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NYC TAXI AND LIMOUSINE COMMISSION
PUBLIC COMMISSION MEETING
held on Thursday, March 8, 2007
40 Rector Street
5th Floor
New York, New York

1 Public Commission Meeting convened at 9:40 a.m.

2 P R E S E N T:

3 MATTHEW W. DAUS, COMMISSIONER/CHAIR

4 NOACH DEAR, COMMISSIONER

5 EDWARD GONZALES, COMMISSIONER

6 ELIAS AROUT, COMMISSIONER

7 HARRY GIANNOULIS, COMMISSIONER

8 CHARLES FRASER -- GENERAL COUNSEL

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1 CHAIRMAN DAUS: Good morning. Can
2 we have people take their seats or go into the
3 overflow room. We apologize.

4 We have a long meeting ahead of us
5 so we are going to get started.

6 We do actually have a quorum.
7 Commissioner Dear is here, but he is out of the
8 room. He will come back in.

9 I would like to first go to the
10 Chairman's report. First item, as most of the
11 people in the industry know, it is March renewal
12 time. We are in the middle of the March renewal
13 period and licensing.

14 We have at this time of year an
15 annual high volume of work. It has gotten better
16 over the years, but right now we are dealing with
17 an enhanced volume compared with other parts of
18 the year.

19 We have a number of licensing
20 policy changes that have been put into place to
21 assist the process, and there are industry notices
22 that we have sent out, and they are also copied in
23 the back for anyone who wants them.

24 We have new drop off and pick up
25 procedures. We also have new vehicle transfer

1 procedures. Those are in industry notice 07-01
2 and 2 respectively.

3 What I would recommend for most
4 people in the industry, if you haven't already
5 done so, we have a great feature on our website
6 where you can sign up for e-mail updates. On the
7 upper left part of our home page, which is
8 NYC.gov/taxi.

9 You can sign up for these e-mail
10 updates, and you will get all industry notices,
11 information about public meetings such as this
12 one, agenda, etc; a great thing to do if you are a
13 licencee or you do business with the industry.

14 Item 2, a lot of you may have read
15 about this in the news and heard about it.
16 Daylight Saving Time, the energy policy act of
17 2005 has changed, the time frame when Daylight
18 Saving Time actually goes into effect. This year
19 it begins on March 11. Usually it begins about
20 three weeks later so we are going three weeks
21 earlier this year.

22 A lot of different corporations and
23 entities are dealing with the MIS ramifications
24 that come with that, and I guess we are no
25 exception.

1 In addition to our agency dealing
2 with, you know, the issue, the taxicab industry,
3 the yellow taxicab industry is affected by it.

4 The Daylight Saving Time begins on
5 March 11th, and it will end on November 4th.

6 There are various meters on the
7 taximeters that the models need to be
8 reprogrammed. Not all of them. Some have been
9 reprogrammed so the new earlier date for Daylight
10 Saving Time would go into effect, but there are
11 some models out there that don't do that, and the
12 simple fix is you have to have it reprogrammed or
13 programmed twice.

14 What I am recommending at this
15 point for everybody to do is for you to call your
16 licensed taximeter business that you usually deal
17 with. If you are looking to find out who you
18 should be dealing with or find another one, we
19 have information on our website.

20 If you click on current licensees
21 under the menu, you will get a list of all the
22 licensed taximeter businesses that will be able to
23 help you.

24 If you don't have access to a
25 computer or don't feel like doing that, you can

1 always call 311 and they will be happy to assist
2 you in getting the information.

3 Some good news on the credit card
4 front, aside from what is going on in the
5 industry.

6 The TLC has started to accept
7 credit card payments and adjudications. You can
8 pay fines by credit card now.

9 Surprised we are getting a hand on
10 that.

11 Even better news, it will be moving
12 to other departments that are more well-liked
13 maybe like licensing, and I don't know about S and
14 E.

15 We are going to be moving after
16 adjudications on a schedule that would include
17 safety and emissions reinspections.

18 Also, we are going to be going to
19 Staten Island for licensing and for adjudications,
20 as well as the JFK facility.

