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Transcript of the
Of the
TAXI AND LIMOUSINE COMMISSION MEETING
Held on Thursday, December 14, 2006
At 40 Rector Street, Fifth Floor
Borough of Manhattan

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Meeting commenced at 9:53 a.m.

A P P E A R A N C E S:

MATTHEW W. DAUS, Chairman

ELIAS AROUT, Commissioner

HARRY GIANNOULIS, Commissioner

NOACH DEAR, Commissioner

IRIS WEINSHALL, Commissioner

CHARLES FRASER, General Counsel

EDWARD GONZALES, Commissioner

HOWARD R. VARGAS, Commissioner

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P R O C E E D I N G S

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CHAIRMAN DAUS: Good morning,

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everyone. We are working on the agenda that was

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revised on December 11, 2006. The first item is

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the chair support. First I'm happy to report that

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the implementation. The fare increases are being

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implemented. Still there are a few stragglers out

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there, but most of them have complied, from what I

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understand, and have changed their meters over.

11

I want to thank not only our

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hard-working staff, including Peter Schenkman, but

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also the meter shops. The meter shops are the

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taxi meter businesses. And a lot of people don't

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know this. They're the people that are

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responsible for actually doing the programming and

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opening and closing of the meters in a very short

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period of time to make sure that the fare increase

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happened smoothly where the fare adjustment took

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place in a very short period of time. So they

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worked around the clock, of course, and I want to

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thank that segment of the industry. They're the

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unsung heroes, the people behind some of the

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logistics of how these things happen.

25

And so far so good, we have not had

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2 any major reported problems, and it looks like
3 there's almost full compliance with the
4 implementation at this point.

5 Item 2, just a brief mention. There
6 are copies that we've made of some legislation
7 that was passed by the council last week, which I
8 believe are scheduled to be signed by Mayor
9 Bloomberg next Monday. They involve clean air and
10 accessible vehicle items, which we're going to
11 touch upon in a staff presentation later today
12 before the meeting is over.

13 Also, we're going to have a more
14 detailed update of the Taxicab Technology Customer
15 Service Enhancements today. We're going to have a
16 staff presentation, and we're going to be updating
17 the commissioners on the status of the project.

18 The Rules Project RFP, I think the
19 deadline for submissions has been extended once
20 again to December 15th, which is tomorrow. So for
21 those members of the public that are interested,
22 now is the time to get your proposals in.

23 Also, the commissioners had a couple
24 of these now, and I hope the public is buying
25 them. Mayor Bloomberg on Thanksgiving Day had

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2 announced a new marketing campaign called "Wear
3 NYC." It's been going well so far. We are, at
4 the TLC, one of seven different agencies,
5 including the Department of Transportation, the
6 Police Department, the Fire Department,
7 Sanitation, Parks and also the Mayor's Office of
8 Film and Television, basically using a website
9 www.officialNYCshop.com, at the holiday time and
10 even thereafter, you can shop for official New
11 York City merchandise which the City has the
12 rights to. TLC has some merchandise on there,
13 including piggy banks, taxi bears, some hats, some
14 shirts.

15 Here's an example of one of the
16 medallion hats that we have. We have some tee
17 shirts. It's a great holiday gift.

18 So we encourage you to visit the site
19 for you and your family. The proceeds and the
20 money that's raised goes to the City, of course,
21 and this is official merchandise. And we hope to
22 have even more merchandise, working with the
23 Marketing Department, George Fateter (ph.), who's
24 the new marketing officer for the City and for the
25 Mayor. They're very proactive in trying to make

1 Proceedings

2 sure that we can do everything that we can to
3 promote our New York City brand, which is with the
4 Taxi and Limousine Commission.

5 So we're one of several agencies, and
6 again it's NYC -- OfficialNYCshop.com.

7 We have two tentative meeting dates
8 for the next two commission meetings. The next
9 one will be Thursday January 11th. We don't have
10 any rulemaking plans, but we probably will have
11 some staff presentations.

12 Then the next one after that will be
13 Thursday, February 8, 2007. At the 2007, February
14 8th meeting, we're going to be hopefully having a
15 public hearing on proposed rules concerning the
16 Taxicab Technology Enhancements Project, which
17 we're going to hear a little bit more about today.

18 We're also hoping by that time to
19 have medallion transfer rules for a public
20 hearing. Chuck Fraser, our general counsel, has
21 been working very closely on a draft with some of
22 the members of the industry and getting their
23 feedback and some of our advisory boards, and we
24 hope to have a draft for the commissioners and for
25 a public hearing in February.

1 Proceedings

2 We're also hoping by that time to
3 have new specifications for partitions and
4 in-vehicle cameras for the February meeting, as
5 well as whatever rulemaking we need to do to
6 implement the provisions of the local laws that
7 were just passed that we're going to be talking
8 about today, which will include at a minimum some
9 markings, potentially, on the cars or are
10 taxicabs, to designate them as Clean Air and
11 Accessible Vehicles, and also some vehicle
12 retirement amendments that need to be made
13 according to the local law that we're going to
14 hear more about today.

15 Last but not least, we had several
16 rulemaking petitions over the year. For those of
17 you who want to be reminded of it, there's a
18 provision where members of the public or anyone
19 can basically make a petition to change our rules
20 and change our laws, to my attention. Staff looks
21 at it. I look at it. And then I can either
22 modify it, accept it or reject it and then bring
23 it before the Commission to see if they agree or
24 disagree or if they want to take any other action.

25 We received another one on September

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2 27th of this year, and I denied it on November 22,
3 2006, and this is a petition from a group of -- a
4 base owners organization, which I believe is based
5 in Brooklyn. It's called United As One TLC Base
6 Owners Association. I e-mailed my denial, as well
7 as the initial petition to the commissioners on
8 November 22, '06.

9 In accordance with our rules, I also
10 presented them today with copies of those
11 petitions. And basically it proposed that we
12 change our licensing terms for bases from two to
13 four years. I just want to point out that I'm not
14 necessarily -- and I don't think some of the
15 members of the Commission are necessarily averse
16 to doing that, but rather than do it as a
17 petition, my recommendation would be that we deny
18 the petition for now, and as we had promised when
19 we do our comprehensive based licensing provisions
20 to the rules sometime next year, that we undertake
21 a review of this concept at that time.

22 As you know, we have been very
23 proactive with bases in terms of looking at the
24 applications over the last year or so. Staff is
25 going to be assessing the success of those efforts

1 Proceedings

2 and possibly proposing some additional changes to
3 the base licensing structure and process, and I
4 think this should be one that's considered at that
5 time, not piecemeal and not out of context.

6 Does anyone have any questions on the
7 denial or any other matter?

8 Commissioner Dear?

9 COMMISSIONER DEAR: First of all, I
10 want to thank you and Ira and others. We're still
11 trying to find a piece of luggage that was left
12 with some important religious articles. And I
13 told you the value is very, very high.

14 And we raised this issue, and I guess
15 because there are people who represent taxis and
16 have affiliations with drivers, is that we have to
17 start to be more careful because it's not the
18 first time where a piece of luggage was lost and
19 never found afterwards. I know that you've been
20 successful with some of them. Most of them you
21 are successful. There are time that you're not.
22 Two cases that I know of involved religious
23 articles which cost a lot of money.

24 So I'm asking somehow, first of all
25 to the industry, if there's any way that you can

1 Proceedings

2 figure out -- we have the complaint, you can come
3 to come to me, the TLC has the information --
4 about finding this particular piece of luggage.

5 But the other concern I have is what
6 does a driver do, I mean, obviously there are
7 drivers there that just disregard property that's
8 lost and not doing anything about it. And I want
9 to get the message out that we should be -- if we
10 find out that you're doing these things, that
11 we're going to be very tough on you in going after
12 you, because that's the last thing we want, that
13 people's property should be taken away from them
14 because someone was negligent in not doing what
15 they were supposed to do by bringing the item to
16 the appropriate place.

17 So I want to thank you for your
18 efforts. It still could appear, but we have to
19 start thinking about the future as well.

20 CHAIRMAN DAUS: Thank you,
21 Commissioner Dear.

22 We are still searching for that
23 property. It's hard to tell when you're looking
24 at this issue in particular. I get letters every
25 day and the vast majority of cab drivers do do the

1 Proceedings

2 right thing. I think there are some out there
3 that don't do their diligence and they don't
4 return it the way they're supposed to. There are
5 lost property precincts that they need to and are
6 trained to drop off lost items. Sometimes they
7 don't react as quickly, and unfortunately, there
8 are passengers, and we've had instances in the
9 past where passengers have taken the property
10 that's left in the back. We try to go the extra
11 mile and do what we can above and beyond when
12 we're dealing with items of, as Commissioner Dear
13 pointed out, sentimental value, religious value
14 and significance, as well as items that just are
15 worth a lot of money, whether they be diamond
16 rings and wedding dresses. We've had -- you name
17 it, we've had it lost in a cab, whether it's a
18 prosthesis or rare jewels that were left. And
19 most of the times the drivers do do the right
20 thing.

21 I get letters every day where they
22 actually go out of their way to return, even
23 though they're not required to by law, the
24 property to where it came from. We had one guy
25 who actually went to Connecticut to return the

1 Proceedings

2 property.

3 So they do do the right things in
4 most instances, but in those few cases where they
5 don't, we have ideas on how we can fix that moving
6 forward. We welcome that.

7 I think when we get the technology
8 enhancements done, which we're going to hear more
9 about today, it's going to fundamentally change
10 the landscape of this problem and this issue.

11 54 percent of the calls that come in
12 to the 311 center, the 311 hotline, pertaining to
13 the TLC involve items of lost property left in
14 taxicabs. I believe that even though we may get
15 more of those reports, when we actually start
16 getting the technology enhancements out there, I
17 think we will probably have even more success and
18 able to directly find out where the cab was.

19 The big problem here also with
20 Commissioner Dear's case is that we don't know
21 what the medallion number is, and if people take
22 the receipt and take the medallion number, it
23 makes it easy. With the new technology
24 enhancements that we'll hear about, it should make
25 it fundamentally easier to get in touch with that

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2 cab driver instantaneously before the property
3 ends up elsewhere. We'll be able to figure out by
4 where you were at what time, what cabs were in the
5 area and be able to send a text message. And
6 we're going to hear more about that today.

7 I actually thank you for raising the
8 issue, and we'll do what we can in terms of
9 searching for this property. If there's something
10 that we can do with the -- if the industry press
11 could assist us, that would be great, get the word
12 out and see if we can have an all bulletin alert
13 for the cab drivers to see if we can come up with
14 this property.

15 Any other questions, comments?

16 (No response.)

17 Okay. The next item on the agenda,
18 Item 2, is the adoption of the minutes of the
19 November 16, 2006 meeting.

20 Any comments, questions or changes to
21 the minutes?

22 COMMISSIONER AROUT: Make a motion
23 to accept them.

24 CHAIRMAN DAUS: A motion to accept.

25 Do we have a second?

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2 COMMISSIONER WEINSHALL: Second.

3 CHAIRMAN DAUS: All in favor?

4 (A chorus of "ayes.")

5 CHAIRMAN DAUS: So adopted.

6 Item 3, Base Licensing Application

7 Review.

8 Good morning, Sara.

9 MS. MEYERS: Good morning.

10 We're proposing the approval of
11 several applications. I don't know if you want me
12 to read the list, but there's also one that we're
13 recommending for denial that I'm going to set
14 aside just to mention some specifics about it.

15 So we have 13 applications for
16 Renewal, one application for Renewal and Ownership
17 Change, and one application for Name Change,
18 Relocation and Ownership Change.

19 Would you like me to read the list?

20 CHAIRMAN DAUS: Does anybody have
21 issues?

22 COMMISSIONER DEAR: I have issues,
23 yes.

24 CHAIRMAN DAUS: With more than one
25 base?

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2 COMMISSIONER DEAR: Yes. Do you
3 want me to start?

4 CHAIRMAN DAUS: Before we go to
5 Commissioner Dear, does anybody else have any
6 issues or questions with any of the bases?

7 COMMISSIONER AROUT: One.

8 CHAIRMAN DAUS: Which one is that?
9 If you could just let me know which bases are an
10 issue?

11 COMMISSIONER AROUT: I want to know
12 about the Bloomingdale Car Service. Have you
13 visited that once they make the change? Do the
14 inspectors actually go down to that base and see
15 the new --

16 MS. MEYERS: The new location?

17 COMMISSIONER AROUT: Yes.

18 MS. MEYERS: Yes. The new location
19 is inspected and -- well, first we do require them
20 to do an environmental assessment statement, so
21 the location is approved through the EAS.

22 Are you just talking about whether or
23 not they're in operation after the --

24 COMMISSIONER AROUT: Do you actually
25 physically visit the base, the new area that

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2 they're going to transfer it to, or you
3 automatically just transfer it on paper?

4 MS. MEYERS: We always visit the
5 off-street parking location, and then most of the
6 time enforcement is visiting the location as well
7 because they're meeting up with the owner to visit
8 the off-street parking location.

9 I've been talking to Pansy about
10 implementing visits of all locations. I don't
11 know if this was visited, but we will be visiting
12 all locations going forward.

13 COMMISSIONER AROUT: All right.
14 Thank you.

15 CHAIRMAN DAUS: Commissioner Dear.

16 COMMISSIONER DEAR: Regarding these
17 applications, I see Commissioner AROUT asked you
18 that question. We don't visit all these sites?
19 We just accept them as --

20 MS. MEYERS: They go through an
21 environmental assessment statement, so they have
22 to provide a lot of documentation about their
23 location.

24 We have been sending enforcement.
25 We've been working very closely with Pansy to have

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2 a lot of enforcement go out and visit, and we are
3 starting to make sure that every location that is
4 proposed is visited in advance.

5 The one location we have been
6 mandating that is visited is the off-street
7 parking location, but now we're going to make sure
8 that all the locations are visited in advance as
9 well.

10 COMMISSIONER DEAR: You go out to
11 the site and you ask them where the off-site
12 parking is. That's what you visit? Aren't they
13 near each other?

14 MS. MEYERS: That's what I'm saying.
15 Most of the time they are visited because they
16 meet up with the owners.

17 DEPUTY COMMISSIONER SALKIN: One of
18 the things that the Commissioner/Chair referred to
19 earlier was about the rules and how the rules
20 work. We're limited in what we can approve them
21 on, and the rules are very specific, really, based
22 on the Ad Code, that we can approve the off-street
23 parking place and ask to do an EAS. Where they
24 choose to locate it is based on kind of the area
25 is zoned for that appropriate --

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2 COMMISSIONER DEAR: I just want to
3 know -- I'm going to give you an example. I
4 decided -- I get this book, and I happened to be
5 on the way to the City, let me check a few places
6 you want me to approve. And you know how I feel
7 with some of these car services, especially some
8 of these liveries, they just dispatch vehicles
9 without licenses and we're just approving them. I
10 want it -- I'll get to that in a second, the
11 violations about that.

12 So I had the first one on our list,
13 Adams Car & Limo Service. I was going to -- I
14 want you to do me a favor, you can call this --
15 first of all, look up information to see if
16 there's such a place. They don't have such a
17 place.

