivers
6 will be asked by at the brokerages to also pay a tip to
7 have the meters turned back on in addition to whatever
8 money is owed and whatever else. I think that's another
9 serious issue.

10 Lastly, I want to say that I think that the
11 Commission should have a hearing just looking at the
12 contracts itself. We would be happy to submit to you
13 copies of contracts from various brokerages and garages
14 and I think there should be -- this is an area of the
15 industry that the Commission should seriously begin to
16 regulate. For example, to have certain things mandated
17 on the contracts. As Commissioner Gonzalez had
18 mentioned earlier, in terms of the interest rates for
19 the financing of the vehicles and various other costs,
20 drivers should know exactly what they're paying for and
21 I think these are some of the notices that the
22 Commission itself can regulate in this industry.

23 Thank you.

24 CHAIRMAN DAUS: Thank you. Commissioner

25 Dear has a question.

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1 COMM. AROUT: Excuse me, just one moment.

2 COMM. DEAR: He just recognized me.

3 COMM. AROUT: Will you submit those various
4 contracts to us, if you can?

5 MS. DESAI: Yes.

6 COMM. AROUT: Thank you.

7 COMM. DEAR: In the comments that were made
8 or we heard in our reports, if there's a payoff or
9 tipping, I want to call it payoff, of the dispatchers, I
10 know we talked about it off the microphone, that it's
11 not illegal that we can't do anything about it, unless
12 we can make some sort of rule. Let's look at it, I
13 would like the counsel to think about it, part of the
14 regulations that you can't --

15 CHAIRMAN DAUS: Is it legal? Do you have a
16 viewpoint, Chuck, or would you like some time to look at
17 it?

18 MR. FRASER: I don't have a viewpoint. I
19 would like to hear questioning of the other witnesses
20 before I come to a viewpoint.

21 COMM. DEAR: Our own staff brought it in.

22 MR. FRASER: We heard the drivers and I'd

23 like to hear from the other people before I come to a

24 viewpoint.

25 COMM. DEAR: I would ask if the staff could

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1 look at it, if there is something like this.

2 CHAIRMAN DAUS: Even if it's not illegal,

3 there may be a policy for the Commission passing rules

4 saying that it can't be done. Some people may view it

5 in a non-regulated environment as that's business, you

6 tip people if they give good service, there's a

7 regulated environment with lease caps and I think we're

8 all under the assumption that when you purchase a

9 vehicle from a fleet or agent you pay up to what's ever

10 in the law.

11 Now I think this review has indicated and

12 some of the testimony is supporting so far, anyway, that

13 there are some of these hidden fees that maybe the

14 industry knew about, but certainly we didn't know about.

15 I think we should take a look at everything and I think

16 it's a good idea to look at the contracts, as

17 Commissioner Arout said. We would love to get them, and

18 I hope the contracts you give us are the same as the

19 ones we get from the agents and fleets.

20 MS. DESAI: I have a question for
21 clarification. Is there a Commission rule that requires
22 the garages or brokerages to post what the lease caps
23 are? If not --

24 CHAIRMAN DAUS: There might be, I'm not
25 sure. We have to double check that.

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1 MS. DESAI: I think that's something else
2 the Commission should also consider.

3 Also, lastly, one more point. One thing
4 that we did see after the fare raise that I think you
5 should be aware of, is that many drivers who previously
6 had been leasing on a weekly basis at the fleets, after
7 the fare raise, were then being charged at the daily
8 rate. So even if they were still working six or seven
9 shifts consecutively, which would really mean a weekly
10 lease, but the garages instead of charging them under
11 the weekly cap, they were charging them the daily rate,
12 which would then add up to be above the weekly cap. I
13 think that's another area that seriously needs to be
14 regulated.

15 CHAIRMAN DAUS: That's a legitimate issue.
16 We certainly acknowledge that. I would ask, we'll check

17 our rules. But if some of the leasing agents or fleets
18 that are going to testify, if you could let us know what
19 the practice is for posting from your standpoint, it's
20 not a bad idea to have the rates posted. It's on our
21 website, but disclosure is never a bad thing.

22 I know some fleets give out fliers and
23 circulars with their trip sheets, warning against
24 refusing and a variety of other things, warning against
25 using, tampering with the meter. I think it's not a bad

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1 idea to make sure people are aware of their rights and
2 obligations.

3 MS. DESAI: Again, some clarification on
4 when they can charge the daily rate. If you're working
5 six or seven shifts consecutively you should be under
6 the weekly lease cap, they should not be charging you a
7 daily rate.