21 Our plan is to get every facility
22 credit card payment worthy.

23 It will be some time before we are
24 able to do this on-line.

25 Eventually we would like to get our

1 license applications processed on-line on the
2 website, and for logistical and technical reasons
3 we can't really start processing credit card
4 payments for that type of transaction until we get
5 the infrastructure set up on the website.

6 For now we have the swipe machines.
7 If you are going to Long Island City and you need
8 to pay fines, and I am sure the industry reps
9 certainly welcome this, it will make life easier
10 for them, I'm sure. We are currently credit card
11 capable, and it is working very well.

12 In terms of the roll-out, on-line
13 licensing is going to take a little bit more time,
14 but we are hoping sometime in the spring or
15 possibly before the end of the summer the other
16 facilities will have credit card capabilities.

17 Item 4. As many of you know by
18 now, we have a new RFP we have been working on for
19 the rules revisions. Some of the Commissioners
20 had some questions about it last time.

21 We had pulled the RFP for technical
22 and procedural reasons and made some changes to
23 it, and we took the opportunity to make some
24 substantive changes to it and make it better.

25 It is still the same scope, the

1 general type of work we are going to be doing in
2 terms of consultants working with the TLC and
3 making recommendations to the Board of
4 Commissioners to make the rules more concise, easy
5 to understand and read, and condensed it where
6 appropriate.

7 That RFP I am happy to announce,
8 with all the hard work of staff, including Elise
9 Frisella and Andy Salkin, is released as of
10 yesterday.

11 There is a procedure for getting a
12 copy of it. You can pick it up or download it as
13 of now up until the date that the proposals are
14 due, which is April 11th, for those who are
15 interested in it.

16 There will be a pre-proposal
17 conference on March 20 here at 40 Rector Street on
18 the fifth floor at 2:00 p.m. The pre-proposal
19 conference is usually people who are interested in
20 bidding usually have a desire to ask questions
21 about the process and what is intended by the RFP,
22 and that is an opportunity for you to get your
23 questions answered.

24 It is a pretty aggressive time
25 frame. The proposals are due on April 11th, 2007

1 on or before 10:00 a.m. that day.

2 If you are interested, I would
3 encourage you to get involved right now and get a
4 copy of it.

5 The Commissioners, I have already
6 sent a copy to all of them of the final RFP which
7 has been released to the public for them to look
8 at because they will play a tremendous role in the
9 process as it moves forward.

10 A couple of upcoming events; very
11 exciting this year, a lot of stuff going on.

12 The driver recognition ceremony
13 that we hold every year is going to be held on
14 March 29 at the Rooftop Gardens at 620 Fifth
15 Avenue. That is operated by Tishman Spier at Top
16 of the Rock.

17 It is not the exact same room that
18 we were in last year, but I believe it will be on
19 the same floor, and it will be an outdoor garden,
20 and we will have nice food and prizes and gifts
21 for the drivers who have gone above and beyond
22 throughout the year.

23 That was a wonderful ceremony last
24 year. I am hoping the Commissioners can join us,
25 and the invitations have gone out, and we have our

1 honorees lined up so we are looking forward to
2 that.

3 I would like to remind everyone, if
4 you haven't forgotten, there has been a lot of
5 talk about this. This is the hundredth
6 anniversary this year of the metered yellow
7 taxicab. In conjunction with that, there are many
8 different events that are going to be held as part
9 of what we are going to be referring to as Taxi
10 07, which Mayor Bloomberg announced, and the
11 agency has been working with the design trusts and
12 some of these other private groups.

13 This anniversary will be celebrated
14 all year, but Taxi 07 has a lot of events
15 happening during taxi week, and I wanted to remind
16 everybody taxi week is coming up. Taxi week will
17 be in the middle of our next -- I think we will
18 have a Commission meeting during it, if I am not
19 mistaken.

20 The New York International Auto
21 Show is going to be held from Friday, April 6
22 through Sunday, April 15, and that is going to be
23 a very big week for the taxicab as well as for New
24 York. That is going to be part of our taxi week
25 festivities.