18 I went by. I was looking back and
19 forth and went back and forth. On that block is
20 another car service today that we're going to be
21 approving, the next one -- another one. Eagle.
22 Eagle's on the same block. I went by and saw the
23 address, and I saw there was no car service there.
24 So I saw another number, and then I realized it's
25 the same number that's in this application. And

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2 guess what? It's doing business as Sokar Aza
3 (ph.), care of Sokar Aza. Do you know what that
4 is? It's a brokerage place, real estate. It's
5 not a car service. When I called the number, I
6 says, "Can I have a car?"

7 "We don't have cars."

8 I said, "Oh. I thought you were a
9 car service."

10 "Who's calling?"

11 I said, "Well, someone who wants a
12 car."

13 And then it took about five minutes
14 before they put me on to somebody, "How can I help
15 you?"

16 "Are you a car service?"

17 "Yeah, you know."

18 I said, "Oh, very interesting. Where
19 is it?"

20 We're recommending today, today,
21 that's what I'm concerned about. We're
22 recommending today a car service that's a bogus
23 car service.

24 CHAIRMAN DAUS: There's no business
25 known as Adams at 7117 5th Avenue?

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2 COMMISSIONER DEAR: Go there
3 yourself. I just came from there.

4 DEPUTY COMMISSIONER SALKIN: In
5 terms of the application, there's things that we
6 can approve. In terms of a base that's getting
7 renewed, which is in this case, we go to the base
8 and we drop off reminders. If you remember, in
9 the beginning of the year we had issues about
10 bases getting the right information. So the
11 inspectors and the officers that work for Deputy
12 Fisher-Mullens do actually visit the base. If
13 they can't find the base, then we take proceedings
14 and we call them in and ask them, "Are you
15 located" --

16 COMMISSIONER DEAR: I'd like to know
17 the inspector that went to this place because
18 there's no Adams Car Service. Unless they put up
19 the sign just now, there is no Adams Car & Limo
20 Service.

21 And I'm concerned, if this is what
22 we're approving -- I'm going to be abstaining
23 against all these car services if we don't have a
24 handle on it.

25 You know what it is? You know how I

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2 feel, Andrew. I'm sick and tired of car services
3 just basically -- just violating the law, couldn't
4 care less about us and they just thumb their nose
5 at us, one after another. I look through this
6 book -- and I'm as smart as Commissioner Arout.
7 Smoke is not coming out of the ears.

8 Look at the violation of La Mexicana.
9 First of all, by the way, their off-street parking
10 is on the street. One, dispatched unlicensed
11 drivers, dispatched unlicensed drivers. And all
12 because enforcement sent them. Not because, you
13 know, something else, enforcement. If we were
14 sending more enforcement, you'd be catching them
15 every day. Why do I do this? Every time, they
16 don't care. I watch how car services today,
17 straight plates are dropping off all over the
18 place, picking up people and they're putting
19 people in danger.

20 And by the way, La Mexicana was
21 involved in, if I'm not mistaken, was involved in
22 an accident, killing somebody.

23 DEPUTY COMMISSIONER SALKIN: Again,
24 we're limited in what the staff does review. So
25 what you're saying today is based on the Ad Code

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2 and the rules, are recommendations based on staff,
3 based on the information that we're allowed to
4 look at in a recommendation. If the Commission
5 chooses not to accept that recommendation for
6 other reasons, then the Commissions can choose not
7 to vote for someone.

8 What the practice has been of the
9 Commission over the past year has been, because
10 there's no standards in place on what you accept
11 and don't accept or to deny someone. The approval
12 is based on the current rules, and then we go back
13 and do additional enforcement, require additional
14 business plans and encourage them, and the hope
15 is -- and we're going to start seeing this in
16 January, that when bases come up two years
17 later -- and we've been doing this about two
18 years -- that they're going to have a business
19 plan that says here's all the things that I
20 promise not to do, and then they're going to have
21 a violation history that shows here's all the
22 things you promised not to do but still did, and
23 provides the Commission with the basis, perhaps,
24 to reject.

25 COMMISSIONER DEAR: I would hope,

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2 this is my wish, the same method that you put into
3 your yellow cabs -- because it's easy because they
4 have a medallion, it says licensed driver and
5 everything else -- put into livery. I am telling
6 you we'd clean this place up. And I think we have
7 to start focusing now on liveries because it's
8 getting out of hand.

9 COMMISSIONER GIANNOULIS: Can I just
10 ask you a question?

11 COMMISSIONER DEAR: I just want to
12 recommend on the Adams, we take it off. I would
13 say no, but if you want to give it another chance
14 -- we can't vote on this today because with my own
15 eyes, there is no Adams Car Service.

16 COMMISSIONER GIANNOULIS: Let me ask
17 you a question here. Let's walk through this.

18 Let's say that Adams Car Service is
19 just a DBA or something and it is the insurance
20 company, and they're taking calls in and sending
21 them to another livery car service to go make the
22 trips. At the end of day, what's the concern? I
23 mean, I understand if -- I mean literally --

24 COMMISSIONER DEAR: I don't know
25 what kind of cars they're dispatching. Is this

1 Proceedings

2 their business, their primary business, if there's
3 a reason for it. I have no idea. My mind is
4 starting to think all kinds of things. Many years
5 there was accusations about liveries being
6 involved in shipping drugs and delivering drugs.
7 I don't know what this is all about. We should
8 look at it.

9 CHAIRMAN DAUS: What was the other
10 one, Eagle?

11 COMMISSIONER DEAR: Eagle is okay.

12 CHAIRMAN DAUS: I recommend that we
13 pull these bases off the agenda and look at them.

14 COMMISSIONER DEAR: Eagle, I saw it.
15 I can't tell you -- it's funny, I found Eagle
16 because it's on the same block. It looked like an
17 old-time car service, had been there a zillion
18 years. It looked to me legit. I didn't go inside
19 or anything like that. This was one was, like,
20 mind boggling because I was looking for the
21 address.

22 Then I went by La Mexicana. First of
23 all I went by there -- before we get to
24 International Car Service. I didn't go there, but
25 I'm just outraged by how many unlicensed drivers

1 Proceedings

2 that they sent out.

3 COMMISSIONER GIANNOULIS: Is there a
4 requirement for there to be a physical -- what's
5 the requirement for the physical location of a car
6 service?

7 MS. MEYERS: They have to have a
8 location that zoned commercial.

9 COMMISSIONER GIANNOULIS: Can that
10 be a desk?

11 MS. MEYERS: I think that we require
12 that it be a physical space. They have to have
13 storage, so that's one of the requirements.

14 COMMISSIONER GIANNOULIS: But it
15 could be a desk in an insurance company, right?

16 MS. MEYERS: Yes.

17 COMMISSIONER GIANNOULIS: It could
18 be a table in a restaurant.

19 CHAIRMAN DAUS: Any place as long as
20 they're maintaining their off-street parking
21 requirement and the other things required under
22 local law. We have been sending people over the
23 years, and I think they're still sending people.

24 COMMISSIONER GIANNOULIS: I'm not
25 trying to diminish what Commissioner -- I mean, I

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2 congratulate him for doing that. I'm just simply
3 saying the reality is if we actually don't require
4 them to be working -- I mean, somebody could be
5 working out of a phone booth, then that's another
6 issue.

7 COMMISSIONER DEAR: Let's find out.

8 COMMISSIONER GIANNOULIS: I mean, I
9 guess my point is you may not be surprised that
10 everybody is working out of a phone booth because
11 apparently they're allowed to.

12 MS. MEYERS: They do have to present
13 us with a lease and a certificate of occupancy and
14 provide -- you know, they know they have to have
15 appropriate storage of all dispatch records.

16 CHAIRMAN DAUS: Commissioner Arout,
17 you have a question?

18 COMMISSIONER AROUT: Can everybody
19 hear me?

20 CHAIRMAN DAUS: Yes.

21 COMMISSIONER AROUT: I agree with
22 Commissioner Dear. Even on Staten Island I know
23 one of the Safeway markets have a base inside that
24 place. And I know -- which we have a great --
25 Pansy's a great commissioner out in Staten Island.

1 Proceedings

2 And I think the way Noach should go, and I would
3 do the same thing, I don't go into a base. If I
4 have a problem with that base, I automatically
5 would send an e-mail for Pansy or call her
6 personally, and she takes care of it right away.

7 I really mean that, Noach. I would
8 never go into a base. I would check it out. If I
9 see something going wrong, I would let the
10 Commission know. That's their job. They'll send
11 in plain clothes people to do this. As far as I'm
12 concerned, I wouldn't step inside a base. It's
13 only opening a lot of problems.

14 COMMISSIONER DEAR: First of all,
15 due respect, Commissioner, A, there's no one who's
16 the biggest fan Pansy Mullings, I know her for a
17 long time, and she's doing a great job.

18 COMMISSIONER AROUT: You're missing
19 my point.

20 COMMISSIONER DEAR: I'm not missing
21 your point. I know about Pansy Mullings. I know
22 her phone number and I do call her.

23 We are asked here to vote on this. I
24 have a right just like the Board of Standard
25 Appeals Commissioners, just like City Planning.

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2 You know the Board of Standard Appeals
3 Commissioners go out to the site. They want to
4 see what they're voting on.

5 I decided, you know what, I'm sick
6 and tired of watching licenses -- people coming
7 for us for dispatching illegal cars, don't have --
8 dispatching vehicles with straight plates. I see
9 it for myself.

10 COMMISSIONER AROUT: If that's the
11 case, you might as well disagree. There's a whole
12 batch of them because they're all doing it. What
13 I'm trying to say is I think they're investigated
14 by our division and they give us the right, "yes"
15 or "no."

16 COMMISSIONER DEAR: All I did here
17 is I went by these places just to look to see what
18 I saw.

19 CHAIRMAN DAUS: Commissioners, I
20 think there are a lot of valid points and issues
21 here. I would recommend that we take Adams --
22 because we're talking about a situation where we
23 don't have, based on Commissioner Dear's
24 observations, any indication that there's anything
25 there. So I don't think there's any harm in

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2 pulling that one off the agenda right now.

3 I just want to remind the
4 commissioners that this is something that we've
5 been aware of for the last year, and we all, I
6 think, adopted a policy of giving these bases some
7 time to clean up their act.

8 Remember, we asked all of them if
9 they have a business plan. If you'll recall that
10 every single Commission meeting for the last year
11 and a half I have consistently made a motion that
12 the staff follow up with a business plan. And I'm
13 equally frustrated with the continuation of some
14 of these bases to dispatch unlicensed drivers.
15 And Pansy, to her credit, has been doing much more
16 enforcement and going everywhere visiting every
17 single base. So I think by her increased
18 enforcement -- by the same token, I don't want the
19 record to make it look as if -- it's hard to tell
20 whether it's a problem that's getting bigger or
21 whether because we're visiting every base now,
22 we're getting more summonses because we're
23 starting to really get our hands on and tackle the
24 problem.

25 I think -- and this is something we

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1
2 all kind of agreed to publicly and voted on, that
3 we were going to give some time to these bases
4 because there's dubious legal authority for us to
5 say this base should be denied because it has ten
6 convictions, and that during 2007 that we were
7 actually going to come up with some rules that the
8 staff has been working on to make it clear to the
9 bases and make it fair, but to let them know that
10 if you're convicted of dispatching X number of
11 unlicensed vehicles within a certain time frame
12 that you will have your license denied as a matter
13 of law.

14 The problem that we had is each time
15 you see some of these horrendous bases, and we
16 asked them to submit business plans and it shocks
17 the conscience.

18 There are also a lot of bases out
19 there that have zero violations. And if they have
20 zero violations now, that's much to their credit
21 because Pansy's been out there.

22 Now is the time, Commissioner, in
23 2007 to actually get these rules done, and I think
24 we're all equally frustrated when we see this, and
25 I think, you know, we need to be fair to them and

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2 make sure that when we take action against them,
3 that we're not sued and we don't lose.

4 COMMISSIONER GIANNOULIS: What does
5 the off-street parking requirement exactly mean?

6 CHAIRMAN DAUS: Within 1.5 miles of
7 the base, which is the epicenter of being the
8 base, and circle around it.

9 COMMISSIONER GIANNOULIS: The base
10 address, that's provided to us?

11 CHAIRMAN DAUS: The base address
12 where they're doing business, where their office
13 is.

14 COMMISSIONER GIANNOULIS: There's no
15 actual requirement to have an office, though. We
16 just said that, right?

17 CHAIRMAN DAUS: Well, they need to
18 have a place of business. That's clear.

19 MR. FRASER: The rules require,
20 606A, that there must be a principal place of
21 business in a commercially zoned area, from which
22 affiliated vehicles and drivers may be dispatched.
23 It has to include safe and adequate storage space
24 at that principal place of business for all
25 business records we require them to have. In

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2 other words, it doesn't have to be a building. It
3 doesn't have to be a very big space, but there
4 does need to be some durable permanent space where
5 their dispatching can be done. It can be a cell
6 phone, obviously, but there has to be a phone.
7 There has to be a phone number. There has to be
8 storage space. There has to be a premises.

9 COMMISSIONER GIANNOULIS: And again,
10 the off-street parking rule?

11 MR. FRASER: The off-street parking,
12 as the chairman said, within a mile and a half of
13 that. There are fairly elaborate rules for how
14 many spaces they have to have, depending on the
15 number of affiliated vehicles they have, and so
16 on. There's provisions for waivers of that.

17 CHAIRMAN DAUS: If I remember
18 correctly, I think it's for every two vehicles
19 that are affiliated with the base, you need one
20 spot, one parking spot.

21 DEPUTY COMMISSIONER SALKIN: And our
22 rule mimics the Ad Code.

23 COMMISSIONER GIANNOULIS: What does
24 that mean, a spot?

25 MR. FRASER: A parking space.

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2 COMMISSIONER GIANNOULIS: A spot
3 that is your spot?

4 MR. FRASER: Yes. Generally they
5 lease the spaces -- the lots.

6 DEPUTY COMMISSIONER SALKIN: If you
7 have 100 cars, you need a location that has 50
8 spots.

9 CHAIRMAN DAUS: Yes, Commissioner
10 Dear?

11 COMMISSIONER DEAR: Talking about --

12 DEPUTY COMMISSIONER SALKIN: But you
13 don't have to use them. You just have to have
14 them.

15 COMMISSIONER DEAR: We started this
16 process about two years ago?

17 DEPUTY COMMISSIONER SALKIN: March
18 of 2005 I think we kind of got into the current
19 practice where we are now.

20 COMMISSIONER DEAR: So we're now
21 close to two years. You're talking about give
22 everybody a chance. I can't give someone a
23 chance, and again, going back to one of these
24 bases where I have one, two, three, four, five,
25 six, seven -- because we caught them -- how many

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2 times we don't catch them -- in '05, September
3 '05, '05, '06. This is La Mexicana, page one --
4 it doesn't have a page number there. '05, '06,
5 February '06, February '06. I mean, give me a
6 break.

7 Listen, everyone can do what they
8 want to do. I've had it already. I'm not going
9 to be here and allowing car services run the way
10 they want to, under their rules, and telling us
11 they don't care about our rules. I'm telling you
12 now, I'm saying it publicly, in Brooklyn, there's
13 a big, big problem with straight plates. It's
14 happening more and more. Wherever I go, I'm just
15 flabbergasted.