8 CHAIRMAN DAUS: It's a fair point, fair
9 question and I'm hoping some of the other testimony will
10 respond to that. Thank you, Ms. Desai.

11 Next speaker is Joe Giannetto from MTBOT.
12 Good morning Joe.

13 MR. GIANNETTO: Good morning. Good
14 afternoon. For the record, good afternoon everyone,

15 members of the Commission. For the record my name is
16 Joe Giannetto. I represent the Metropolitan Taxicab
17 Board of Trade, which is a 54-year-old trade association
18 of eleven yellow taxi fleet garages, which together
19 comprise approximately 2500 taxi or roughly 20 percent
20 of the taxi industry.

21 Let me say up front MTBOT is not advocating
22 for a lease cap increase at this time. However, having
23 said that, we believe it's critical that any future taxi
24 fare increase be accompanied by a fair and reasonable
25 division of fare revenues between taxi drivers and taxi

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1 owners. This will improve the overall quality of
2 service by attracting and retaining qualified drivers,
3 while offsetting the costs for regular vehicle
4 maintenance, increased operating expenses and service
5 improvements such as the technology enhancements and new
6 partitions.

7 Now, just a little bit on driver earnings.
8 Our perception today, drivers are realizing a higher
9 percentage of revenue than ever before. In the past,
10 drivers and owners had traditionally split fare
11 increases fifty-fifty. Then as part of the 1996 fare
12 increase when lease caps were first implemented drivers

13 received 60 percent of the fare increase. In May 2004,
14 drivers received approximately 85 percent of the fare
15 increase, with only 15 percent going to owners. This is
16 a dramatic change in the structure that continues to
17 benefit drivers today.

18 Now, according to the TLC's presentation to
19 this Commission back in November, taxi drivers on
20 average are earning 34 percent more since the 2004
21 increase, while the combined average daily and weekly
22 lease rates have only increased 7-1/2 percent. Now, in
23 our last rate of fare increase petition, MTBOT
24 demonstrated to this Commission a 37 percent increase in
25 owner operating costs over the eight years between the

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1 1996 and 2004 fare increases, far more than could be
2 offset by the 7-1/2 percent increase in lease rates.

3 Now, we believe that it is important that
4 drivers receive a fair percentage of any rate of fare
5 increase. After all, drivers are our customers, but the
6 fact is, is that the fleets have very high operating
7 costs. We're required to operate 24/7, we collectively
8 employ hundreds of persons, from vehicle mechanics to
9 taxi dispatchers to clerical personnel.

10 Now, with the exception of fuel costs and

11 driver fees, fleet taxi owners bear all expenses
12 associated with operating a taxicab, including all
13 mandated service improvements and vehicle purchase and
14 maintenance costs. But despite the high expense of
15 running a fleet, taxi drivers and the riding public
16 benefit greatly from the fleet system and it must be
17 kept intact and it must be considered. With no capital
18 costs required, drivers pay a lease fee in exchange for
19 the convenience, security and support of a full-service
20 fleet operation. It's an attractive and vital option to
21 many drivers, thousands within MTBOT alone, and they are
22 provided with a crucial point of entry into the taxi
23 industry.

24 In closing, I would like to say that the
25 riding public benefits most from a fair taxi system and

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1 that fairness must be present in all future rate of fare
2 increases. Lease rates are the primary source of
3 revenue for fleets and are at the core of the fleet
4 system from which thousands of drivers benefit, so we
5 must insure that lease rates are both reflective of the
6 high costs of operating a taxi fleet and the ability of
7 a driver, our customer, to earn a good wage.

8 Thank you.

9 CHAIRMAN DAUS: Joe, is the weekly lease
10 more for MTBOT groups five, six or seven days? What is
11 the definition? There's some confusion about that. I'm
12 hoping you could clear that up.

13 MR. GIANNETTO: The presentation, it was the
14 first time I heard it, it was difficult seeing it on the
15 monitor. What I'd like to say up front, when we do
16 collect this data, we're available as a resource. We'd
17 like the opportunity to be conferred with on this data
18 so we could provide context to the data.

19 We've heard the heard the broad use of the
20 word "fleet" without regard to the nuances, and the
21 different segments of the industry, such as the daily
22 shift and the double shift operations that my membership
23 mostly represents, as opposed to the longer term lease
24 operations that exist out there.