1 The Javits Center where the show is
2 held has an inner roadway, and on that inner
3 roadway there is going to be what is called a taxi
4 test track, and there are going to be prototypes
5 and designs of cabs of the future and some fun
6 stuff of actual vehicles going up on that service
7 road, and there will be future cabs on display.
8 That is a major part of Taxi 07 and our
9 involvement.

10 Also, for those of you looking to
11 take your families, friends, or just by yourself
12 go for a day in the city and have some fun, the
13 Museum of the City of New York will be having a
14 presentation on taxi history as part of the Taxi
15 07 events.

16 There will also be a documentary
17 and a taxi film series at the Independent Film
18 Center, the IFC Center, in Greenwich Village, and
19 we will have more details on that.

20 Last, but certainly not least, the
21 Empire State Building will glow in the color
22 yellow for the week of taxi week.

23 I know we have some livery industry
24 people in the audience, but I hope you will join
25 us as well in celebrating the yellow cab, which is

1 an iconic symbol of New York City around the
2 world.

3 Garden and Transit. Many of you
4 have been probably thinking about Garden and
5 Transit over the last year or so since it was
6 announced. I just want to report that we have
7 been making some progress on our painting.

8 TLC had a family day paint-in last
9 Saturday. I was there. I brought my family,
10 kids. I know Commissioner Gonzales went the prior
11 week to the paint-a-thon. It is messy; the paint
12 is not wash-off. They certainly need everybody's
13 help.

14 They are not anywhere near where
15 they need to be in terms of covering every cab.
16 They are making a lot of progress, but they
17 definitely need more help.

18 It is open to anyone, any member of
19 the industry, any member of the public.

20 They have a beautiful setup right
21 across the street from Madison Square Garden.

22 It is recommended you make some
23 type of appointment, because they have days where
24 they try to get everybody together for resource
25 purposes, but you can basically bring anybody in

1 there and paint the decals. It is an event
2 particularly designed for children. They have a
3 great time. They don't have to be artists. They
4 go in there. They paint.

5 Even if they make a mess, they put
6 these decals on top of it, touch it up, and these
7 are decals hopefully being putting on every cab.

8 It is a voluntary thing. The
9 Commission voted on doing it.

10 It is my hope the city will be
11 replete with these flower petals and works of art
12 during that week.

13 I think it will be a very nice
14 thing to do in September as part of the 100th year
15 anniversary.

16 I think it will be a great thing
17 for tourism and the industry, but we need you
18 help. It was made clear to me by Garden and
19 Transit they need more help.

20 Everybody is playing their part.
21 We rolled up our sleeves. There was a 24-hour
22 paint-a-thon that took place. A lot of people
23 were there.

24 In order to do volunteer painting,
25 the simplest thing to do is call 311 for details.

1 If you want, you can go directly to
2 their website and get e-mail updates, and they
3 will tell you when you are available to come in.
4 That is gardenandtransit.org/git.php.

5 Last but not least, on Thursday
6 April 12 we will have our next meeting. We intend
7 to have specifications proposed for public hearing
8 on the partitions and cameras, and we also hope to
9 have -- there are rule proposals, but we look to
10 possibly vote on, consistent with some legislation
11 that was passed on the clean air and accessible
12 vehicle markings, there was legislation passed
13 that the council would like us to put stickers
14 indicating a cab is either clean air or
15 accessible.

16 We are looking at a whole proposal,
17 and there will be a public hearing on that on
18 April 12.

19 On Thursday May 10, which is the
20 tentative date for the following Commission
21 meeting, we hope by that time -- this is very
22 tentative -- we hope to have proposed rules on
23 medallion auctions and medallion transfers.

24 We have done a lot of work with the
25 lending industry and brokers on trying to make our

1 rules better when it comes to medallion transfers.

2 Also, we are looking to make some
3 revisions to the paratransit rules.

4 We have a lot going on. That kind
5 of just scratches the surface.

6 Does anybody have any questions,
7 comments or issues?

8 Any of the Commissioners?

9 Okay. Thank you.

10 I would like to proceed to item 2,
11 the adoption of the minutes of the February 8,
12 2007 Commission meeting.

13 Does anyone have any questions,
14 comments, corrections to the minutes?

15 COMM. AROUT: I make a motion to
16 adopt them.

17 CHAIRMAN DAUS: We have a motion to
18 adopt them.

19 Do we have a second?

20 (Motion seconded.)