16 COMMISSIONER AROUT: Commissioner,
17 you know what we ought to do? Go to the Mayor and
18 say, "Look, Mr. Mayor, we need more enforcement
19 people out there. What they have now, they don't
20 have enough enforcement people to do the job."
21 Let's face it. Call. Get together with someone,
22 a higher authority, and sit down with the Mayor
23 and say, "Mr. Mayor, we need more enforcement
24 people."

25 Staten Island, they can't come out

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2 there every day. They can't go to Brooklyn every
3 day in certain areas. They have to divide it up.
4 What are we supposed to do?

5 CHAIRMAN DAUS: I think when you
6 look at this, this is a very emotionally charged
7 issue, including myself. I've gotten very angry
8 when I've seen some of these base records. But I
9 think we need to stick to the plan. We need to be
10 smart. We need to understand that there are
11 legalities involved. Once we say no to a certain
12 base because they have a certain number of
13 convictions today, what about what happened with
14 the three or four bases that came before us a
15 month or so ago?

16 So I think the proper and the prudent
17 thing to do is to come up with some rules in
18 accordance with the Administrative Procedure Act
19 to reform this process and have clear guidelines
20 for the bases. And I think all of us are in
21 favor, through this process, I think -- putting
22 enforcement aside -- and I think Pansy's doing a
23 great job. Who would ever turn down additional
24 officers? But I don't think that we need that to
25 solve this problem. I think this problem can be

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2 solved by us passing these rules next year. We've
3 given them time to comply. Let's do it right.
4 Let's do it legally. And let's start saying to
5 them, "These are the ground rules. You do this,
6 you're out. You do this, you're going to be
7 suspended." That's something that has not been on
8 our books for the last 25 years. It's something
9 that we would like to do, but we need to make sure
10 that this process works well and that it's
11 organized fairly and that they have notice so that
12 we're not sued and that we don't lose.

13 So while I am certainly personally in
14 favor of everything that's said here, I think the
15 one area that I exercise -- am recommending
16 prudence, and that we just exercise cool judgment
17 on this, is that we made a decision and we have a
18 plan. Let's stick to the plan. We're almost
19 there.

20 We're going to have a draft of the
21 rules soon, I assume?

22 DEPUTY COMMISSIONER SALKIN: No.

23 As part of the rules reform project,
24 it's coming out with more regulatory structure and
25 frame work. I think there's things that probably

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2 will be done before that project's done that would
3 better give the enforcement and regulatory
4 authority of the agency a little bit more
5 strength.

6 You kind of talked about it before
7 when you talked about denying that petition that
8 was submitted by Darlene Sanchez where they want
9 to extend the life of a base, but you can't really
10 extend the life of a base if there's no way to get
11 rid of bases that have performed badly once you
12 give them a license. I think that's kind of a
13 premise that the Commissioner's always suggested.
14 But you're correct also in saying that the rules
15 don't really allow for rejection based on bad
16 behavior.

17 CHAIRMAN DAUS: So our hands are
18 kind of tied. When we get this project underway,
19 I would request that we try to expedite that and
20 put that at the top of the list.

21 COMMISSIONER DEAR: You made a
22 statement that we can't -- I can't vote no on
23 something because of bad behavior. Is that
24 chapter and verse?

25 DEPUTY COMMISSIONER SALKIN: The

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2 staff recommendations are based on the rules and
3 guidelines. If you choose to say that you don't
4 want someone to be passed because you don't like
5 them, then the question --

6 COMMISSIONER DEAR: It's not
7 personal.

8 DEPUTY COMMISSIONER SALKIN: Then I
9 would defer to kind of the statements that the
10 chairman and maybe the general counsel want to
11 talk about if you do reject somebody.

12 COMMISSIONER DEAR: Mr. General
13 Counsel, I can't vote against a base because I
14 feel that they're not operating legally?

15 MR. FRASER: My concern would be
16 that the approach that has been taken since, I
17 gather, March of 2005 has been not to reject the
18 bases that have problematic violation histories,
19 but to grant them essentially sort of on the
20 condition that they produce an operating plan or
21 business plan, and then the next time they come
22 up, if they've not complied with that, if they
23 don't show the results, essentially, the reduction
24 or elimination of these violations during that
25 time, then I think the plan was that at that time

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2 they would be rejected for failing to operate in
3 compliance with their plan.

4 My concern would be that if you vary
5 from that approach, you would be subject to a
6 challenge that you had treated this base
7 differently than we've treated bases previously
8 under that approach. That would be my concern.

9 COMMISSIONER DEAR: I still didn't
10 -- I mean, you gave me a nice lawyer's answer.

11 MR. FRASER: Well, I am a lawyer.

12 COMMISSIONER DEAR: I want a "yes"
13 or "no." I just want a chapter verse. I learned
14 that in law school, you know, where does it say?
15 I did have a professor that did say when you don't
16 know the law, make it up.

17 CHAIRMAN DAUS: Well, I don't think
18 he's making it up.

19 MR. FRASER: The challenge would be
20 brought pursuant to Article 78. I'm not really
21 anxious to sit in a public meeting and try explain
22 how that challenge would be brought, but that
23 would be my concern.

24 CHAIRMAN DAUS: I think it's
25 important that government officials and public

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2 action needs to be consistent and clear. It can't
3 be arbitrary and capricious. I think the concern
4 is that the base would bring an Article 78
5 proceeding and would have a very good chance of
6 winning and beating us at it.

7 COMMISSIONER DEAR: Excuse me, Mr.
8 Chairman, we've been threatened with all kinds of
9 Article 78 proceedings. We had one against us and
10 we lost. That's life. And we still didn't base
11 it on that. We have to base it on what we think
12 is the right thing.

13 By the way, I just want you to know,
14 you talk about enforcement, and Commissioner Arout
15 mentioned that we need more inspectors. If we
16 were to stop focusing only on one group in the TLC
17 and focus on everybody else and come down, really,
18 on the liveries, we would clean it up also.

19 I remember a time they said you
20 couldn't do this in the yellow cab part of the
21 industry, and all kinds of changes have been made.
22 And guess what? It's become now something that
23 we're proud of, and we put a lot of effort into
24 it. We should put the same effort we put into
25 yellows into liveries because there are more

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2 livery cars than there are yellow cars and more
3 livery drivers than there are yellow drivers. And
4 we have to put a stop to the straight plate, let
5 them know that "We're going to catch you and we're
6 going after you."

7 CHAIRMAN DAUS: Let me ask you this,
8 Commissioner Dear, because you were in charge of
9 the Transportation Committee at the Council when
10 these laws were passed. What was some of the
11 thinking that went into some of the laws that
12 we're dealing with, because some of the laws that
13 we're dealing with that we'd like to change and
14 our hands are tied, came about when you were
15 there. I know Walter McCaffrey was involved with
16 some of them.

17 COMMISSIONER DEAR: Excuse me. Why
18 we did it?

19 CHAIRMAN DAUS: Yes.

20 COMMISSIONER DEAR: At that time we
21 were challenging the TLC because you weren't doing
22 that type of enforcement. You were just letting
23 every base station there was, every person open
24 up. Hey, the Brooklyn Bridge shooting happened
25 from a base station that was licensed by the TLC.

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2 The guy was a driver from there. Enough was
3 enough. And we said that if you're not going to
4 do anything it, the City Council wants to do
5 something about it. That's why we reviewed every
6 base station, and if we didn't -- if we had
7 community complaints, if we didn't like how they
8 were operating, we turned them down.

9 CHAIRMAN DAUS: Were you there when
10 they first passed the law and they started
11 regulating?

12 COMMISSIONER DEAR: Yes. I was the
13 one that chaired that committee. I was clear. We
14 did it because we wanted the TLC at that time
15 under a different administration, and you know the
16 problems we had, but not going back there, didn't
17 do anything and we felt that we should do
18 something.

19 CHAIRMAN DAUS: I'm just asking did
20 you give them some time at the beginning to
21 comply?

22 COMMISSIONER DEAR: No. When we saw
23 something, we had no choice --

24 CHAIRMAN DAUS: I'm talking about
25 when you and the TLC at the time first started

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2 licensing these folks. It wasn't like you came
3 down with a hammer that day. If I remember some
4 of the memos I've read over the years, I think I
5 remember something about grace period.

6 COMMISSIONER DEAR: I'm going to
7 have my former counsel, Mitch Schwartz, who's
8 sitting in the audience --

9 CHAIRMAN DAUS: I think this may be
10 before Mitch's time, too.

11 Anyway, I think the points that have
12 been raised are valid. We do have a hefty agenda.
13 If you feel strongly about not voting or voting on
14 it, that's your prerogative. What I would
15 recommend now is that we pull Adams Car & Limo off
16 the agenda in response to Commissioner Dear's
17 concerns and have Enforcement visit it and
18 Licensing revisit it and come back and reassure us
19 and tell us what their findings are. And for the
20 rest of the --

21 COMMISSIONER GIANNOULIS: I have a
22 problem doing that.

23 CHAIRMAN DAUS: You do?

24 COMMISSIONER GIANNOULIS: Because
25 quite honestly, I agree with what you're saying,

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2 that shouldn't begin an arbitrary process because
3 people should have some knowledge as to how we're
4 proceeding.

5 But none of these people may have --
6 they're not required to. So just because the
7 Commissioner happened to go by these guys -- I
8 mean, if they're not required to have a spot,
9 they're not required to have a spot. At the end
10 of the day, I mean, quite honestly, there's a lot
11 of guys in here who I would be happy to reject
12 their application. I just think it wouldn't be
13 appropriate. That's just my opinion.

14 CHAIRMAN DAUS: Okay.

15 COMMISSIONER GIANNOULIS: I mean, we
16 should possibly -- the Commissioner is making some
17 good points here. This is a complicated issue.
18 That's just my personal opinion. I don't think --
19 because I'm going to sit here and say to you, "My
20 God, some of these other guys are horrible," are
21 we going to pull them, too?

22 There's no rule that they're required
23 to have a spot. Your inspectors may drive around
24 and find that not a single one of these people --

25 COMMISSIONER DEAR: They are

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2 required.

3 COMMISSIONER GIANNOULIS: -- had
4 what you thought they should have.

5 CHAIRMAN DAUS: Do our records
6 indicate that our inspectors did visit the site
7 and that there was somebody there at a desk or no?

8 MS. MEYERS: I would have to check
9 on that. I'm not sure.

10 But I did talk to Pansy. We just
11 talked about it this week, in fact, about making
12 sure that when we go out to check the off-street
13 parking location, that every location would be
14 checked.

15 COMMISSIONER GIANNOULIS: Let me ask
16 you a question.

17 Forgetting about what Commissioner
18 Dear wants to do, if you didn't remove that
19 particular entity and the inspectors went out and
20 actually found out that nobody does exist, you
21 would then pull their renewal, no?

22 CHAIRMAN DAUS: Well, we could
23 structure the motion that way, right?

24 DEPUTY COMMISSIONER MULLINGS:
25 Excuse me. Our general policy is when we check

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2 the off-street parking, we actually go to the
3 office. A lot of these places just have a desk.
4 But if we went to somewhere where there's no one
5 there, because we always meet the person to show
6 us the parking, so there was somebody and there
7 was a desk.

8 COMMISSIONER DEAR: Call 411 now and
9 ask for the base, for the phone number, because
10 that's a requirement, to have the good working
11 order of a telephone at a base location, right,
12 and have a number where you can call them. So go
13 call Adams Car Service now. While we're doing it,
14 someone just call 411 and ask for the Adams Car
15 Service on 7115 5th Avenue. If you come up with a
16 number, go ahead.

17 CHAIRMAN DAUS: I understand
18 Commissioner Giannoulis's point. I think it's a
19 very valid point. I am willing to make a motion,
20 though, that we, in deference to the Commissioner,
21 actually check it out. There's no harm done. If
22 they are operating validly, they can continue to
23 operate until next month. I don't think there's
24 any harm done.

25 So I'd like to make a motion that we

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2 approve all of the bases that have been
3 recommended on the agenda for approval, with the
4 exception of Adams Car Service. I think we should
5 just hold that to the side and put it on the
6 agenda for next month.

7 COMMISSIONER AROUT: I make a motion
8 we do it.

9 CHAIRMAN DAUS: All in favor?

10 COMMISSIONER DEAR: I just want to
11 explain, I'm going to abstain. I was going to
12 vote no, but out of respect to the Chair,
13 International Car Service, La Mexicana -- well,
14 Adams we're not doing. I'm going to abstain on
15 those two. Everything else I vote for.

16 CHAIRMAN DAUS: All in favor?

17 (Show of hands.)

18 CHAIRMAN DAUS: Everybody else is in
19 favor.

20 Okay. It was a good spirited
21 discussion and I'm glad you brought it up and we
22 will look into it.

23 And you have one more base, I
24 believe?

25 MS. MEYERS: We are recommending for

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2 denial One Call Car & Limo Service. But this time
3 it's not their renewal application or a renewal
4 application we're recommending for denial. It's
5 an ownership application where the new owners and
6 the old owners put in an application together to
7 change ownership in June, and they have been
8 contacted several times and have been unable to
9 provide several documents. And we just feel there
10 are some of these types out there, and we'd like
11 to be able to bring them to the Commission so
12 maybe we can offer them a final 30 days like we
13 have been doing with renewals, so we can hopefully
14 close these out.

15 CHAIRMAN DAUS: All right.

16 Any questions, comments?

17 (No response.)

18 Do we have a motion to deny?

19 COMMISSIONER AROUT: Motion.

20 CHAIRMAN DAUS: Motion to deny,
21 Commissioner AROUT.

22 A second?

23 MR. GONZALES: Second.

24 CHAIRMAN DAUS: All in favor?

25 (A chorus of "ayes.")

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2 CHAIRMAN DAUS: Also, just as we
3 usually do, if the base licensing staff could --
4 of the bases that we even approved today, if
5 there's one or more convictions for any of these
6 bases for unlicensed activity, that they have the
7 appropriate follow-up with the business plan, as
8 we have done between now and the time we get these
9 rules changed.

10 MS. MEYERS: The 612K rules we have
11 been putting off to the side and talking to the
12 bases about all of them.

13 CHAIRMAN DAUS: Okay. Maybe in the
14 future we'll have Pansy give an update, because I
15 think some of the commissioners have privately
16 expressed concerns about knowing what's going on
17 with some of the enforcement. So maybe in the
18 future, you know, Pansy's been doing a lot and has
19 been all over the place. I think it's hard, like
20 I said, for the record -- the record reflects that
21 there's more of the violations. That's because
22 she's in places where we weren't before. So we
23 have to kind of put things in context and be
24 reasonable about this.

25 MS. MEYERS: Thank you.

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2 CHAIRMAN DAUS: Thank you.

3 COMMISSIONER DEAR: That's where the
4 Police Department does enforcement, too. So we
5 can coordinate with them. I know you have a good
6 relationship with Betty. Coordinate where we're
7 doing enforcement. Maybe they could do the
8 yellows and we can start emphasizing more of the
9 liveries. We should have some sort of
10 coordinating effort.

11 CHAIRMAN DAUS: Commissioner, we
12 actually attend the traffic stat meetings with
13 Chief Scagnelli.

14 And Pansy, maybe if we could approach
15 this topic at our next meeting. We're present at
16 every single one of them, along with DOT and other
17 agencies. So we'll bring that topic up and see if
18 she can help us out.