25 So for the most part, MTBOT fleets are

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1 daily, double-shift operations. Some of our members,
2 and they all operate differently, some of our members
3 offer discounts to multiday leases, single shift leases.

4 CHAIRMAN DAUS: Is that what's called the
5 special?

6 MR. GIANNETTO: I don't know what they call

7 it, Commissioner.

8 CHAIRMAN DAUS: We've heard the term
9 "special" thrown out a lot. Does that have some type of
10 meaning?

11 MR. GIANNETTO: Not that I'm aware of.
12 Certainly all of our lease rates are posted, all of our
13 multiday discounts are also posted, for the most part,
14 in most garages. I can't speak for every single garage,
15 but generally speaking that's the management principle
16 that guide the members of MTBOT.

17 CHAIRMAN DAUS: So you don't know at this
18 point until you've conferred with your members what the
19 definition of weekly lease is; five, six or seven?

20 MR. GIANNETTO: Certainly I think I'm
21 comfortable in saying that any lease rate that consists
22 of multiple days cannot exceed the definitions that are
23 pursuant -- that are found in the law. But if you're
24 asking me to look into the various, I guess,
25 permutations of long-term leasing, long-term in our

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1 context meaning multiday leases, I can certainly look
2 into that.

3 CHAIRMAN DAUS: We'd certainly take you up
4 on that offer and we'd like to maybe set up a meeting

5 with you and your organization's folks to sit down with
6 our people and to clarify some of these
7 misunderstandings, because there seems to be a
8 misunderstanding as to what's actually happening out
9 there, and also on this dispatcher issue. I don't know
10 what your position is on it.

11 I mean, if it is in fact true that this is
12 happening, I mean, do you folks have a problem with it?
13 Do you think that we should allow it or not allow it?
14 What are your thoughts on it?

15 MR. GIANNETTO: I could say this, that as a
16 management policy, fleet owners do not -- it's not a
17 management policy that you tip the dispatcher. But in
18 reality the operational practice might indicate that at
19 some fleets tipping does occur.

20 On a personal opinion? I tip my waiter for
21 my favorite table. On the other hand, when I tried to
22 tip the person who bags my groceries, I'm not allowed to
23 do that.

24 CHAIRMAN DAUS: As someone who has worked on
25 these things in government, as you have with Directive 1

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1 and internal controls and DOI, have any of the member
2 fleets that you have, do they have internal controls in

3 place to try to discourage this type of practice or to
4 try to have ways in which people can complain about it
5 or to follow up to make sure it doesn't occur?

6 It sounds to me like you're representing a
7 position on behalf of the group, that you don't condone
8 it and management doesn't know about it. They may hear
9 rumors, but they haven't caught anybody doing it? Is
10 that the position or is the position that across the
11 board it's not okay and you guys don't condone it?

12 MR. GIANNETTO: Let's be fair. It's not a
13 management policy. I can say that across the board. In
14 some fleets, it might be discouraged and some fleet
15 owners might turn a blind eye towards it. What I am
16 going to do after this meeting is canvass my membership
17 and see exactly what is known what is not known.

18 COMM. GIANNOULIS: Just on this matter, two
19 things. These are not government employees, so I'm not
20 going to speak for the counsel, but I assume they can
21 tip all they like. Not that we're encouraging that. We
22 should be careful. The dispatcher doesn't work for the
23 government. Doesn't work for the TLC. Just if anybody
24 is concerned, you can't tip a TLC inspector.

25 CHAIRMAN DAUS: That would be bribery or

1 graft.

2 COMM. GIANNOULIS: I'm not advocating, I'm
3 just saying.

4 CHAIRMAN DAUS: I only bring up the
5 government context, because Joe and I having been
6 colleagues in the past. You can build in through
7 internal controls. The question is whether they don't
8 have it and the industry and us, everybody thinks it's
9 the wrong thing to have a mandatory tip.

10 We're not talking about somebody who is
11 tipping because they want to get the cleanest car on the
12 lot. I understand drivers like to take out certain
13 cars, they get attached to a certain medallion, I
14 understand they like to take it out every day.

15 COMM. GIANNOULIS: Can I ask about that?
16 You've been around a fair amount of these cars. How
17 much of a difference are there in vehicles, now that
18 we're turning them over so relatively quickly?
19 Obviously, a one-day-old car is nicer than a
20 three-year-old car, but I assume a hell of a lot of the
21 cars are in the middle. How different are they?