21 CHAIRMAN DAUS: All in favor?

22 (Chorus of "ayes.")

23 CHAIRMAN DAUS: Item 3, base
24 licensing application review. We have Sara Meyers
25 from Licensing with us.

1 MS. MEYERS: Good morning.

2 CHAIRMAN DAUS: Before we get
3 started, Sara, I just want to respond to some of
4 the concerns that the Commissioners had raised.

5 If you recall at the last meeting,
6 there were a lot of issues and frustration that
7 was vented by some of the Commissioners including
8 myself about some members of the for-hire
9 industry -- not all -- by far, the for-hire
10 vehicle industry, the car service industry, the
11 black car and limo industry do a wonderful job of
12 transporting people throughout the City, and we
13 are glad and lucky to have them.

14 But there are a certain number of
15 individuals, businesses and people that are,
16 unfortunately, giving them a bad name in our eyes
17 and also the eyes of the public.

18 These are the bases that despite
19 our efforts over the last two years consistently
20 dispatch drivers without licenses, dispatch
21 vehicles without insurance, and there has been a
22 lot of frustration and concern.

23 In light of that, I have asked the
24 staff to expedite at the last meeting coming up
25 with a plan that we have been talking about that

1 is going to reform that part of the industry and
2 those things that are going on.

3 It is a work in progress, but I
4 have asked them to come up with a time line. I
5 have asked Pansy Mullings and her enforcement
6 officers to visit all the bases we had issues
7 with, and Sara is going to report on some of the
8 ideas they have come up with as part of that plan.

9 Good morning, Sara.

10 MS. MEYERS: Good morning. As you
11 all know, during the past two years there has been
12 a dramatic change in the review and approval of
13 delivery base applications.

14 Beginning in January 2005 until
15 now, the Commission has reviewed almost 500 livery
16 base applications, and we are almost approaching
17 the end to our two-year review cycle so beginning
18 in the next few months, every base that comes
19 before you you will have voted on in the past two
20 years. We are not quite there yet, but we almost
21 are; probably around May.

22 While we have been pleased with the
23 many improvements we have added to the review
24 process, most noticeably the business plans that
25 we do require all bases to write, and the regular

1 visits Enforcement has been making to both the
2 base station as well as the off-street parking
3 location, we do hear the Commissioners loud and
4 clear and agree that more has to be done to
5 improve the review process so it is easier to
6 determine a good base from a bad base.

7 Based on the comments from several
8 Commissioners and the Chair in last month's
9 meeting a few weeks ago, an internal
10 inter-divisional committee was formed comprised of
11 staff from Licensing, Enforcement, First Deputy
12 Commissioner's Office and Legal.

13 This committee has been charged
14 with reviewing the rules and policies that
15 regulate the for-hire vehicle industry.

16 The committee will then create rule
17 and policy changes that we will bring to the
18 Commission for first a discussion and then a vote.

19 In our initial discussion, it
20 quickly became evident that a solution cannot be
21 derived from addressing FHV bases solely. A base
22 does not operate alone.

23 The behavior of the vehicles and
24 the drivers that work for the bases also impact
25 the base.

1 Currently our rules do not provide
2 for a mandated connection between the three
3 entities.

4 For example, one glaring omission
5 from our rules is that drivers do not have to be
6 affiliated with either a base or a vehicle.

7 Therefore, we have begun to analyze
8 the relationship between bases, vehicles and
9 drivers.

10 From this analysis we are noting
11 what we believe our expectations should be for
12 each of these three entities. These expectations
13 will then be translated into rule proposals which
14 detail the accountability and responsibility the
15 base owner, vehicle owner and driver must have
16 when licensed by the TLC.

17 Our committee is going to meet
18 regularly to flesh out rule policy changes. We
19 hope to have a more formal presentation for you in
20 May, around May, and then rule changes in late
21 summer.

22 Among the issues we contemplate in
23 addressing at that time -- and these have come up
24 in previous meetings -- how to evaluate base
25 station new applications in light of the business

1 plans and the violations histories, and also rules
2 regarding signage and part-time operation for
3 bases, because we know that has become a certain;
4 what does it mean to operate nine to five versus
5 24/7.