19 Item 4 on the agenda, Recommendation
20 for Approval of Taxicab Partition Model for
21 Vehicles with Curtain Airbag.

22 If you recall in November, we had a
23 presentation on this.

24 Peter, could you join us, and Chuck?

25 Some housecleaning, and, you know, we

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also need to bring this to a vote, from what I understand. But Commissioners had raised concerns, all of us, I think, making sure that the curtain airbags that are in some of these vehicles, that in the future will be in most of them, don't interfere with the partition, and that the partition can have a design where the curtain airbags can deploy, especially in the Siennas.

So Peter is going to update us on that, and Chuck, I believe, wants us to officially vote on this.

MR. FRAZER: This was presented to the Commission last month. This is the briefing that was distributed last month. You have a copy of it again. Basically, due to my own oversight, I overlooked that fact that we can't actually deploy this partition without a Commission vote approving it under the rules, and that's why we're back this month. We didn't actually have the vote approving it last month.

Assistant Commissioner Schenkman, I think, can answer any questions. Otherwise I guess I'll just remind you of the partition design. This is for those cars, those vehicles

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2 that have factory installed curtain airbags
3 because the curtain airbag cannot properly deploy
4 with what was previously the conventional
5 partition.

6 Do you want to go through the
7 presentation again?

8 ASST. COMMISSIONER SCHENKMAN: It's
9 the same pictures that we look at last month.
10 What I did to highlight them is just to put some
11 arrows on there to show the modification and the
12 inability for anyone to sneak their arm around the
13 partition and assault a driver. It's the same as
14 it was. The curtain airbags dropped directly down
15 and we're not working with no partition, so we
16 worked with the manufacturer who hired an
17 engineering firm to design and deploy almost a
18 dozen airbags to check.

19 COMMISSIONER GIANNOULIS: Motion to
20 support the rule change.

21 CHAIRMAN DAUS: To approve the
22 model.

23 COMMISSIONER AROUT: Second.

24 CHAIRMAN DAUS: All in favor?

25 (A chorus of "ayes.")

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2 CHAIRMAN DAUS: Okay.

3 Item 5, we have several staff
4 presentations. The first one is the Voluntary
5 Installation of Cell Service Testing Equipment in
6 Cabs. This is the Ericsson proposal. This is
7 something I had sent to the commissioners
8 previously. And I had, under our new pilot rules,
9 recommended and am recommending approval, along
10 with the staff, to all of you of this program and
11 would now like to take you through.

12 ASST. COMMISSIONER SCHENKMAN:

13 Without stepping on the presentation that Ericsson
14 is going to do, I reviewed the product. It's an
15 unobtrusive box that is measuring cell signals
16 throughout New York City. And it was felt that a
17 taxicab transversing the city all day long would
18 be a great test to further better the cell phone
19 service in New York City.

20 MR. KYLVAG: Good morning,
21 everybody. My name is Niklas Kylvag, and I
22 represent the cell phone and cell equipment
23 manufacturing company.

24 I would like to take a few moments to
25 introduce the company since it may not be well

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1
2 known in the U.S. market. It's one of the biggest
3 operators in the cell phone industry. It was
4 founded in 1876, so it's -- it was founded in the
5 same time with the founding fathers of the
6 telephone. Ericsson has over 100,000 employees
7 worldwide, holds in excess of 20,000 patents. And
8 as a fun little trivia, over 40 percent of all
9 cell phone calls worldwide are routed through
10 Ericsson equipment. So we are a very, very big
11 actor in both cell phone and fixed phone
12 telephones.

13 We have also a joint venture together
14 with SONY to manufacture cell phones, the actual
15 cell phones. Ericsson itself only manufacturers
16 the behind-the-scene equipment.

17 In this specific case, we would like
18 to talk to you about network automization. This
19 is what operators such as Cingular, AT&T need to
20 do to improve the operation of their equipment.
21 There are several ways of doing that, but common
22 for all methodologies are that you need to collect
23 data for how the user perceived the operation of
24 the network. You all experience that when you go
25 home at night. Your phone call drops every day

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2 pretty much at the same spot. You all have
3 experienced this. And every cell phone operator
4 needs to find that spot and they need to figure
5 out why does that happen.

6 There are several ways of doing that,
7 as I mentioned. The traditional way of doing that
8 is the manual drive testing. You have a laptop
9 computer in your vehicle. You have the
10 measurement equipment to do that. You send out a
11 couple of engineers in that vehicle. You go out
12 and you test where the vehicle goes. It's
13 extremely costly. It takes a lot of time for the
14 engineer to cover ground. Needless to say it
15 takes a long time for them to find all these
16 spots.

17 We have come up with a much more
18 efficient method of covering this. That's an
19 automatic autonomous way of doing that. We
20 install an automatic box. It looks like this. It
21 goes into any type of vehicle. We've installed it
22 in trains, automobiles, pretty much everything
23 except airplanes so far.

24 It operates totally autonomously.
25 The driver of the vehicle doesn't ever have to

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2 touch it. It works by itself. It triggers itself
3 by the ignition key. It measures the cell phone
4 quality wherever the vehicle goes. When the
5 vehicle goes off, it uploads it's quality to the
6 service, et cetera.

7 Of course, we are looking for the
8 ideal vehicle to carry the equipment, and no
9 vehicle works better than a taxicab. And that's
10 why I stand here today. So, we would like the TLC
11 to approve our request for a pilot to use taxicabs
12 in New York to deploy test units.

13 We have started discussing with
14 Ronald Leasing (ph.) to do this deployment.
15 Michael Levine, I think you know him, and he is
16 willing to carry this equipment for the pilot. So
17 we're pretty much ready to go upon your approval.

18 I have summarized -- I have a couple
19 of pictures of the trial installation that we have
20 done. You can see that it goes on the little
21 shelf in the back there. You can see that we also
22 go on the outside of the vehicle. We have the
23 rooftop ad on that vehicle as well. The external
24 antenna you can see goes on the back there, the
25 little short fin antenna. That's pretty much the

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2 only external evidence of the equipment. There
3 may be one, in some cases there may be two
4 antennas on the vehicle. That depends if the unit
5 comes with a specific modem or not.

6 I also summarized the specific
7 advantages. Of course the biggest advantage to
8 the New York public is that we actually find these
9 spots finally and can address them.

10 The advantage to the TLC is the
11 positive message of helping the cell phone
12 industry to -- the public relations message.

13 And finally, the fleet is able to get
14 additional income for a very minimal effort.

15 That's pretty much my presentation.

16 COMMISSIONER GIANNOULIS: I have
17 some questions.

18 MR. KYLVAG: Absolutely.

19 COMMISSIONER GIANNOULIS: We saw --
20 we were forwarded, which is in our package, but we
21 were forwarded a letter, I don't know if it was a
22 letter from you, maybe, to the agency that
23 outlines some of your possible agreements with the
24 fleet owner. Can you talk -- I mean, if the
25 Commission is ready, can you talk a little bit

1 Proceedings

2 about what the financial arrangement is?

3 MR. KYLVAG: Absolutely. We offered
4 the vehicle owner \$100 a month per vehicle where
5 we install the equipment.

6 In addition, in some cases where our
7 customers require a specific area to be measured,
8 it could be, say, for instance, in a case where
9 they do a change in the specific cell tower, they
10 change a cell tower, you know, they tilt it
11 something. They may want something we call a
12 "directed drive," then we would also pay that cab
13 driver for that specific fair.

14 COMMISSIONER GIANNOULIS: And you
15 would pay a higher fee for them to do that,
16 correct?

17 MR. KYLVAG: Yes.

18 COMMISSIONER GIANNOULIS: So my
19 question, Commissioner Daus, is what he's
20 proposing is illegal. So I'm a little confused.
21 He can't tell a yellow cab to go drive up and down
22 X block and pay him 50 bucks. How could he do
23 that? I'm confused by that. I mean, certainly
24 the cab would have to turn off their fare light
25 because obviously they're getting paid \$50 an

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2 hour, is it? What's it called a directed drive.

3 MR. KYLVAG: Directed drive, yes.

4 COMMISSIONER GIANNOULIS: So his
5 company is going to inform the fleet owner, "We're
6 having problems on 57th Street. We would like to
7 pay you \$50 an hour extra to send 30 cabs up and
8 down 57th Street so we can figure out why we're
9 having cell phone problems."

10 CHAIRMAN DAUS: Is that while
11 they're on duty or off duty?

12 COMMISSIONER GIANNOULIS: You are
13 asking me?

14 MR. KYLVAG: On duty.

15 CHAIRMAN DAUS: I did not know that
16 that was the arrangement. I thought it was
17 basically they go wherever they go to serve the
18 public, and if it so happens to be in the area,
19 then you'll get the data.

20 MR. KYLVAG: There are two different
21 modes of data collection. It's the random data
22 collection, which is what we pay \$100 a month for,
23 but then there is the directed drive where we
24 actually pay them for the actual driving, which is
25 when an operator has made a specific change in the

1 Proceedings

2 network and he needs to know exactly how is the
3 cell phone coverage in this block, so we would
4 typically ask a taxicab, "Okay, we need you to go
5 out and drive these five city blocks for two
6 hours."

7 CHAIRMAN DAUS: Well, Chuck will
8 answer the legal question, but whether it's legal
9 or not, even if it is legal, I think from a policy
10 standpoint, quite frankly, cabs are there to serve
11 the public and passengers first and foremost. Any
12 of this other stuff is ancillary, and I think that
13 that's what it should be.

14 Chuck, do you want to answer that
15 question?

16 MR. FRASER: I was not aware that
17 this would have a directive component to it, and
18 I'm not prepared off the top of my head to say
19 whether this is legal. I have some significant
20 questions whether that complies with our rules.

21 COMMISSIONER GIANNOULIS: Can I call
22 a yellow cab to -- I'm having a bachelor party and
23 I just want it to drive me around all night with
24 my friends?

25 COMMISSIONER WEINSHALL: Absolutely.

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The meter keeps running?

COMMISSIONER GIANNOULIS: No. The meter is not running. The meter can't be running if he's telling you, "I want you to go up and down 57th Street," unless I guess they're driving up and down with the meter running, nobody's in the cab, but Ericsson's, I guess, in theory in the cab, and then we've just now removed -- look, I mean, I have nothing wrong with the company or what they're trying to do, but let's be serious. This is a big player who, at the end of day, to pay, quite honestly, to pay 13,000 cabs 500 bucks a day would not be a big lift for them. I mean, at the end of the day, they could take the entire yellow cabs off the -- you know, and then cabs would become what they seem to becoming more and more, which is vehicles to sell advertising and to do telecommunication services, and forget about passengers. That's what they will do. They will not -- they will sit there and say, "This is where our problem areas are. Go there." Because, as they say in the presentation, it's too expensive and onerous for them to run their own fleet operation. That's a pain to them. This is a

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2 great deal for them, to pay somebody 50 bucks an
3 hour to do it.

4 Is that \$50 a direct drive or
5 specifically an hour? The added fee that you
6 would pay for the direct drive, how much is that?

7 MR. KYLVAG: 50 bucks an hour for
8 directed drive, yes.

9 COMMISSIONER GIANNOULIS: 50 bucks
10 an hour. If somebody is willing to pay 50 bucks
11 an hour for something, it's worth a lot because
12 they're probably going to be willing to pay a lot
13 more than 50 bucks an hour. At some point they're
14 going to be willing to pay \$500 an hour.

15 CHAIRMAN DAUS: Understood.

16 Eric, did you want to -- I think Eric
17 wanted to answer your comment.

18 MR. KIM: I just want make a quick
19 comment.

20 I think the points the Commissioners
21 bring up are very good to consider, and that's
22 exactly why we bring these before the Commission,
23 to get your input.

24 One of the things you have before you
25 is a resolution regarding this proposal, and

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that's what we would be proposing that the

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Commission adopt today. All that resolution would

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do is approve the concept. It would also set,

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actually, some limits on how big the pilot would

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be. We're proposing the pilot is no more than 50

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per participant, and the maximum is three

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participants.

9

And in addition, we would also, after

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this, should the Commission approve this and adopt

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this resolution, nothing would begin until the

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Commission and Ericsson and any other participants

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sign an MOU clearly outlining parameters of how

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this would work and what could and could not be

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permitted. Clearly, we would definitely consider

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our local laws and our rules and make sure

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everything is compliant with them.

18

So what Mr. Giannoulis brings up is

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very important for us to consider and we

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definitely will.

21

CHAIRMAN DAUS: Does anybody have an

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issue with us allowing this and other similarly

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situated companies to put the equipment in there

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if the cab drivers are otherwise serving the

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public, just to collect the data randomly?

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2 I mean, you're talking about one
3 component of this. This is a whole other
4 component to this.

5 COMMISSIONER GIANNOULIS: The whole
6 reality is that -- and I don't have a great
7 problem with it, but the reality is -- and I used
8 this example somewhat earlier, the pay phone
9 industry, the kind of street pay phone industry is
10 not about advertising -- it's not about the
11 quarters. I mean, I represent some of these
12 people. There's not a lot of concerns about how
13 many quarters are going into the box. It's about
14 the advertising. It's about street furniture.

15 Cabs would just more and more become
16 about the technology, which may be fine, as long
17 as -- I assume, we also want the passenger to be
18 served. So I don't have a problem with -- you
19 know, as long as there's no health issues in terms
20 of whatever the machine is doing. I assume,
21 obviously, it's fine. That's great. Better cell
22 phone service is important. But there's no
23 debate, and there's nothing wrong with him trying
24 to do that. There is no debate that that \$50 will
25 be much higher and that those 50 cabs will spend

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most -- those cabs are not going to be going out into Whitestone, Queens, where there's no big buildings and people don't lose their services. They're going to be driving up and down midtown Manhattan, which is I thought where we kind of need the cabs. That's where they're going to be, and they're going to be going up and down specific streets.

And I assume the base is going to get a map every morning and it's going to say, "Last night this is where we got reports about what the problems areas are. Drive up and down these blocks." If that's what we want to do, I think that's -- I mean, that's up to you guys.

CHAIRMAN DAUS: It's up to all of us.

COMMISSIONER GIANNOULIS: Maybe it's better for the City for us to do that. If, you know, the gentleman has the cabs and he's willing to have to take those off the streets and do this, maybe it's in the City's interest. I don't know.

CHAIRMAN DAUS: For what it's worth, I shared -- actually, it is pretty important. We shared your proposal and the concept with the

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2 executive staff, including the Commissioner of the
3 Department of Information, Telecommunications &
4 Technology, also known as DOIT. This is a
5 Citywide agency that deals with technology. They
6 had some comments about it, but ultimately they
7 were supportive of it, and they think it would
8 enhance the cell service for the City as a whole.
9 So they want to actually, in addition to any other
10 companies that want to do this besides Ericsson,
11 they would like to get that data themselves
12 because they think it can be useful to them. So I
13 think there's a greater public interest here
14 outside of just cabbies making a few extra
15 dollars. I think there's something more to it.

16 COMMISSIONER GIANNOULIS: There's
17 nothing wrong with that, and that's a good thing,
18 too.

19 CHAIRMAN DAUS: Does anybody have
20 any issues or problems with the random, wherever
21 you go and basically the data will be sent back,
22 it will be in the cabs? Does anybody have any
23 issues with that?

24 At least maybe we can vote on that,
25 and then at least Chuck could research with his

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2 staff some of the concerns Mr. Giannoulis was
3 raising about this directed deployment of cabs and
4 whether we could even do that.