22 MR. GIANNETTO: Each fleet operates a little
23 differently. Some fleets would turn over their fleet in
24 thirds. One-third one year, the next third the next
25 year. Other fleets don't want the hassle to deal with

1 different model years, they'll refleet all at once. So
2 they'll have the same model year that slowly ages at the
3 same time, so you don't have that competition amongst
4 the fleet. So it varies from one fleet to the next.

5 COMM. GIANNOULIS: At the end of the day,
6 just looking at cars from the outside, obviously, New
7 York City taxicabs are in pretty good shape.

8 MR. GIANNETTO: I think it's one of the best
9 fleets in the country.

10 CHAIRMAN DAUS: I don't know if people are
11 wasting their money or if this is so widespread. I
12 generally don't like when you hear a lot of this -- this
13 is an attempt -- "organized crime, illegal" -- this is
14 an attempt to create the kind of aura of all this
15 underhandedness.

16 There's legitimate issues here of posting of
17 rates, things like that, but we should just be careful
18 of claims of people who like to throw things out that
19 seem seamy, but aren't necessarily.

20 I don't know why somebody would give
21 somebody ten bucks for a car that is eleven months old
22 versus seventeen months old and I really wonder how
23 somebody could figure out how a car is eight months
24 older and if you're making fifty bucks a day, I think
25 you're an idiot to spend ten bucks on a car that's seven

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1 months versus--

2 CHAIRMAN DAUS: Look, I didn't say it
3 specifically, but I condemn those comments that were
4 made. They were over the top and ridiculous. Someone
5 in their ramblings mentioned something about organized
6 crime. That's ridiculous.

7 Everybody looks at the fleets and the agency
8 like they're bad guys. That's not right, either. The
9 answer is somewhere in the middle. There may be some
10 issues. The fleets are good operations, they're giving
11 opportunities to people that didn't have opportunity to
12 have work before. Let's not condemn them.

13 There's a clear and serious issue as to what
14 the facts are, first. When we find out what those facts
15 are and clarify it, we need to work with MTBOT and Taxi
16 Safety and sit down and compare what we found on our own
17 to some of the testimony and if you can canvass or be so
18 kind to canvass your members and give us information,
19 copies of contracts, let's find what the facts are.

20 Right here I think there's no agreement as
21 to what's happening everywhere. We may not get to a
22 final conclusion that it's happening for sure, you have
23 to prove some of these things. Is a dispatcher offering

24 these tips or not? There are obviously a lot worse
25 things going on in the industry, but I think all

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1 Commissioners would probably agree with me that when we
2 passed these rules at the time, these were things that
3 were not discussed and a lot of things are surprising to
4 us.

5 You've heard and you worked for the
6 Commission, Joe, these complaints about dispatchers
7 doing this go back decades, but the thing about the
8 sales tax, a lot of those are not things that I think
9 were contemplated.

10 After we find out what the facts are as best
11 we can, are these things right or wrong. Should we have
12 a reg that makes it clear that the owner or the driver
13 is the one responsible for the sales tax? We might be
14 able to do that legally, if we can. What's the right
15 answer to this? I think this is raising, this hearing,
16 a lot more questions than answers, though staff has
17 gotten us, I think, further than we ever have been
18 before. I think we'll take them up on their offer.

19 COMM. GIANNOULIS: I wasn't blaming staff.
20 I appreciate they reference that. I think we should be
21 careful and not malign people.

22 CHAIRMAN DAUS: They didn't say that, Harry.

23 It was a person testifying.

24 COMM. GIANNOULIS: I'm just saying I don't

25 think that staff did anything wrong.

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1 Can you comment -- we got a pretty positive

2 report on hybrids. Do you have an opinion?

3 MR. GIANNETTO: I don't know any of our

4 members have hybrids at this point.

5 Thank you Mr. Chair. Thank you.

6 CHAIRMAN DAUS: Thank you, Joe, appreciate

7 it.

8 Next speak issue is Gail Ellington.

9 Last speak issue is Mr. Steve Seltzer.

10 MR. SELTZER: I was going to pass, but the

11 business of tipping came up, I wanted to say a word on

12 that. When I started driving in the mid-'50's, I

13 expected it to be a five-day-a-week job, but I refused

14 to give anything to dispatchers and soon found myself

15 working three and four days a week, and was very

16 startled to find that I could get by on the three and

17 four days a week, and I appreciated the extra time more

18 than the extra money. And so I want to thank my greedy

19 dispatchers for opening that prospect to me.