6 Lastly I want to mention the rules
7 being discussed today that are proposed today
8 regarding inspections and markings for vehicles,
9 you know, that is directly tied to what we see as
10 improving the connection between bases, vehicles
11 and drivers.

12 Does anyone have any questions?

13 CHAIRMAN DAUS: Any questions?

14 I want to thank you and the staff
15 and Andy and Gary. I think we have a lot of work
16 ahead of us, but I think we know where we want to
17 go, and I thank the Commissioners for their
18 patience, but certainly we are getting movement on
19 this area.

20 I think we have some bases to vote
21 on, but Commissioner Dear had to leave the room
22 for a second.

23 Let me see if we can find him.

24 Apparently somebody has lost
25 something in a cab of great significance, and

1 Commissioner Dear is helping us. He is to the
2 rescue once again.

3 (Pause in the proceedings.)

4 CHAIRMAN DAUS: We have some bases
5 we would like to vote on?

6 MS. MEYERS: We have 14 bases to
7 vote on for approval, and as well four bases that
8 we are recommending for denial.

9 We will start with the new bases.
10 There is -- do you want me to read them into the
11 record, or does anyone have any questions?

12 CHAIRMAN DAUS: I don't think we
13 need to read them.

14 Anybody have any questions with the
15 items noted on the agenda, the applicants that are
16 up for renewal and for ownership changes that they
17 are being recommended for approval; anybody have
18 any issues with them?

19 COMM. AROUT: No issues.

20 CHAIRMAN DAUS: Do I have a motion
21 to pass?

22 COMM. DEAR: I just want to make a
23 comment. I appreciate we are starting to become
24 more and more sensitive to the issues that the
25 members are raising, and just to keep on top of

1 it, to make sure that we protect those who are
2 legitimate and good, we work with them, and those
3 who are not the good ones, you know, we close them
4 down.

5 I appreciate the work that you are
6 doing.

7 CHAIRMAN DAUS: And they are going
8 to have -- in follow-up to our last meeting, they
9 just put the outline of the plan, but the full
10 plan is going to be presented in May?

11 MS. MEYERS: Hopefully, yes.

12 CHAIRMAN DAUS: Do I have a motion
13 to approve those bases recommended for approval on
14 the agenda?

15 COMM. DEAR: Yes.

16 CHAIRMAN DAUS: Second?

17 COMM. GIANNOULIS: Yes.

18 CHAIRMAN DAUS: All in favor?

19 (Chorus of "ayes.")

20 CHAIRMAN DAUS: Then we have a few
21 denials?

22 MS. MEYERS: Yes. We have four
23 bases we are recommending for denial. I know we
24 presented in the package to the Commissioners a
25 description of what had happened over the course

1 of the past couple of months.

2 I would like to state that I know
3 that bases that we have recommended for denial in
4 the past Commission meetings, the Commissioners
5 have voted to not deny with a 30-day correction
6 period.

7 At this point I am not sure where
8 you want to go.

9 Definitely the recommendation for
10 the base that is not operating out of a licensed
11 location, we just were recommending a flat denial
12 of that base renewal license.

13 CHAIRMAN DAUS: Actually, there is
14 one of these bases which I think all of us were
15 kind of shocked to see. I don't know if my
16 colleagues have the same feelings about it, but
17 this base Bakoss Trading Inc., apparently -- I
18 can't believe this -- they don't have a base
19 location, but the woman operates her base via a
20 cell phone?

21 MS. MEYERS: Right.

22 CHAIRMAN DAUS: What has this
23 industry come to in some respects? That is just
24 outrageous that someone would try to get that
25 through. It just shows a clear lack of the

1 understanding of our rules and what they are
2 supposed to do.

3 Some of the stuff that they are
4 missing too, one of these bases hasn't paid their
5 New York City taxes. Another one hasn't submitted
6 their criminal history, no Certificate of
7 Occupancy.

8 While I understand they are delayed
9 in getting their paperwork, these are substantive
10 things which I personally am uncomfortable
11 approving.