5 MR. GONZALES: Would it be possible
6 to incorporate yellow cabs plus for-hire vehicles?
7 For-hire vehicles doing more of the direct drives?

8 CHAIRMAN DAUS: Well, we don't need
9 approval for that, do we Chuck? If they wanted to
10 work with the livery industry, would we need to
11 even pass rules?

12 MR. FRASER: I'm not sure about
13 that. We do have some rules on the equipment
14 that's permitted in livery vehicles, and I would
15 have to look and see whether this would be covered
16 or not.

17 CHAIRMAN DAUS: It's a good
18 suggestion, and that might make more sense for you
19 so that we don't trample upon any legality or
20 policy concerns because, you know, you could
21 always go to the livery industry, their
22 prearranged -- the black cars and limousines,
23 they're out there just as well, and it might be
24 more legally feasible to go down that road. So
25 we'll get back to you and to the commissioners on

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2 those two items. It's a good point.

3 COMMISSIONER GIANNOULIS: So this
4 pilot program is minimum, one participant, maximum
5 of three? So does that mean another two people
6 could come to you with a similar technology and
7 say I want to be part of this and do a similar
8 thing?

9 MR. FRASER: The way these pilots,
10 the way the rules provide is that if it is
11 approved for up to three participants, additional
12 participation will be solicited by public notices,
13 and then those participants we would decide
14 whether their program was sufficiently similar,
15 and we would negotiate an MOU, similar, if not
16 identical to what we would negotiate with
17 Ericsson.

18 CHAIRMAN DAUS: Maybe it might be
19 worthwhile to just quickly go through what the
20 staff is proposing. There's been a handout given
21 to the commissioners, an outline for the pilot
22 program to Test Cellular Network Testing.

23 Somebody ready to go over that?

24 Eric?

25 MR. KIM: Yes. This actually looks

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2 very similar to the resolution that was presented
3 for the Hypertechnologies pilot. The first
4 section suggests duration, a maximum of thirteen
5 months. The first six months would be for
6 evaluation at that point. The additional seven
7 months would be basically the time required for
8 rulemaking, should the Commission choose to go
9 down that road. We would have the ability to make
10 sure to negotiate into the MOU the ability to end
11 the pilot at any time if we thought it was
12 necessary to do so.

13 The second section regarding
14 implementation and evaluation require that a
15 report be made by Ericsson and any other
16 participants to the Chairperson and the
17 Commission, pursuant to Sections 8 and 9, which
18 are below. And pending those evaluations,
19 rulemaking could begin with publication of rules
20 nine months after the start of the pilot.

21 Number 3, Commissioner Giannoulis
22 touched on this. We propose a minimum of one
23 participant and a maximum of three participants in
24 the pilot.

25 COMMISSIONER DEAR: Participants,

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2 meaning individuals --

3 MR. KIM: Ericsson, XYZ Company, ABC
4 Company, for the purposes of the pilot.

5 Means of public notice, Section 4, we
6 intend to notify the public of the opportunity to
7 participate in the program through a notice in the
8 City Record and on our website.

9 Number 5, the process of selection of
10 additional participants. First, we recommend that
11 Ericsson would be approved pending completion of
12 an MOU, and that we would solicit other
13 applications from participants based on our
14 notices. We'd review those applications based on
15 standards we set forth in that notice, and these
16 would be including but not limited to the
17 post-technology and its safety and effective
18 performance elsewhere in other jurisdictions.

19 Number 5 is the safety evaluation.
20 This would be required for all participants before
21 they get involved in the program and would be
22 conducted by our Assistant Commissioner for
23 Safety, Peter Schenkman. He's already conducted
24 an initial review of the Ericsson.

25 7, regarding the MOU's or other

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2 binding agreements that would be required, there
3 will be various stipulations that be would be
4 included, would include the following but not be
5 limited to these, that each participant required
6 to place equipment in at least one medallion
7 taxicab within two months of signing an MOU or
8 binding agreement. This is to ensure that should
9 someone choose to participate, they actually do,
10 and we don't have an MOU that's sort of hanging
11 out there with someone that just signed it and
12 didn't get their act together.

13 Second, no more than 150 medallion
14 taxicabs in total could participate in the pilot.

15 And no more than 50 medallion
16 taxicabs per participant would be taking part in
17 the pilot.

18 Number 4, the equipment must be
19 removed from taxicabs in services following the
20 completion of the pilot program or cancellation of
21 the MOU or binding agreement, unless the
22 Commission has taken rulemaking action that's been
23 adopted.

24 And number 5, vehicles used in this
25 pilot must have a currently licensed medallion

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2 affixed in the licensed vehicles.

3 Number 8, some of the specific
4 evaluation criteria that we're suggesting, and we
5 could add more in the MOU. One would be owner
6 satisfaction. The impact on taxicab operation, if
7 there is any; and two, any additional benefits
8 that they might experience.

9 Driver satisfaction, again, any
10 impact that the pilot has on their operation with
11 the vehicle, and any additional benefits they
12 experience.

13 And from TLC's perspective,
14 performance of regularly scheduled inspections,
15 and if the equipment has any impact on the
16 inspection of the vehicles then.

17 Number 9, reporting requirements.
18 Each pilot program participant would submit to the
19 chairperson a report on the first six months of
20 performance based on the evaluation and materials
21 listed here and further details in the MOU.

22 It would be submitted no later than
23 seven months after the first vehicle is put into
24 service, and complete reports would be forwarded
25 to the Commission one month later. And

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2 participants and TLC licensees should also provide
3 additional information as requested by the
4 chairperson.

5 That's the resolution that's being
6 proposed for adoption. I would be glad to take
7 any questions.

8 COMMISSIONER GIANNOULIS: Can I just
9 ask you a quick question. You may not know the --
10 actually, I should know this answer.

11 What is the maximum amount that
12 somebody could charge on leasing a medallion in
13 the terms of the -- on the busiest day of the
14 week.

15 MR. KIM: I don't have that.

16 COMMISSIONER GIANNOULIS: Three
17 shifts, two shifts? I mean, what is the most?

18 MR. KIM: I believe that's \$129 for
19 a 12-hour shift with a medallion in the vehicle.

20 COMMISSIONER GIANNOULIS: So at the
21 end of day -- I could, at the end of the day,
22 generate in terms of release, about 250 to \$300 a
23 day, right? But if I decide to go do a deal with
24 Ericsson, 50 bucks times 24 hours, I'm starting
25 out 1,200 bucks.

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2 MR. KIM: You'd make a lot more
3 money.

4 COMMISSIONER GIANNOULIS: And that's
5 at \$50, and I bet you I could do a much better
6 deal with him than 50 bucks.

7 CHAIRMAN DAUS: Right, and with all
8 due respect to Ericsson, we'd like the cabs to
9 serve the public, first and foremost, not
10 necessarily Ericsson. But to the extent that I
11 think we can work together, I think there's some
12 bigger interests.

13 I mean, I have no problem voting for
14 this approval as it is, as Eric presented it, and
15 with a caveat also that we'll look into this issue
16 of the directed use, which will not be addressed
17 by this motion but will be researched by counsel,
18 and also the FHV issue which Commissioner Gonzales
19 raised.

20 So I would like to make a motion that
21 we move forward and approve this pilot and give
22 the authority to myself and the Council to
23 obviously execute an MOU with Ericsson and proceed
24 in accordance with this plan.

25 COMMISSIONER AROUT: Second that.

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2 CHAIRMAN DAUS: All in favor?

3 (A chorus of "ayes.")

4 CHAIRMAN DAUS: Thank you. It
5 passes.

6 Thank you, Eric and Ericsson and
7 Peter.

8 The next presentation, item 5B on the
9 agenda is an overview of local laws regarding
10 Clean Air and Accessible Taxicabs.

11 Mr. Kim, while you're up, continue
12 right along.

13 MR. KIM: Thank you, Commissioner.

14 My name is Eric Kim. I am in the
15 Office of the First Deputy Commissioner. I have
16 been asked to give a brief presentation to the
17 Commission regarding four local laws that were
18 recently passed by the City Council.

19 First, a little bit of background.

20 In June 2006, the City Council introduced eleven
21 bills related to the TLC. They were focused on
22 accessible and clean air vehicles. TLC testified
23 at the Transportation Committee hearing regarding
24 these bills and offered some initial comments on
25 them.

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2 Over the past few months, the City
3 Council and the administration have been
4 discussing in detail the proposals and have come
5 up with four revised bills that were introduced
6 and passed by the City Council on December 6th.
7 The Mayor is expected to sign those bills next
8 Monday.

9 This is just a quick overview of what
10 those bills are, and I'll go into more detail in
11 the next few slides on the specific key provisions
12 of these bills. First is Intro 158A. This is a
13 bill to change Taxicab Retirement Incentives.

14 Intro 352A is a bill to create a plan
15 to increase the use of clean air and wheelchair
16 accessible for-hire vehicles and taxicabs.

17 Intro 353A calls for an insignia on
18 clean air vehicles.

19 And Intro 354A calls for an insignia
20 on wheelchair accessible vehicles.

21 Intro 158A, this would be the Taxicab
22 Retirement Incentives bill. These are just some
23 of the key provisions of the bill. First, it
24 establishes two levels of clean air vehicles,
25 level one and a level two. Level two is

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2 relatively cleaner than the Crown Victoria in most
3 of the taxicabs today. And level one is basically
4 the cleanest taxicab that could be on the road.

5 Level one and wheelchair accessible
6 taxicabs would be eligible for up to a two-year
7 vehicle retirement extension beyond what they're
8 currently allowed now.

9 And just for your information, today
10 there are about 14 vehicles that would meet this
11 qualification. Four of them are wheelchair
12 accessible and ten of them are level one clean air
13 taxicabs. They are a mix of Honda Civics, Toyota
14 Camry's and Toyota Prius.

15 Level two taxicabs would be eligible
16 for a one-year retirement extension. Right now
17 there are approximately 270 such vehicles on the
18 road that would meet this qualification, and
19 they're all hybrid electric vehicles, a mix of
20 Ford Escape hybrids, Toyota Highlander hybrids,
21 Mercury Mariners, and the Lexus SUV hybrids.

22 An important provision that we
23 wanted to make sure got included in the bill was
24 that the extensions would be contingent on the
25 performance of the vehicles during their S&E

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inspection done on Woodside facility. So the vehicles would be eligible for the inspection, but they wouldn't be automatic. The vehicles would have to perform well at their taxicab inspections in order to earn these extensions.

The other provision of the bill to keep in mind is that it sunsets in seven years, which gives the Commission, Commission staff, the Council, the advocacy groups and our industry a chance to reassess and see if the bills are accomplishing the goals that we intend for them to do.

352A is a bill to call the Commission to develop a clean and accessible for-hire vehicle and taxicab plan. The plan would be meant to increase the number of such vehicles that are on the road. The plan would include milestones, just for example, having ten percent of the fleet be clean air by 2009, just as an example.

It would also call on the Commission to develop an educational campaign targeted to our licensees regarding clean air and wheelchair accessible vehicles.

The intent of the staff is to

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integrate this plan very closely into the efforts of Taxi 07 and the Taxicab Master Plan, which are projects that are being led by the Design Trust. TLC is a partner on those projects, and we expect over the next few months that the Commission will be hearing more from the Design Trust regarding these projects.

353A is the bill to require an insignia on clean air taxicabs and for-hire vehicles. The insignias would be designated by the Commission because we think it's obviously very important that we have the ability to determine what those insignias should be.

The second provision of this bill is that in taxicabs information about the cleanliness of the taxicabs, clean air taxicabs, be made available for passenger viewing. We would envision, for example, that this would be included in the passenger information monitor that will be installed in taxicabs.

Intro 354A would require that wheelchair accessible taxicabs and for-hire vehicles also display an insignia, and again, the nature of the insignia would be determined by the

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2 Commission.

3 We think it's important that both of
4 these bills be integrated with the efforts of New
5 York City marketing to brand the taxicab. This is
6 an effort that marketing has been undertaking for
7 the past few months. They've been working with
8 some design firms, coming up with some ideas about
9 the external appearance of the taxicab. And we
10 have to bring that before the Commission in the
11 next few months.

12 The Mayor is expected to sign the
13 bills on December 18th, which is Monday. There
14 are three bills which would be effective
15 approximately 120 days thereafter. They are 158A,
16 which is the retirement incentives bill, and 353,
17 54A, which are the marketing bills for clean air
18 and wheelchair accessible vehicles. That would
19 take us to about mid April of 2007.

20 There is one bill that has an
21 adoption date, or an effective date, rather, for a
22 portion of it in 180 days. That's a plan bill.
23 The Commission is called on to adopt a plan within
24 180 days of the effective date, which would take
25 us to about mid June of 2007.

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2 We would obviously require some
3 rulemaking for these bills, specifically for the
4 retirement incentive bill and for the two insignia
5 bills. They would have to be done via rules
6 before the implementation dates.

7 In terms of the plan bill, we think
8 it's going to be very important to get as much
9 input as we can from the Commission, from the rest
10 of the Commission staff, from the regulated
11 industries and from the advocacy groups on these
12 issues on wheelchair accessibility and on clean
13 air issues.

14 We also want to make sure we
15 coordinate all of this with the efforts of Taxi
16 07, the Taxicab Master Plan and with New York City
17 Marketing.

18 In terms of next steps, we will
19 continue the rulemaking process. We've actually
20 already begun that. We started drafting some
21 initial rules on these and will be presenting them
22 to the Commission so that we can have some input
23 from Commission members. We will be bringing
24 before the Commission some of the proposals from
25 New York City marketing regarding the external

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2 appearance of taxicabs. And we'll be putting
3 together a working group to work on the different
4 aspects of the clean air and accessible for-hire
5 vehicles and taxicabs.

6 That concludes the presentation. I
7 would be happy to take any questions from the
8 commissioners and also to hear any feedback or
9 comments regarding these bills and for the staff
10 to consider as we start to implement.

11 Thank you.

12 CHAIRMAN DAUS: Thank you, Eric.

13 Any questions?

14 (No response.)

15 Okay. So it looks like we have our
16 work cut out for us. I want to thank Eric and
17 Andy, who worked really hard on some of the
18 negotiations in dealing with the administration
19 staff and the Council on some of these bills that
20 we have been kicking around. I think that it's a
21 reasonable compromise, and I believe we can work
22 on this together and do something that's really
23 good for the City.

24 Any comments?

25 COMMISSIONER GIANNOULIS: I would

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2 just like to also recognize and I'm sure somebody
3 that worked the lobbies, is our friend, Phil Hom
4 (ph.), who's counsel for the Transportation
5 Committee and Councilman John Liu.

6 CHAIRMAN DAUS: Thank you. And
7 welcome, Phil. Good to see you here.

8 CHAIRMAN DAUS: The next item on the
9 agenda is item 5C, Taxicab Technology Customer
10 Service Enhancements, a project update. We have
11 our chief of staff, Ira Goldstein with us.

12 Good morning, Ira.

13 MR. GOLDSTEIN: Good morning,
14 Commissioners.

15 I'm just here to give you an update
16 on the Taxicab Technology Service Enhancements
17 Project. I just want to let you know that we're
18 ready to start getting some of these cabs live on
19 the road. The current status is we're still
20 working with four vendors. One vendor has
21 completed what we refer to as stage one, the
22 testing which included functional testing, certain
23 bond and insurance requirements and an I.T.
24 security audit. So they are complete and going to
25 start putting cabs on the road for the 50-cab

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2 stage two that I'll explain in a second, within
3 the next few days.