20 By the time I left, stopped driving in '85,
21 I was driving two days a week. I have never tipped a
22 dispatcher. Two days a week was a little harder to get
23 by on, but that's my experience, confirms what you've
24 been hearing from other drivers.
25 COMM. GIANNOULIS: If I could just ask you a

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1 question on that, and I'm not sure of these dates.
2 You're telling me that there are dispatchers out there
3 that you have to give them money to get a cab and the
4 owners are sitting around letting the dispatcher make
5 ten bucks and he's not going to give you a cab? Maybe I
6 should go into the business, I could probably make a lot
7 of money fixing it.

8 I totally don't understand that. I mean, I
9 have 100 cabs, I want to put them out on the street.
10 There's a guy I hire who says I'm not going to put them
11 out unless you give me 20 bucks.

12 MR. SELTZER: If you have 150 drivers
13 looking for the cabs, you can choose.

14 COMM. GIANNOULIS: So it's about when
15 there's more drivers --

16 MR. SELTZER: It's not that the dispatchers
17 were sacrificing the owners' interests by doing this.

18 They have an opportunity to choose and they chose people

19 who tipped.

20 COMM. GIANNOULIS: So it's really only

21 relevant when there's more drivers than cabs?

22 MR. SELTZER: Yes, it becomes the driver, if

23 there are fewer drivers, the drivers gain a little more

24 leverage.

25 COMM. AROUT: Steve, can I ask you a

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1 question? When you go into the garage, do you have to

2 sign in first? And by that, they can actually know who

3 is going to tip the most, pull them out first and you

4 come last because you're not going to tip? Do you have

5 to sign in when you go into a dispatch?

6 MR. SELTZER: I never remember signing in.

7 I stopped driving twenty years ago, I don't know what's

8 happening now. But then there was no such thing as

9 signing in. You showed yourself that you were there,

10 you handed in your hack license or something like that.

11 COMM. AROUT: And then he calls on you when

12 he has a cab.

13 CHAIRMAN DAUS: Maybe I'm missing something.

14 If I was a fleet owner, I would be concerned about this,

15 to the extent that especially when you have a driver

16 shortage like there have been in the past and you're
17 looking to get drivers, to have the possibility that
18 there may be dispatchers that are basically charging
19 this extra money and discouraging drivers -- I'm sure
20 you probably chose not to go to certain fleets because
21 this was happening.

22 I would be concerned about my image as a
23 fleet in terms of the competition, that somebody might
24 not be doing this and the drivers could end up going
25 there. So I think there's a vested interest as far as

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1 I'm concerned for the owners to put internal controls in
2 place, whether it's a sign in system -- there's a
3 variety of things you can do to check up on the
4 dispatchers.

5 It sounds to me that the discussion is going
6 down the road that the consensus is this is wrong.
7 There's a big difference tipping because the guys liked
8 you, as opposed to saying -- it's really not a tip. If
9 you're telling someone you need to pay me ten bucks,
10 it's not a tip. There are other words for it, it's not
11 a tip.

12 MR. SELTZER: I should say this was never
13 that explicit or that formal. Nobody ever asked me for

14 money, but my booking was, there was no reason to punish
15 me for my booking, my booking was okay. I just found
16 myself even when I came in early, I would not get a cab
17 my five days a week. It might have been thought that
18 three or four days a week would pressure me into doing
19 something and it didn't, because I welcomed the time,
20 but it was never so formal that somebody was asked for a
21 certain amount or anything. One just found that one
22 wasn't getting out and other people who came after me
23 were getting out.
24 CHAIRMAN DAUS: You're talking about
25 bookings. I assume you're talking about years ago when

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1 there was a commission system in place. Do you find the
2 issue has gotten better or worse since the commission
3 system was eliminated we went to leasing?
4 MR. SELTZER: Since I stopped driving in
5 '85, I really don't have it in my bones what the
6 situation is on the leasing. I continued to drive
7 during the transition when there was both leasing and
8 commission driving, but I don't think I ever drove in a
9 garage where there was just leasing. I didn't last that
10 long.
11 CHAIRMAN DAUS: All right. Well, thank you,

12 it's good to see you. Anybody else would like to speak?

13 MR. CHOWDRY: I want to speak.

14 CHAIRMAN DAUS: What's your name?

15 MR. CHOWDRY: My name is Osman Chowdry,

16 organizer of the New York Taxi Workers Alliance. I

17 didn't wish to speak, but I hear a lot of conversation

18 you're not getting accurate answer.

19 CHAIRMAN DAUS: I'm sorry, what is your name

20 for the record?