12 If they can remedy these problems
13 within a month, I guess if the proposed owner with
14 the cell phone can find a place of business, that
15 would be great, but I don't have a problem giving
16 them an extra 30 days.

17 I think the motion would be, as you
18 are recommending, we deny it and give them one
19 month.

20 MS. MEYERS: That has been the
21 practice in the past.

22 Are you recommending for all four
23 of these bases?

24 CHAIRMAN DAUS: If that is what you
25 are recommending, I am all for it, but we need one

1 more vote.

2 Alan, could you ask Commissioner
3 Dear to step back in?

4 Noach, I am making a motion to deny
5 four bases for not filling out their paperwork.
6 One of them -- I am sure you would appreciate
7 this -- is operating via cell phone, doesn't have
8 a place of business. The other hasn't submitted
9 their paperwork.

10 I think the fair thing to do is
11 deny them, as we have with other bases, 30 days
12 from today. If they don't get their application
13 in order, find a place of business or whatever
14 else they have to do, they are not going to have
15 their license sent to them.

16 COMM. AROUT: Can we get a report
17 on that for next meeting?

18 CHAIRMAN DAUS: Absolutely.

19 MS. MEYERS: Yes.

20 CHAIRMAN DAUS: Second?

21 All in favor?

22 (Chorus of "ayes.")

23 CHAIRMAN DAUS: Motion passes.

24 COMM. DEAR: I am trying to get
25 some luggage retrieved with religious articles and

1 medicine. As Andy said to me, if we had the
2 technology, we wouldn't have to worry about it.

3 We are using other resources
4 because the guy didn't know the name of the cabby
5 and all the other things.

6 CHAIRMAN DAUS: The biggest secret
7 weapon we have is Commissioner Dear. He has
8 become on internet blogs from what I understand
9 the expert on the return of Jewish religious items
10 that have left in taxicabs.

11 COMM. DEAR: If we find it, we find
12 it.

13 CHAIRMAN DAUS: You have a good
14 record so far.

15 Item 4, I initially had staff
16 presentation, but we are going to incorporate each
17 staff presentation as a preview to each proposed
18 rule making, public hearing.

19 Let's proceed to item 5A, FHV
20 Decal, License Display and Inspections.

21 Good morning. Samara Epstein has
22 been working very hard on this, doing a lot of
23 outreach.

24 As had indicated previously, this
25 is one of the many components of the FHV reform

1 plan. At this point they are ideas. They are
2 concepts that have been vetted, and we would like
3 to share with you some of the proposals, and she
4 is going to try to condense the reasons why we are
5 doing this.

6 Good morning, Samara.

7 MS. EPSTEIN: Good morning.

8 I spoke in January's Commission
9 meeting about some of the markings we are
10 proposing, and I am going to briefly run through
11 for you why we are doing this, what markings and
12 internal information we are proposing.

13 The main reason we are doing this,
14 as Sara mentioned, is regulatory concerns. These
15 rules are a step in making the bases, the vehicles
16 and the drivers more accountable throughout the
17 FHV industry.

18 A major purpose in this is public
19 safety and information sharing with passengers,
20 which we all heard from you you feel is very
21 important.

22 I want to reiterate how many
23 vehicles there are. There are about 37,000 of
24 them. On average, the liveries are 8 years old,
25 and the black cars five years old, so you have

1 the group are going to speak with you today so
2 they will share with you how they feel about the
3 rules themselves.

4 What we are proposing here for the
5 vehicle base and driver information are external
6 FHV markings, as we discussed.

7 There will be three tailseat permit
8 decals. Instead of the one diamond on the
9 windshield, there will be three decals, and they
10 would be stickers. We are not sure what they are
11 going to look at, but they would be something we
12 produce and put on ourselves so it would be on the
13 windshield and rear quarter window so when the
14 passenger gets in they would see them on the rear
15 quarter window and know that the vehicle was
16 licensed.

17 And for the liveries only, the base
18 name, phone number and vehicle number on both
19 sides of the vehicles.

20 Internally, the TLC driver license
21 in a protective holder so the passenger can see
22 the driver's license, and the base name, base
23 license number and base phone number.