4 The other three vendors have
5 completed all those portions of stage one, other
6 than the I.T. security audit. So we anticipate
7 that they will be able to -- we ought to complete
8 that within the next few weeks.

9 The other thing that we also did was
10 we did extensive passenger acceptance surveys
11 where we had over 200 passengers that we recruited
12 out of the public that went into each one of the
13 vendor's vehicles with their different systems,
14 and we got feedback from that. And we don't have
15 a report yet. When we have the report, we'll
16 distribute that to you. But we got some good
17 preliminary findings back. They're generally
18 positive, but there are a few things that the
19 vendors will be correcting as a result of the
20 feedback that we got on the surveys.

21 The next slide is high-level
22 overview of where we are with the project. The
23 stage one, the functional testing should be
24 completed either this month or next month. But
25 the other vendors, as I mentioned, the 50-cab roll

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2 out will commence starting in a few days, this
3 month. After that if everything goes well with
4 stage two, we'll be checking for different things,
5 making sure the vendors are in compliance with the
6 service level agreements, that basically we
7 collect data that they are able to do what they
8 say they were going to do under the contract. The
9 vendors will then receive a notice to proceed.

10 And we will issue, based upon coming back to you
11 for further rulemaking, a sign-up deadline of when
12 the cabs would have to be in compliance. And then
13 the full cab roll out should be completed sometime
14 in the fall of '07.

15 Also, we are going to come back,
16 hopefully, at the February meeting, with a package
17 of proposed rule amendments that relate to the
18 taxicab and technology project. I just wanted to
19 give you a brief overview now. It will be a full
20 presentation at the meeting before it will come up
21 for vote, but just to give you an idea of some of
22 the objectives that we're looking to accomplish.
23 It will be a lot of pages. It will be a large
24 package, but it won't -- it's a little complex, so
25 I just wanted to give you some of the overview.

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2 There will be proposed changes to
3 most of the chapters that relate to the taxicabs.
4 The owner rules, the drivers, the taxicab
5 specifications, the agent rules and possibly the
6 taxi meter business rules.

7 The overall purpose that we're
8 looking to accomplish with these rules that we're
9 going to bring to you is to make the rules
10 consistent with the technology and the equipment
11 that's going to be installed, to further clarify
12 the contractual requirements of the vendors, as
13 far as with the contracts that they have with the
14 TLC and that they'll be entering into with the
15 medallion owners, and to clarify and put some
16 rules and we'll put some rights, as
17 responsibilities for the drivers, owners, agents
18 and the meter manufacturers or meter businesses.

19 Now I'll just take you through some
20 of the key highlights of what this rule package
21 will contain. Currently, as the rules exist when
22 they were originally passed, if there was
23 something with the system that did not work, there
24 was some type of malfunction of any one of the
25 four pieces, then the cab would have to come out

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2 of service. What we are going to propose is that
3 the taxicab can continue to operate so long as
4 either the driver or the owner or agent, as the
5 responsibility may lie, calls in the malfunction
6 to their service provider, gets a -- sends a
7 service ticket number, and as long as they meet
8 their scheduled appointment that the vendor gives
9 them to come in to get the malfunction corrected,
10 then they would not -- they could continue to
11 operate. They wouldn't be subject to any
12 summonses or not be in compliance. Currently as
13 the rules are written, in terms of the compliance
14 deadline, is that when there's --

15 COMMISSIONER GIANNOULIS: Can I ask
16 a quick question?

17 MR. GOLDSTEIN: Sure.

18 COMMISSIONER GIANNOULIS: It's
19 early still, but I assume -- do you have any
20 notion that the equipment would be insured by the
21 provider of the equipment, as opposed to some guy,
22 the equipment goes down, he goes in and says, "Oh,
23 that's going to be a thousand dollars." He
24 doesn't have the money.

25 MR. GOLDSTEIN: Some of the vendors

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2 in their proposals had insurance packages
3 available. That would be at the option of the
4 medallion owner to choose, as part of a monthly
5 cost, similar to a cell phone type situation.

6 On the compliance deadline, the way
7 the rules would be written now, once the date is
8 set, everybody would have to -- all medallion
9 owners would have to be in compliance by a certain
10 date. What we are going to propose when we do
11 some outreach to the taxi industry is that if the
12 vehicle is coming up for retirement within 90
13 days, within 90 days after the compliance deadline
14 we think it would be fair and reasonable to ask
15 that they would be able to put off compliance till
16 the vehicle comes on the road.

17 The other possible exception is, in
18 the contract we have that if any one particular
19 vendor gets a substantial share of the market, and
20 they might have a problem with meeting the
21 deadline to get all the cabs that they signed up
22 for installation, the contract provides that they
23 can apply to the Commission for an extension if
24 they have to in terms of dealing with the
25 deadline, and that way the medallion owner

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2 wouldn't be subject to any penalties for not being
3 in compliance for a short period of time, and that
4 period would only be until the next regularly
5 scheduled inspection.

6 Some other things that will be
7 included in the rules, as far as with the
8 equipment, is that there will be anti-tampering
9 rules which will essentially mirror what we have
10 now with equipment currently in the cab,
11 especially in terms of taxi meters.

12 On the issue of credit card
13 acceptance, there are two things we're going to
14 ask for in terms of certain protections to build
15 in for, one for a driver and one for the public,
16 is that we'd ask for a rule that would prohibit a
17 driver from charging some type of mark-up for
18 accepting a credit card. They can't tack on any
19 type of service fee or something like that. I
20 don't anticipate that being a problem because we
21 should have a rule in place in case that should
22 come up.

23 COMMISSIONER DEAR: I just realized
24 on the credit card there's a service charge. Who
25 absorbs that service charge?

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2 MR. GOLDSTEIN: That was my next
3 thing.

4 It will be the driver that would pay
5 that service charge. What we are proposing is
6 that there be a cap on what an owner or an agent
7 may pass on to a driver in terms of the cost of
8 the transaction.

9 COMMISSIONER DEAR: The service
10 charge is one thing. And then what's the pass
11 along from the owner to the driver? What's that?

12 MR. GOLDSTEIN: That's the cost, the
13 interchange rate, for the cost of the transaction.

14 COMMISSIONER DEAR: That's being
15 passed on to the driver, the driver is paying for
16 that?

17 MR. GOLDSTEIN: The driver's paying
18 for that, correct.

19 COMMISSIONER DEAR: Who's doing the
20 negotiations with the credit cards?

21 MR. GOLDSTEIN: Each of the
22 individual vendors. But also, the TLC spoke to
23 the different credit cards and we got very
24 competitive rates.

25 COMMISSIONER DEAR: Like 1 percent,

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2 2 percent, 1.5, 2.5? American Express is 4
3 percent.

4 MR. GOLDSTEIN: American Express,
5 right, they run 3.5, 4 percent.

6 COMMISSIONER DEAR: Outrageous.

7 MR. GOLDSTEIN: They're getting 2.15
8 percent on AMEX. On Discover it's around 1.6
9 percent.

10 COMMISSIONER DEAR: Eventually
11 what's going to happen, this is all coming out of
12 the driver pocket?

13 CHAIRMAN DAUS: No.

14 MR. GOLDSTEIN: Well, the cost of
15 the transaction is, Not all the other charges, not
16 for the equipment, the --

17 COMMISSIONER DEAR: No. I'm talking
18 about the charges. That can add up to a lot of
19 money. Did you ever think about that?

20 CHAIRMAN DAUS: Yes, we did. In
21 fact, it ends up being a very small percentage of
22 the pretty generous increases that this Commission
23 has given to the drivers over the last two years
24 and recently.

25 What is it, like, 3 to 5 cents per

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2 ride? What was the actual?

3 MR. GOLDSTEIN: I think it was -- on
4 the transaction, I think it was 8 to 15 cents
5 possibly, spread out across --

6 COMMISSIONER DEAR: And a day -- a
7 shift, how much less is the driver going to make?

8 MR. GOLDSTEIN: I think some of the
9 numbers show it could be about \$8.

10 COMMISSIONER DEAR: Well, \$8 to
11 someone who's making, you know, I wouldn't laugh
12 at it. It's lunch money.

13 MR. GOLDSTEIN: We also anticipate
14 that they will receive increased tips in general,
15 and there will be more business when the credit
16 cards --

17 COMMISSIONER DEAR: It just dawned
18 on me now and I realize that -- I don't know if
19 the other colleagues thought about this. This is
20 something we should think about. Drivers to me,
21 mean a lot to me.

22 CHAIRMAN DAUS: It's something that
23 we'll share information and it's something that
24 will be part of this rulemaking.

25 MR. GOLDSTEIN: We'll have numbers

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2 as far as a breakdown.

3 COMMISSIONER GIANNOULIS: With all
4 due respect, we did talk about it. It was part of
5 the whole process in terms of this technology
6 issue.

7 COMMISSIONER DEAR: It didn't sink
8 in.

9 COMMISSIONER GIANNOULIS: There's so
10 many things going on in your head.

11 Are you going to get involved --
12 because I was speaking with a fleet owner about
13 this. Are you going to get involved in any way or
14 is the agency going to get involved in any way in
15 terms of regulating or establishing rules as to
16 the deals of how drivers are going to get the
17 money back from the credit card? Because somebody
18 I was talking to said, well, drivers for X fee
19 could open up their own merchant account, and the
20 money could go directly. And if you don't, I
21 guess the owner will hold that money for X amount
22 of days. Are we going to get into that at all,
23 because there's going to be a fair level of panic,
24 I assume, among the drivers.

25 MR. GOLDSTEIN: I think we're going

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2 to have a rule that requires the fleet to pay the
3 driver at the end of the shift.

4 COMMISSIONER GIANNOULIS: Cash?

5 MR. GOLDSTEIN: Yes.

6 COMMISSIONER GIANNOULIS: Or will a
7 driver be allowed to have an account, a merchant
8 account?

9 MR. GOLDSTEIN: Yes. There's
10 nothing in the rules of the contract that prohibit
11 that, and that's up to the vendors in terms of
12 what their individual business markets are and
13 what segments of the industry that they're going
14 to be targeting.

15 CHAIRMAN DAUS: I'm very confident
16 that all of you, once you see some of the -- I
17 think we should do it in response to Commissioner
18 Dear's question, even a more detailed analysis of
19 what the costs are even as we do the rulemaking.
20 Because I remember seeing some preliminary
21 estimates, and when you compare the 40 percent
22 increase in the price of a medallion, and you're
23 talking about individual owner/drivers, too, the
24 drivers that are paying, some of them own
25 medallions. They received over \$100,000 increase

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2 in the value of their assets since the last fare
3 increase. Plus your talking about the 24. Was it
4 a 24 percent fare increase, plus this recent
5 adjustment. I think when you look at the fact
6 that we promised this to the public in 2004, and
7 you look at the numbers, what's fair is fair. The
8 owners are bearing the bulk of these expenses, as
9 was promised, but to the extent that I think that
10 it's important also that there be some equity and
11 some fairness, if it wasn't for this innovative
12 procurement process the TLC undertook, I think I
13 can pretty accurately say that there's absolutely
14 no way we would have been able to cut such a good
15 deal for both the owners and the drivers. So I
16 think if we just did specifications and said go
17 out there and do this, it would have been a lot
18 worse.

19 The fact that we actually controlled
20 the process and limited the number of vendors and
21 leveraged the 13,000-plus cabs, to enter into
22 agreements, we kind of put some pressure on the
23 charge card companies.

24 So I'm pretty confident that when you
25 see some of the numbers, the file numbers of what

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2 I saw preliminarily, that you're going to feel
3 that it's a fair and appropriate resolution, but
4 you can be the judge. We'll make that
5 presentation either January or as part of, you
6 know, the rule proposals.

7 I actually don't think you finished,
8 Ira. Are you done?

9 MR. GOLDSTEIN: On that subject,
10 yes.

11 CHAIRMAN DAUS: Commissioner?

12 COMMISSIONER DEAR: I would like to
13 see if we can take a look at this for a six-month
14 period, a very short period, not longer here, with
15 regard to how much the driver -- it's costing the
16 driver out of pocket, and then listen, we've made
17 adjustments before, so maybe we'd have to make
18 adjustments here. This is not something that
19 should be taken lightly. I'm concerned on the one
20 hand we give them an increase, and then we take it
21 away.

22 CHAIRMAN DAUS: We're not taking it
23 lightly. In fact, I believe -- and I have no
24 problem doing that. Based on everything I'm
25 hearing, they're going to end up making money.

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2 COMMISSIONER DEAR: Let's find out.

3 CHAIRMAN DAUS: The system is
4 designed to give them more business. The system
5 is also designed to take advantage of the now
6 consumer expectation that you could pay with a
7 credit or debit card in any cab. It's hard to
8 judge the pilot that we've had for several years
9 with a couple of hundred cabs. Once everyone gets
10 to know it and it's promoted and everybody knows
11 that you can pay by credit and debit card, all the
12 studies that we've seen in terms of other
13 merchants and other types of businesses around the
14 country shows that there will be an expectation of
15 not only increased tips, but increased business.
16 So it's my hope that actually even though it
17 sounds like they're going to pay more, they're
18 going to make more money on top of the fare
19 adjustments that we've given them. That's our
20 hope.

21 COMMISSIONER GIANNOULIS: I just
22 want to point out one thing, though, and we should
23 be careful. The horse is out of the gate, so this
24 process is very advanced. I raised a big stink
25 about asking these questions, and if I remember

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2 correctly, you didn't vote with me. Nobody did.
3 So these questions were questions that we should
4 have asked before we authorized the innovative --
5 what are we calling it again, the innovative
6 procurement process. These were questions that we
7 should have asked throughout this process. We
8 didn't. So we now should let them come back and
9 tell us what they've done. If they're on top of
10 things, it sounds good. But in terms of us now
11 going back to the staff who have negotiated deals
12 and there's been a -- I don't know if it's called
13 an RFP or whatever we're calling it, but there's
14 been agreements made. We can't really go back now
15 and say, "Oh, credit card company, you can't put
16 it on the" -- I mean, that's long gone. I kind of
17 warned everybody, but that's long gone at this
18 point. I'm not going to entertain that now.

19 CHAIRMAN DAUS: There's a certain
20 amount of discretion that you have to give the
21 staff in doing their job. I think this has
22 certainly been a very open process. I don't think
23 that there's been any doubt that this hasn't been
24 presented to the commissioners numerous times
25 along the way. I think we took a lot of the

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2 comments that all of you had into consideration in
3 the negotiation process. I mean, certainly,
4 everybody wanted to bring the cost down. I think
5 that that's been accomplished. You can be the
6 judge. Ultimately, I think that this process has
7 been open over the last year and a half.

8 With all due respect, I know that
9 it's an expenditure, but the public wants and
10 deserves this system. It's been several years
11 since this was promised to the public. The
12 industry, in the meantime, has seen an incredible
13 healthy growth in terms of their business. The
14 drivers are earning more money than they ever have
15 before. Their investments are at an all time
16 high. They've broken records every month through
17 the last year. They're making, since we past the
18 fare increase, over \$100,000 more if they wanted
19 to in terms of capital gains if they sell their
20 medallions.