21 MR. CHOWDRY: Osman Chowdry, organizer of

22 the New York Taxi Alliance.

23 First of all, the lease cap, when 2004 has

24 lease cap, when the lease caps increase before we paid a

25 lease cap, only summer 550 and winter \$600, but now some

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1 guys don't want to lease me, they can charge, like I

2 paid \$870 and the car is no good. If I don't pay the

3 dispatcher a \$5 tip, don't get a good car. That's why I

4 don't make money, I have a problem.

5 Here you say we make \$44,000. Absolutely

6 lie. Because how much we get here, before I pay 500,

7 600, not 270 extra on the lease and the car is no good.

8 Also they say Sunday, Monday, Tuesday, they

9 want to give me car at a discount price, why? I make

10 more money, that's why you give a discount. You can get

11 here, it's not accurate calculation.

12 Another thing, the dispatcher thing. I have
13 been driving nine years, I have a lot of garages and
14 recently what happened last September, I quit my own
15 garage. That time I pay a lease like \$600 and then up
16 the lease cap hike, they charged like 680, they give me
17 discount only for how much I'm paying amount, that's it.
18 Not how many shifts, they just give the 680, that's it.

19 Okay. Another problem here, I ask some
20 garages, you can ask, the lease cap system, if you go
21 two drivers, they gave me the lease cap what they charge
22 like 1200 and 1300 they say. If you go to two they
23 don't give me a car, they overcharge daily basis. I
24 hear a lot of drivers to complain me, they go out to me,
25 they going to make a complaint, like that, but they

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1 don't give me, I'm going to try, you give a daily basis,
2 and when two drivers get a car, they give you a
3 headache.

4 Another thing, drivers when they get the
5 car, the car now recently, I go to another garage, I
6 drive the hybrid, they charge 135, the Toyota, the
7 hybrid car, they charge a thousand. Friday, Saturday,

8 they charge 135, Wednesday 129, Tuesday 130, I paid
9 that.

10 Also what are they doing, if the rainy day
11 car is dirty, rush hour car came late, I get the car,
12 car is dirty, I clean the car. That time I lose my
13 hour, also I pay the \$8 to clean the car, I lose one
14 hour, I give to the car, I get a receipt they give only
15 \$20 credit.

16 Recently change the law, if your car is
17 dirty, the driver pay \$100 fine. Why? Dispatching
18 daily basis the car is dirty, rush hour, how I check
19 this car? Don't have any facilities, they push back the
20 car on the street.

21 CHAIRMAN DAUS: Did you say they charge a
22 fine? If you don't get the car back in time? Oh,
23 clean, oh, okay.

24 MR. CHOWDRY: If the car is individual, I
25 take the car, 5:30 they give me the car, car is dirty,

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1 who is responsible? I'm the daily driver, I get the car
2 \$135 Friday, Saturday.

3 CHAIRMAN DAUS: I've heard that in other
4 circles. Are there any fleets or any agents that you're
5 aware of that charge fees for returning the car late.

6 MR. CHOWDRY: Yes, they charge it.

7 CHAIRMAN DAUS: Do you know what they
8 charge?

9 MR. CHOWDRY: No, I'm never late my garage.
10 Nine years, I never one minute I'm late.

11 CHAIRMAN DAUS: So you're punctual, that's
12 good.

13 MR. CHOWDRY: Also sometimes we take the
14 car, the car is not proper maintenance, sometimes brake
15 problem, sometimes overheat, the car gets pushed back.
16 They don't have maintenance to fix that, they can push
17 out the car. Because I'm the only driver, I don't take
18 the drive, the new driver don't have any idea they need
19 the car taken out.

20 Thank you.

21 COMM. GIANNOULIS: Matt, one question. Do
22 you have, like, utilization numbers or something? How
23 do you know on a normal basis how many of the medallions
24 are being used?

25 CHAIRMAN DAUS: I don't know if they're up

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1 to date, but we have done surveys in the past. Do we
2 have any, Andy? Do we have any recent data on the
3 amount of cars that are being dispatched by fleets?

4 DEP. COMM. SALKIN: Well, again, that's data
5 that we have to do more research on, the vehicles that
6 go out and how often they go out. I will tell you that
7 anecdotally I have seen, walked by many fleets and at
8 10:00 in the morning I think all the cars are out, there
9 will be many cars in. I don't know if they're all
10 broken, what the reason is, there's not enough drivers.
11 I think there's a lot of reasons.