24 This also allows a passenger to
25 make sure it is the vehicle they called for that

1 is affiliated with the base that they called.

2 Then the inspection standards,
3 which goes along with making sure that everything
4 is safe, and we know what is going on, we are
5 recommending that we inspect once every two years
6 so that is one out of six DMV inspections that all
7 these vehicles have would take place in our
8 Woodside facility, and that we would attach the
9 license decals so we can verify that the vehicle
10 identification number matches with the permit, and
11 that the base information and everything is
12 correct.

13 COMM. GIANNOULIS: Can you explain
14 what you mean, one out of six?

15 MS. EPSTEIN: Right now the way the
16 rules, are the vehicles have to have three DMV
17 inspections a year at any DMV facility. We are
18 recommending that one out of those six, they come
19 to our facility for the DMV inspection.

20 MR. FRASER: If I may interrupt,
21 the reason for the requirement of three annual
22 inspections a year is by virtue of a federal
23 consent decree in the mid to late 80s, which
24 actually pre-dates our regulations of FHVs.

25 MS. EPSTEIN: And then lastly, the

1 effective date, which Chuck is going to talk a
2 little bit more about some of the changes that we
3 made to the rules, which I know you have in your
4 package, but we are proposing to change the
5 effective date to July 2007 to give us a little
6 bit more time to get this outreach out and make
7 sure everybody understands what we are doing.

8 Also, another idea which we had,
9 which we haven't recommended formally yet, we may
10 want to stagger some of the inspections so that
11 initially in July we start with the new vehicles,
12 and then perhaps in January 2008 start with our
13 renewals so that is an idea that we had.

14 That is basically it.

15 Do you have any questions before
16 Chuck runs through some of the changes that we are
17 recommending?

18 COMM. GIANNOULIS: I do.

19 In terms of like advertising or the
20 names on the doors, what is the argument -- I
21 mean, people against it are saying it is going to
22 create more street hails. It sounds like a pretty
23 good argument to me.

24 MS. EPSTEIN: The argument for it
25 is we have liveries that drive around totally

1 innocuous; there is no way to identify them. From
2 a distance a passenger can't really see if it is
3 the vehicle that they called so we want them to be
4 more clearly marked and more accountable as
5 drivers of liveries that service the public for
6 what they are doing on the street.

7 COMM. GIANNOULIS: I have heard
8 that, but I don't understand that. I mean, if
9 there is an illegal hail going on, I don't know
10 what the difference is if there is a name on the
11 bottom of the door.

12 MS. EPSTEIN: What we are proposing
13 is for passenger safety and information. It has
14 nothing to do with straight hails.

15 COMM. GIANNOULIS: Again, going to
16 the issue of will it increase street hails, what
17 does staff take the position on? It seems to me
18 it is going to be more likely that people are
19 going to hail the car once they realize -- are you
20 saying it is not clear before they were a for-hire
21 vehicle, now it is very clear they are a for-hire
22 vehicle? Aren't they going to hail them more?

23 MS. EPSTEIN: Honestly, we can't
24 no. I live in Brooklyn. I think that people that
25 call for service are going to continue to call for

1 service, and people that street hail are going to
2 continue to illegally street hail.

3 I can't say how it is going to
4 affect it. I can say it will affect passengers in
5 the positive. At least they are going to know
6 when they are in a licensed vehicle.

7 CHAIRMAN DAUS: There is a
8 uniformity component to it as well.

9 COMM. GIANNOULIS: I am also not
10 sure -- what would prevent unlicensed vehicles
11 from putting their name on the door? I don't
12 understand how somebody putting a sticker on a
13 door is going to convince me as a passenger that
14 the car is licensed since I could go put a sticker
15 on my door right now.

16 MS. EPSTEIN: They are actually
17 semi-permanent markings so if it is somebody doing
18 an illegal service, they may not want to have that
19 on their vehicle all the time. They are
20 semi-permanent markings that are not easy to take
21 off. They are adhesive, not magnetic where you
22 can pull it off.

23 That is one of the reasons we
24 didn't want to have that. We want people that are
25 serious about the business. They are

1 professionals. They service the public. That's
2 what they do.