21 So I think that while I understand
22 Noach's concern, Commissioner Dear's concern, I do
23 believe that when you look at the big picture and
24 you look at some of these numbers, Commissioner, I
25 think what you will see is that it's eminently

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2 fair. The industry has basically pocketed a
3 billion dollars or more of money from the fare
4 increase of 2004, and the public has been sitting
5 and patiently waiting for these service
6 improvements, and rather than force something very
7 quickly on them, I think the process that was
8 undertaken will ensure that it's successful, that
9 we don't have rinky-dink vendors or materials out
10 there and that ultimately everyone's going to be
11 satisfied.

12 COMMISSIONER GIANNOULIS: Maybe I'm
13 wrong, maybe counsel could address this. I just
14 think it's important for the commissioners that if
15 I am correct, and I respect what Commissioner Dear
16 is trying to say, but there are agreements out
17 there, correct, with this agency, with vendors
18 with vendors, vendors with fleets.

19 MR. FRASER: We have contracts
20 outstanding with the four vendors. That have not
21 been permitted to begin signing contracts with the
22 medallion owners.

23 The content of the -- am I wrong?

24 MR. GOLDSTEIN: No, absolutely.

25 MR. FRASER: The content of that

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2 contract is to some extent prescribed. In other
3 words, they're not free to negotiate terms
4 entirely between them. Some of the terms are
5 specified as an attachment to our contract with
6 the vendors.

7 COMMISSIONER GIANNOULIS: Which have
8 been completed, correct?

9 MR. FRASER: That have been
10 completed, right.

11 COMMISSIONER GIANNOULIS: So you put
12 out an RFP. I don't know what it was.

13 MR. FRASER: Right, RFP.

14 COMMISSIONER GIANNOULIS: It was an
15 RFP. People responded. This agency chose certain
16 vendors and has entered into contract with those
17 vendors, and there's a pretty robust group of --
18 there's a lot of stuff in there that you've agreed
19 to, right? So like if I decide next week to say,
20 wow, I really don't like that part, that's --

21 MR. FRASER: The contracts are done.
22 That's true.

23 COMMISSIONER GIANNOULIS: The
24 contracts are done. Okay.

25 COMMISSIONER DEAR: Again, we were

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2 told that we'll get another shot, bite of the
3 apple, after the process because we couldn't get
4 involved -- because of questions you raised and
5 others raised with regard to the whole process.
6 And I know there are a lot of issues, and one
7 issue was what the cost would be to the driver
8 just to install this equipment, but I hear on the
9 street it's basically zero because the company is
10 going to absorb it because of other revenues it's
11 getting out of it, or whatever it is, there's
12 going to be a lot competition.

13 MR. GOLDSTEIN: Well, that's good,
14 right?

15 COMMISSIONER DEAR: That's okay.
16 That's excellent. And I know that we were told
17 that we could always come back, we could always
18 tweak the project. We could make something. I
19 raised a concern. I didn't say scrap the project.
20 One of the things that I'm looking at is the
21 driver. I've been consistent here fighting for
22 the driver because they need people to fight for
23 them as well, and that's me. That's what I'm
24 doing.

25 CHAIRMAN DAUS: I guess what I'm

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2 trying to convey is that I'm confident that you
3 will realize after we unveil some of the final
4 details that it is a benefit to the driver and
5 they're going to end up making more money because
6 of this.

7 COMMISSIONER DEAR: Okay, but coming
8 back to the --

9 COMMISSIONER GIANNOULIS:
10 Commissioner, there is no six months. There are
11 contracts signed.

12 CHAIRMAN DAUS: That's right.

13 COMMISSIONER GIANNOULIS: We're
14 done. This is done.

15 MR. GOLDSTEIN: We still have to
16 pass through --

17 COMMISSIONER GIANNOULIS: I know we
18 still have to pass rules to approve the deal that
19 we already did. I had an issue with that as well.

20 The reality is there are contracts
21 done. Because I think we're going to waste our
22 time if we're going to try to negotiate next time
23 there's a presentation and say, "Oh, I would like
24 to just make that a six-month piece." There is no
25 six-month piece. There's contracts signed

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2 already. All that they're waiting for is us to
3 approve the rules for them to go sign the actual
4 contract and --

5 CHAIRMAN DAUS: I think there may be
6 -- yes, Commissioner Gonzales?

7 MR. GONZALES: Just in general terms
8 I would like to say that overall, the staff has
9 been very diligent in negotiating, Ira in
10 particular, in negotiating the most competitive
11 fees for the drivers here.

12 I do share your concern, Commissioner
13 Dear, about making sure that the drivers are
14 compensated properly. I will say one of the
15 things that we want to avoid as a commission, as
16 far as if a driver does not have a checking
17 account where the fare will be directly deposited
18 to his checking account and he's looking to cash
19 out with the fleet owner at the end of shift,
20 those terms where the fleet owner cashes out the
21 driver is in the appropriate interest of both the
22 fleet owner and the driver.

23 One thing we would like to avoid is
24 that we have something like where, say the driver
25 is looking to get cash out on \$100 fare, just as

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2 an example, and he's only going to receive \$80
3 because the fleet owner is looking to --

4 CHAIRMAN DAUS: Right.

5 MR. GONZALES: -- you know, he's
6 essentially got to bear the credit risk of all the
7 accounts clearing. I want to make sure that's
8 something we avoid.

9 CHAIRMAN DAUS: That's a good point.
10 I think some of the items can be changed, some of
11 the logistics of implementation. And as
12 Commissioner Giannoulis also pointed out, some of
13 them can't.

14 And there may be some
15 misunderstandings as to what happened as to the
16 process, Commissioner Dear, but I think -- we'll
17 be happy to look at the public records. My
18 understanding is that this Commission, as a policy
19 matter, set certain guidelines and gave discretion
20 and delegated to the agency the ability to do an
21 innovative --

22 COMMISSIONER GIANNOULIS: I
23 abstained from that.

24 CHAIRMAN DAUS: I remember that, and
25 you have a very good memory, much better than I.

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2 But basically, you know, once you
3 undertake a procurement process, then it kind of
4 comes out of the Commissioner's hands, and there's
5 certain things that under the Procurement Policy
6 Board rules, you have certain responsibilities
7 that an agency contracting officer has, and
8 agencies, and this is a multiple-agency endeavor,
9 but I think it was made pretty clear that all of
10 us agreed that were sitting at the time that we
11 wanted to minimize the cost, and we felt that the
12 procurement process was the best way to do that.
13 So once you actually delegate that authority to
14 negotiate, you kind of have to rely on the staff
15 discretion on certain items. So I think certain
16 items, as we get closer to the rulemaking, we'll
17 see, Commissioners, that you can't change. And
18 there's certain logistical items under the rules
19 in terms of how the program is administered that
20 we can change. And we'll be happy to break that
21 out. And I think if we do look back at the record
22 on this, I think that there was an extensive
23 discussion, if my memory serves me, that if we
24 wanted to go down this road, maybe there wasn't a
25 unanimous agreement on it, but certainly the

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2 Commission staff were delegated that authority,
3 and we have to kind of trust that to a certain
4 extent that they've done of really good job of
5 getting the best bang for our buck. And I've seen
6 some of the numbers, and before we actually decide
7 these rules and make decisions on it, I think that
8 if we spend more time going over some of those
9 fine details as we get closer, you're going to see
10 that we are going to eventually, even though it
11 may be a little pinch in the pocket for a couple
12 of the owners and some of the drivers initially,
13 it's going to end up benefitting them in the long
14 run.

15 COMMISSIONER DEAR: I agree. All I
16 said is that if we take a period of time, that we
17 closely examine it and see that the drivers are
18 losing a substantial amount of money, we could
19 always make the adjustment, not on the rules, we
20 can do some sort of adjustment in the fare.

21 CHAIRMAN DAUS: Can we do that after
22 six months?

23 MR. GOLDSTEIN: Absolutely. We
24 plan on reviewing that not only for that purpose,
25 but as well as to see what kind of business the

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2 credit cards companies are getting. It's possible
3 to try to get the rates lower.

4 COMMISSIONER DEAR: I'm not saying
5 cancel the contract. I'm just trying to make the
6 driver whole.

7 CHAIRMAN DAUS: We're going to check
8 that to see whether it's something that is a
9 rulemaking or a contractual obligation and we'll
10 let you know. I think that's a very valid point.
11 I think we all want the drivers after six months
12 to have whatever, eight bucks being taken out of
13 their pockets are going to be replenished three or
14 four times whole.

15 MR. GOLDSTEIN: No. The
16 distribution of how the costs are attributed
17 amongst the medallion industry is not part of the
18 contract.

19 CHAIRMAN DAUS: Okay. So that might
20 be something we could revisit after six months?

21 MR. GOLDSTEIN: Absolutely.

22 CHAIRMAN DAUS: I apologize again.

23 Did you ever complete your --

24 MR. GOLDSTEIN: I think on credit
25 cards there were some other things also,

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2 Commissioner, that we were able to achieve. I
3 don't know if you heard what I said. As far as
4 the rate that we got on AMEX is the same as the
5 city and the state that they've given to the
6 industry. These are very competitive rates.

7 We also got them to agree to no
8 signature on \$25 or lower. And if there's a
9 situation where a cab is out of cellular reach,
10 that the transaction be completed. If there's a
11 problem, the transaction will go through and then
12 the vendor has to -- if there happens to be where
13 there's a charge back on that, the vendor has to
14 eat that cost.

15 CHAIRMAN DAUS: Any other questions?

16 MR. GOLDSTEIN: I just had a couple
17 more things. That was just on credit cards.

18 Then just on the taxicab, the agent
19 rules, we're just going to have -- we're going to
20 propose rules that would make it similar to rules
21 that we have on the books as far as the
22 responsibilities that agents have in terms of
23 dispatching cabs so they have a fully functional
24 meter, things like that, to have similar rules in
25 place on this as well.

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2 CHAIRMAN DAUS: That's it?

3 MR. GOLDSTEIN: Yes.

4 Questions?

5 CHAIRMAN DAUS: Any questions?

6 (No response.)

7 CHAIRMAN DAUS: First, let me thank
8 you, Ira, and your staff. You've done an
9 outstanding job on this. I just want to commend
10 you. This has involved significant weekend work.
11 I don't think there's ever been a time when Ira
12 and his staff left the office at five o'clock. So
13 this is a tremendous amount of effort that went
14 into this, a lot of planning that Andy did as
15 well.

16 And also I want to commend Chuck and
17 Alene Fox. I'm thanking them because they did a
18 tremendous job on some of the draft rules. You
19 may not thank them when you see them. They're
20 very voluminous. They're very technical. And
21 it's going to require a lot of reading, so we're
22 going to try to get it to you well in advance.
23 They're very thick, and it's going to take some
24 time.

25 MR. GOLDSTEIN: That being said, I

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2 think if you look at them, you're going to see
3 there are some common themes. So it's a lot of
4 pages, but there's certain things that I walked
5 you through here that you'll see similar wording
6 in the owner rule and the driver rule and the
7 agent rule, so it shouldn't be too bad.

8 CHAIRMAN DAUS: I think you'll share
9 my opinion that it's worth the wait. You guys did
10 an outstanding job.

11 Item 5D, Accessible Dispatch System,
12 Samara Epstein is going to deliver a nice
13 presentation on some council ideas and concepts
14 and bills and ideas that we have regarding the
15 accessibility issue.

16 MS. EPSTEIN: I'm here to talk about
17 the accessible central dispatch system that we've
18 been working on here. First I'm going to talk a
19 little bit about the current state of our
20 accessible for-hire service. Then I'll walk you
21 through some ideas we have for improving upon the
22 service through the central dispatch system. And
23 lastly I'll go over some questions that we have
24 that we feel we need to answer to move forward.

25 Currently we have 81 accessible

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2 yellow cabs on the road, and as you know 150 more
3 are going to auctioned off in 2007, so we'll have
4 a total 231 accessible taxis in service.

5 We're not sure exactly how many
6 accessible liveries are providing service at this
7 time, although we know that there's at least a
8 handful of them. It's unclear to us what the true
9 demand is. Wheelchair users feel there's a lack
10 of service, so they don't call for-hire vehicles
11 to get rides, while providers who have accessible
12 vehicles argue that there's almost no demand for
13 these vehicles, but that they have them and
14 they're not being used. So we're really not sure.
15 It's sort of a chicken and egg thing. Is it
16 because there's no demand or is it because if
17 there's no demand, people don't feel there's any
18 concern.

19 COMMISSIONER DEAR: The 81 vehicles
20 that are there, is that servicing the --

21 MS. EPSTEIN: Those that are driving
22 around, you know, doing extreme hills, I'm
23 assuming if a wheelchair passenger is lucky enough
24 to have one pass by and be available, that they
25 could use it. I don't know how many accessible

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2 rides they actually do, and some of that's
3 probably the nature of the fact that their driving
4 around --

5 COMMISSIONER DEAR: I understand
6 that. It would be interesting information just to
7 see what kind of passengers they do pick up, and
8 if they do pick up people with disabilities.

9 And the other question is do we have
10 a vehicle, because I know there's been a concern
11 about this ongoing. Do we really have a vehicle?

12 MS. EPSTEIN: Well, our current
13 specification does have -- there are some vehicles
14 that meet that specification. They're modified
15 Chevy Uplanders. And, you know, Peter Schenkman
16 is doing a lot of stuff and to try and find new
17 vehicles, and we're constantly looking at that.

18 COMMISSIONER DEAR: And all 81 are
19 on the road?

20 MS. EPSTEIN: We have some on the
21 road, absolutely.

22 COMMISSIONER DEAR: Some or all 81
23 are on the road?

24 MS. EPSTEIN: Are all 81?

25 MR. KIM: There are 27 from the

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2 October '04 auction that are on the road. There
3 are four from this auction. 50 more are expected
4 to be put on the road over the next few months as
5 they're delivered. So probably sometime early
6 next year we expect to have all 81 that have been
7 auctioned off to be on the road, and then we have
8 another 150 that we've just received authorization
9 for that we're doing the environmental review, and
10 once we complete that environmental review, we can
11 do an auction for those.

12 COMMISSIONER DEAR: Do you know why
13 all of them can't be on the road?

14 MR. KIM: The vehicles haven't been
15 delivered yet, the 50 that are outstanding.

16 COMMISSIONER DEAR: They're in
17 contract, these 50 vehicles?

18 MR. KIM: Yes. Two of them actually
19 will be going on the road this week. They've just
20 closed. And the rest should be shipped over the
21 next few months.

22 One of the issues we've seen with
23 accessible vehicles is that since nobody makes
24 them off the assembly line, it takes a significant
25 amount of time to actually take the chassis and

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2 upfit it and add all the essential components. So
3 that's really the key piece there.

4 If you have more questions, I think
5 Peter will be able to answer them either now or a
6 little bit later in the presentation.

7 COMMISSIONER GIANNOULIS: I just
8 have a quick question.

9 Is there a rule requiring liveries to
10 be associated with a -- how do we not know the
11 number of handicapped accessible vehicles in the
12 livery industry?