12 CHAIRMAN DAUS: I think we did some of those
13 surveys when there was a driver shortage. We were
14 looking to substantiate how bad it was. If the numbers
15 are any indication, the numbers that we're finding are
16 at the lease cap or close to lease cap, I think that's a
17 sign that there's not that much of a demand for drivers
18 as there was and that there are sufficient drivers to
19 get most of the cars out.

20 If you just look at the average prices, at
21 least on the peak days, it looks like they're at the
22 top, on Tuesday, Wednesday, Thursday and Friday at
23 least. Saturday in the a.m., at each shift they're at
24 peak demand. But we can try to come up with a system to
25 regularly look at this.

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1 COMM. GIANNOULIS: I think we need to be

2 careful, the people who come here to not really offer up
3 any idea but just complain, generally always attacking
4 the fleets. We were doing the rate hikes, we learned
5 that the fleets are like a smaller part of the industry
6 than ever before and we just spent like three hours
7 talking about the fleets. It's a little confusing.

8 Also when somebody gets up and says they're
9 refusing to dispatch a vehicle for a week, they're
10 demanding daily rates, they got to be doing pretty good
11 if they're not going to lock you into a rate. That's
12 why I ask. Some of these things people are saying is
13 kind of counter-intuitive, unless people are in this
14 for, like, not-for-profit.

15 CHAIRMAN DAUS: Based on the numbers we've
16 seen, it would be counter-intuitive that would be
17 happening. Again, it doesn't mean it's not, but it's a
18 fair point and I think we should listen to all this and
19 take some testimony for what it is.

20 Do we have any other questions for the
21 Commissioners?

22 MR. SELTZER: May I speak for a couple of
23 minutes? Just a couple of short words. You were right,
24 between a relationship between a surplus of drivers or a
25 shortage of drivers, the two days I ended up driving was

1 Saturday and Sunday where they had trouble getting
2 drivers and I conclude by saying I hope the Commission
3 never gets to the point where it's considering a tip
4 cap.

5 Thank you.

6 CHAIRMAN DAUS: Okay. So we're starting to
7 lose Commissioners. What we'd like to do is I think if
8 this is okay, Chuck, if we can leave the public record
9 open for further written comments?

10 MR. FRASER: There are some people who want
11 to speak.

12 CHAIRMAN DAUS: We do have procedures for
13 people signing up. We can go on all day.

14 Who else wants to speak? These are the last
15 two speakers. With all due respect in the future, we
16 have a sign-in sheet. We're trying to keep order here
17 and make sure the Commissioners don't spend their
18 whole -- they're not getting paid, they're taking time
19 out of their practices to be here.

20 We will keep the record open. If you want
21 to submit more written comments to supplement or more
22 facts and figures, as Desai said, she wanted to get us
23 contracts, we'll keep the record open if you submit that
24 though Chuck, Samara or Jen we'll be happy to take it
25 and receive it.

1 MR. KANG: My name is Yan Su Kang. Thanks,
2 Mr. Commissioner, Mr. Chairman Commissioner. I'm so
3 glad that you give me a chance to talk to you about our
4 drivers' income and our life. I driving actually twenty
5 years, from 1986 till now. I was eleven years I was a
6 fleet driver, I bought a 1996 medallion and still I'm
7 driving. I'm so glad you start to collect the income of
8 the driver and our life.

9 Additionally, I'd like to mention one more
10 thing. As a driver, we driving twelve hours on the car,
11 same thing. So we have a big problem control our
12 health. If you consider working years and years, and
13 also as like any other job, we have a lot of things to
14 do as a person who take care of this life and develop or
15 surviving in New York City. So I understand 44,000 per
16 year income is a great amount, but not many person make
17 that much, because we're involved three things: Number
18 one is we get a ticket and we got a family problem, I
19 mean, the family things to do and even personal, so not
20 many persons work no more than forty weeks a year.
21 Because I'm Korean, I know about thousand Koreans who
22 take care of this. No one person develops in finance
23 with this job, because it's very hard to survive. We
24 make some money, but it's not enough, because this New
25 York Life, definite income we need for surviving. We

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1 make some money, maybe 30, 40, maybe 20. However, it's
2 definitely we are short of money and plus we have
3 problems. We sit the same place, one sits twelve hours
4 a day. By myself I was two years sick and to my son
5 work for me at that time.

6 Anyway, point is, I really appreciate TLC
7 help us new life in America or New York, but point is,
8 please, I saw a lot of hybrid car, a lot of car, please
9 consent to it for the drivers' health. That is help our
10 life, is high upgrade as a driver, as a cabbie in New
11 York City, because problem is, most problem is, we sit
12 twelve hours a day, same place, very hard to keep our
13 health.

14 So, please, I'd like to address one thing in
15 the airport, like LaGuardia or JFK, just give some space
16 for the stretchout of the driver. It does help. That's
17 my small recommendation.

18 CHAIRMAN DAUS: Thank you for those
19 suggestions.

20 MR. KANG: Thank you, sir.

21 CHAIRMAN DAUS: Our last speaker, sir. Your
22 name, please?

23 MR. KIRK: Commissioner, my name is Robert

24 Kirk. The last time I spoke in May I told you that I
25 had been driving a cab for over 35 years. One of the

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1 things that I didn't mention to you is that for a number
2 of years I also served as a fleet manager. If there are
3 any questions that you want to ask me concerning the
4 fleets, you can do it in closed doors, I'll be happy to
5 answer your questions.

6 I do want to tell you, though, that I really
7 want to apologize for some of the outbursts I've heard
8 and I'm going to go down and speak to the Taxi Workers
9 Alliance. I didn't like seeing how some of the speakers
10 acted.

11 CHAIRMAN DAUS: We appreciate you
12 recognizing that. We want to just hear your viewpoints
13 and work together. We don't have anything against
14 anybody. Your apology on their behalf, I guess, is
15 accepted.

16 MR. KIRK: I'm also as of a couple of weeks
17 ago, I'm part of them. I just joined, mostly because I
18 found that I need representation, and just as an
19 insurance.

20 The one thing I did want to do mention about
21 lease caps is something I found a little bit unfair.

22 You have the dollar surcharges and stuff like that
23 during certain days of the week and if there's a holiday
24 and it's on a weekday, the drivers don't get the dollar
25 surcharges, but we're charged the full lease and I would

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1 think that we should be charged a Saturday or Sunday
2 lease instead, which doesn't have the surcharges during
3 a holiday.

4 CHAIRMAN DAUS: So the market isn't really
5 correcting for that?

6 MR. KIRK: Yes. And also, I thought you
7 guys did a really good job on some of the statistics I
8 saw. They didn't take into account that taxi driving is
9 seasonal and there's a tremendous variance in the costs
10 and they did say night workers when they were showing
11 that. Day workers make significantly less.

12 Again, that's really all I wanted to say. I
13 can always write you a letter.

14 This is one thing. I'm very concerned
15 about, and this is the reason I came down instead of
16 doing my laundry at home, it's my day off, I'm very
17 concerned about the electronics that are going into the
18 taxicabs. The last time the monitors went into the
19 cabs, I believe that the fleet owners repressed the

20 horrible experiences the drivers and the taxi riding

21 public had with all the noise pollution.

22 CHAIRMAN DAUS: Believe me, they weren't

23 repressed. We heard them directly.

24 MR. KIRK: I know you found out a little bit

25 about them.

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1 CHAIRMAN DAUS: We believe things will be

2 different this time. We don't want anything to be in

3 the dark and we'd like you to come to our next meeting

4 when we talk about the plans.

5 MR. KIRK: May I look at the prototypes?

6 Would you give me permission to look at the prototypes?

7 CHAIRMAN DAUS: We may have them publicly

8 displayed by then.

9 MR. KIRK: I'm would like to beta test them.

10 I'm licensed by the Department of Insurance, the

11 Department of State.

12 CHAIRMAN DAUS: I think, it's actually a

13 good thing for the Commission to have some type of

14 mechanism for the drivers to buy into this. So we're

15 happy, if you have information to share with us, if you

16 stick around, we'll get your number and your name.

17 MR. KIRK: Several of the fleet owners are

18 like family to me. It's not like I have anything
19 terribly negative to say about them. They do a great
20 job.

21 CHAIRMAN DAUS: Okay, that concludes the
22 public hearing. Thank you very much. Have a good day.

23 (Time noted: 12:47 p.m.)

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1 CERTIFICATE

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4 I, LINDA FISHER, a Certified Shorthand
5 Reporter and notary public within and for the State of
6 New York, do hereby certify that I reported the
7 proceedings of the TAXI AND LIMOUSINE COMMISSION on
8 March 9, 2006, and that this is an accurate
9 transcription of what transpired at that time and place.

10

11

12 Linda Fisher,
13 Certified Shorthand Reporter

14

15

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