13 MR. KIM: We do have a rule at 607F
14 that the Commission passed. I'm not sure if you
15 were on the Commission at the time, but it does
16 require that for-hire vehicle bases be able to
17 provide wheelchair accessible service. And there
18 are a few means of doing that. One is have their
19 own vehicle. Another is to contract out that
20 service. We have inspected the vehicles. We just
21 haven't been able to come up with a firm number in
22 time for this presentation. But exactly how many
23 accessible vehicles, liveries there are, that's
24 fluctuated.

25 One of the things that Samara pointed

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2 out is that some of the livery owners are
3 concerned that they have vehicles, they pay for
4 contracts, but there isn't any service, so they'll
5 change the number of vehicles that they have
6 access to. So it's a little bit unclear and in
7 flux at this time. And part of it's the nature of
8 our understanding of the for-hire vehicle
9 industry, which we're trying to improve.

10 COMMISSIONER GIANNOULIS: Could it
11 be zero?

12 MR. KIM: No.

13 MS. EPSTEIN: No.

14 COMMISSIONER GIANNOULIS: Could it
15 be two?

16 MR. KIM: No. It's more than two.
17 It's not zero. It's going to be probably less
18 than two dozen right now.

19 DEPUTY COMMISSIONER SALKIN: One of
20 the things that are important to remember is the
21 607F rules and the way that the Commission wrote
22 them, it leaves some -- it doesn't put
23 requirements on service. I think it's a whole
24 piece that's missing. There's ways to become
25 compliant, but it doesn't necessarily talk about

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2 the service and service to the public. And one of
3 the things that Samara is going to get into, and I
4 think when we run through the whole presentation,
5 you'll get a sense -- we're trying to think about
6 how do we ensure that service is being provided or
7 capable of being provided to the industry or to
8 those that need it while ensuring that the
9 industry isn't kind of being put on a vote for
10 significant expenses for maybe something that
11 doesn't exist. So that's something we're trying
12 to balance.

13 So if we can get through this and
14 then we can kind of hear your questions. That
15 would be helpful.

16 MS. EPSTEIN: I think somebody in
17 this discussion points out that fact that we do
18 need to improve upon the service that we have. So
19 there are some changes that we can make to start
20 helping that get better. First we need to figure
21 out how to balance the actual demand, which is
22 limited to wheelchair users who use an
23 unsubsidized service rather than some of the
24 subsidized services that are already out there
25 with the limited supply of vehicles that are

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2 available. So we want to be able to match them up
3 better.

4 One way of determining demand and
5 ensuring service is through consolidating this
6 through a central call center so we have a better
7 idea of exactly what that demand is. And we need
8 to monitor service levels to see if the supply
9 meets the demands by ensuring that the vehicles
10 are dispatched in a reasonable amount of time. So
11 for this to happen, that means that the vehicles
12 have to be located throughout the city, passengers
13 are paying a fair fare and that drivers are on the
14 road and making money so they continue to provide
15 the service.

16 The next slide, this diagram talks
17 about some of the ideas that I just brought up.
18 Basically, what we're talking about here is you
19 have a passenger in a wheelchair who calls a
20 central call center for accessible service, and
21 then the center uses an automatic dispatching
22 system to dispatch the vehicle to the passenger.
23 And I'll get into the details of that over the
24 next few slides.

25 So we have some assumptions that we

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2 have going in to make sure this system works, and
3 some of these assumptions come from our experience
4 particularly in the livery industry and some of
5 the complaints that we've gotten from users. So
6 it has to be Citywide, the system, so that
7 passengers in all five boroughs can access the
8 system.

9 It must meet the estimated demand,
10 which we're trying to figure out now. The Mayor's
11 Office for People with Disabilities is helping us
12 with that. They're actually here today at the
13 meeting recording it.

14 And passengers need to pay the same
15 fares as non-wheelchair users. The call center
16 should use existing technology to maximize the
17 efficiency. There's a lot of, particularly black
18 car services, but there's many dispatch services
19 that are totally electronic that work in New York
20 City today. And so there's a lot of great
21 technology we can use to make this work better.

22 Lastly, drivers in vehicles have to
23 earn money so that the vehicles are already on the
24 road doing service, making money, and they're out
25 there so when a passenger calls for service, that

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2 vehicle is available.

3 I thought it will be helpful to walk
4 through some of the guidelines that we're
5 envisioning for this to give you an idea about how
6 a dispatch system might work. So we have a
7 passenger here who is going to call for an
8 accessible taxi. The dispatcher is going to take
9 the passenger's ride information. This could be
10 either for a reservation or on-demand service.
11 Then the dispatch service automatically locates
12 the closest accessible vehicle, communicates with
13 the driver and gives the passenger an estimated
14 arrival time, with a medallion number or vehicle
15 number if it's a livery. The passenger should be
16 waiting curbside when the car arrives, and that's
17 why we give the estimated arrival time. The idea
18 is to match them up at exactly the same time.

19 On the driver's side, the driver is
20 going to receive a text message or some sort of
21 message from the dispatcher with the origin and
22 destination of the passenger. The dispatch system
23 gives that cab the estimated time of arrival that
24 they're expected to be there, and then the driver
25 is responsible for assisting the passenger into

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2 the vehicle and securing any packages that they
3 might have and also the passenger into the seat.
4 So the driver is not responsible for assisting the
5 passenger from their apartment, down any stairs.
6 This is for a wheelchair user who can get to the
7 curb and use the system.

8 We have started to develop this
9 project in a number of different ways, so we've
10 been working with a number of different agencies
11 and groups. The Mayor's Office for People with
12 Disabilities has been really instrumental in
13 connecting us with disability community advocates,
14 and they've shared their expertise with us.

15 The Mayor's Office of Operations,
16 they are also here today, has been very helpful in
17 keeping this project moving forward. And the
18 Department of Information Technology &
19 Telecommunications has been advising us on the
20 best types of technology that might work for this,
21 and also how the dispatch might work through their
22 experiences with 311.

23 We've already had a number of
24 meetings with these groups and also just the
25 disability community, as well as potential and

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2 crime service providers, and that includes
3 drivers, medallion owners, livery operators, sort
4 of everyone that could be involved with this.

5 And also Easter Seals has been really
6 enthusiastic about this and they're helping us out
7 with their connections, as well as sort of
8 advising us on best practices based on their
9 experience. So we're really excited that we have
10 so many people on board trying to help guide us in
11 the right direction.

12 There are some questions that we
13 really need to answer before we can move forward
14 with this. There are some that I have here. What
15 is the right number of vehicles? What role should
16 the yellow cabs play? What role should the livery
17 vehicles play? What are the consequences for
18 passengers who abuse the system? We would like it
19 to be the kind of system where any wheelchair user
20 can call. They don't have to register, or a
21 tourist that's in a wheelchair doesn't have to
22 worry about that. So we just need to make sure
23 that someone that isn't the right user for this
24 system isn't using it, so that it can be used by
25 the right people.

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2 Also, who is going to run and operate
3 the dispatch system? And can 311 be leveraged to
4 help us out with all of this?

5 The next steps, we would like
6 Commission feedback, and we're going to have
7 follow-up conversations with all of the parties
8 once we discuss this, and continue research on the
9 dispatch system so that we can determine what the
10 appropriate dispatch model can be, and finally,
11 make a decision in early 2007 so that we can
12 implement.

13 COMMISSIONER GIANNOULIS: Are we
14 fundamentally talking about an Access-A-Ride type
15 system.

16 MS. EPSTEIN: Well, we actually did
17 meet with Access-A-Ride to learn a little bit more
18 about their program. This would be different.
19 Access-A-Ride is a subsidized program, so everyone
20 that takes that pays the \$2 that they would pay
21 for an MTA ride. And this is unsubsidized, so
22 people would be paying regular taxi fares.

23 In addition, it's on demand. That's
24 a big part that we definitely want to have
25 involved in this so you don't have to reserve it

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2 in advance.

3 COMMISSIONER GIANNOULIS: I assume,
4 unless we're changing all the rules, if there's
5 going to be dispatch service, they're not going to
6 be operating on a rate of fail (sic) like yellow
7 cabs, right? I mean, it can mirror it, but
8 there's not going to be a meter, right?

9 DEPUTY COMMISSIONER SALKIN: It's
10 possible. I mean, if a yellow cab is involved and
11 somehow gets dispatched, remember there's going to
12 be a number of yellow cabs on the road. So one
13 question is how can those yellow cab compliment
14 the system? If a yellow cab can be dispatched
15 because it's successful, maybe that's not a bad
16 thing. Maybe it is a bad thing. The idea is the
17 rates we want to reflect -- you're right. The
18 rates, we want to have it reflected, how we figure
19 that out -- again, one of the things that a
20 dispatch system is capable of doing is measuring
21 distance, and once you have distance, you can
22 measure a fare based on some algorithm or
23 something like that.

24 I wanted to make clear the way we're
25 viewing the system is, you know, the idea that

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2 people who are in wheelchairs, they live
3 everywhere in New York City. And as Samara
4 pointed out, there could also be people visiting
5 New York City. One of things that we think is
6 critical is that the system works all over New
7 York City and works for everyone. The system that
8 we have in place that the TLC regulates is really
9 the livery industry, and that's the one that
10 exists through the entire city. And we're trying
11 to mimic and I'd say less the -- Access-A-Ride is
12 not what I think of first. I think of -- we're
13 trying to mimic the livery industry's capabilities
14 and how the livery industry services this, and
15 what we are trying to do, though, is also --

16 COMMISSIONER GIANNOULIS: Please
17 don't, because apparently we don't even know how
18 many cars they have.

19 DEPUTY COMMISSIONER SALKIN: 23,000

20 --

21 COMMISSIONER GIANNOULIS: No.

22 DEPUTY COMMISSIONER SALKIN: No, no.

23 I'm not trying to mimic accessible services. I'm
24 trying to mimic regular service.

25

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2 And the idea here is that the call
3 system where you can match the people and the
4 demand together works very well throughout the
5 entire City. It works in many different
6 neighborhoods with many different demands and
7 different price needs. The idea is if you want
8 to create something Citywide -- and this is the
9 best place for us to start, so we're thinking call
10 system. We're thinking how do we overcome of the
11 issue of start demand? Well, we centralize it.
12 At least you can measure it, and then we can make
13 sure there's enough vehicle on the road to meet
14 the demand. And then the question is how do the
15 industries that are regulated by TLC, how do they
16 best work together to make sure that the service
17 is being provided? Because I think everyone
18 agrees, you know, the Commission with the 607F
19 rules, it kind of stated that it's important the
20 service exists. The key, I think, is making sure
21 the service actually exists. What we try to do
22 here is have an open dialogue with all of the
23 parties so we can figure out what service levels
24 are appropriate and then put together a plan that
25 meets those services levels, and then measure it.

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2 If it's not working, keep evaluating, keep moving
3 on.

4 CHAIRMAN DAUS: Any other questions
5 for Samara?

6 (No response.)

7 This certainly won't be the last time
8 we're consulting you on this. If you have any
9 ideas and after you leave, we'd be happy to take
10 them. Just shoot us an e-mail or give us a call,
11 and we'd be happy to take them.

12 Thank you.

13 Any other issues, questions? It's
14 been quite a productive year.

15 COMMISSIONER DEAR: Mr. Daus, we
16 once had a meeting, I would like to see if we
17 could meet again with some commissioners, between
18 Enforcement and the Port Authority because it's
19 getting out of hand in the airports again, I mean,
20 really outrageous. I see all kinds of people just
21 pouncing on the people that come out of the
22 airports. I was just there in Kennedy trying to
23 pick up some people, and I got approached a
24 million times.

25 And the other issue is if we can have

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2 a real effort planned to come forth. There's a
3 big problem with illegal cars or sneaking in cars
4 at hotels that are jumping the lines, livery cars
5 jumping the line of taxis, which has been a big
6 problem. And they're in cahoots with the doorman
7 or doorwoman. And I'd like to see if we can
8 really make an effort in cracking down on that.

9 CHAIRMAN DAUS: We'll look into
10 that.

11 Eric, did you want to comment on
12 that?

13 MR. KIM: Just a comment with the
14 Port Authority and the airport issue. This is
15 something that we've been working very closely
16 with the Port Authority with, particularly at JFK.
17 For the past year, we've been doing a significant
18 number of joint operations and special operations
19 with the Port Authority, undercover, the unformed
20 operation, and I think we've made a significant
21 impact at JFK. La Guardia, it's been a little
22 more challenging to get the Port Authority police
23 involved with in that, and we're doing everything
24 we can to make that happen. We hope to continue
25 doing that in the new year and in even more

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2 creative ways to try to address those problems.

3 COMMISSIONER DEAR: Well, I can tell
4 you, with the Terminal 4, which is a big terminal.

5 MR. KIM: JFK?

6 COMMISSIONER DEAR: Yes. I was
7 approached just standing waiting for people to
8 come out of the customs. And they didn't stop.
9 And they even learned their Hebrew, some of these
10 guys. They go very far. They try to trick you
11 and everything. And I'll tell you something, when
12 passengers of foreign countries come here, they're
13 very vulnerable. I think we just need to put a
14 real stop to it.

15 And I one time spoke to our own
16 people there, and they said, "That's not our
17 priority. Terrorism is our priority." You know,
18 there are other issues.

19 CHAIRMAN DAUS: Certainly something
20 we'll further explore in '07.

21 On a personal note I just want to
22 take this opportunity to thank all of our
23 commissioners. First of all, this has been
24 probably the most productive year in TLC history.
25 I think we've done a lot this year. We're going

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2 to have a lot of rules, a lot of work, and I want
3 to thank you because this is time that you're
4 spending, that you're donating out of your own
5 personal time to be here. Commissioners don't get
6 paid. They spend a lot of time every month to
7 prepare for what we do here today, to make good,
8 sound public policy. I want to thank them.

9 I also want to thank staff. They've
10 really worked hard this year and they've done a
11 great job. And we couldn't do it without them.

12 The industry, I think it's healthier
13 than it's ever been, but certainly, they've been
14 very productive and very helpful to us. The
15 relationship that we have in terms of working
16 together, even when we disagree on things, it's at
17 an all time high. There's no question about that.

18 So I just want to thank everybody.
19 It's been a great year. Judging from some of the
20 discussion early on, it sounds like 2007 is
21 shaping up to be an even busier and more
22 productive year, and we have a lot of
23 accomplishments ahead of us.

24 On a personal note, I want to thank
25 each and every one of you. I wish all of you and

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2 the public a happy holiday season. We'll be back
3 in January to pick up where we left off. All the
4 best to you.

5 Don't forget online we have our taxi
6 shirts. This is what they look like. The
7 commissioners all have them. You can wear them
8 with pride.

9 So we have a motion --

10 COMMISSIONER AROUT: Make a motion
11 to adjourn.

12 CHAIRMAN DAUS: -- to close the
13 meeting and to adjourn in January. Do we have a
14 motion?

15 COMMISSIONER AROUT: Motion.

16 CHAIRMAN DAUS: All in favor.

17 (A chorus of "ayes.")

18 (Time noted: 12:01 p.m.)

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C E R T I F I C A T I O N

I, PATRICIA GUARINO, a Shorthand Reporter and Notary Public, within and for the State of New York, do hereby certify that I reported the proceedings in the within-entitled matter, on December 14, 2006, at 40 Rector Street, New York, New York, and that this is an accurate transcription of these proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand this day of ,
2006.

PATRICIA GUARINO