3 CHAIRMAN DAUS: I think some of the
4 staff's thinking also behind this in terms of the
5 accountability issue, it is very easy for base A
6 to have, you know, a driver and a car affiliated
7 with them, and then that same driver and vehicle
8 will then take calls from somebody else. You
9 don't really know -- you know, you could call ABC
10 Car Service and XYZ shows up.

11 To the extent that bases need to be
12 accountable for their actions, I think the
13 thinking was if you give them the ability, like
14 under the current rules, just put the sticker
15 wherever they wanted to, give them the ability or
16 leeway to put up a magnetic strip or hold up a
17 sign, it facilitates that lack of accountability.

18 I think the staff had approached
19 the issue from putting a sticker on the side of a
20 car and having a really solid affiliation process
21 will somehow deter people from, you know, engaging
22 in shenanigans, giving their car to their cousin
23 who doesn't have a license.

24 I think a lot of the convictions we
25 are seeing on some of the violation histories that

1 issue for kind of -- I spoke to Matt about this --
2 for the higher end for-hire vehicles. You know,
3 my company uses a company -- they are not a great
4 company, but what are you going to do -- and I
5 pay -- I should pick somebody in here who I know
6 would give me better service -- you know, we pay
7 more for, quite honestly, what looks like a black
8 car. We pay double. If a car was pulling up and
9 it had -- I wouldn't want to pay for that.

10 I spoke to somebody in the industry
11 who kind of makes that argument too, and that
12 seems like a legitimate argument as well.

13 MR. SALKIN: I guess the comments I
14 would offer to the Commissioner right now, you
15 raised some good points. One of the main points
16 you raise is the fact there is a lot of street
17 hail activity going on.

18 From the staff's perspective, I
19 think we feel there is street-hail activity. It
20 is illegal. It is the kind of thing we try to
21 discourage as much as possible.

22 I don't think these rules or any of
23 the rules proposed here today are really geared or
24 aimed at preventing street hails. That happens.

25 If that is something the Commission

1 wants to focus on and tackle, that is something we
2 have to look at in terms of overall rule reform
3 and the way the industry works.

4 One of the things the Commissioner
5 said to us is base accountability. One of the
6 things we believe in strongly is accountability
7 comes along with pride.

8 If you are sitting there
9 advertising and have commitment to your cars and
10 your base, and your cars are driving around, it is
11 going to be under your watch and your
12 responsibility as a base to make sure your cars
13 are legal and following the rules, especially if
14 there are rules that back that up within the
15 Commission; that a car affiliated with that base
16 does something illegal, the base also has some
17 repercussions.

18 These are just ideas. Again, today
19 at the hearing you are going to hear people talk
20 to both ends of that. I think it will be
21 interesting to hear this, and perhaps have a
22 follow-up conversation at the end of the hearing
23 or as we go along.

24 On the issue of luxury liveries or
25 livery bases that might be serving the entire city

1 as opposed to a specific community, we certainly
2 got comments on that, and those are very
3 interesting comments.

4 Again, it is part of the
5 conversation I think we are having today with the
6 hope of, you know, really asking the question to
7 the Commissioners does the definition of livery as
8 it is today and livery base meet the definitions
9 of what really is in existence out there?

10 Just like we went through a
11 conversation about two years ago about the many
12 different ways a cab comes to be on the road, what
13 we learned is there is equally as many ways a
14 livery vehicle comes to be on the road, and
15 perhaps the rules need to be a little bit more
16 sophisticated to reflect how that happens.

17 Maybe that will be an outcome that
18 will be a result of the conversation today.

19 Maybe the rules as they are written
20 need to be expanded to contemplate the way the
21 industry is really practicing.

22 I think your points are well taken
23 and I think that is what we are going to hear a
24 lot of today.

25 CHAIRMAN DAUS: I think our first

1 speaker -- do you have a question?

2 Commissioner Dear?

3 COMM. DEAR: A few things. One is
4 with regard to the follow-up to what Commissioner
5 Giannoulis had mentioned, with regard to cars that
6 have writings on either side, there are, I guess,
7 local livery car services that don't mind
8 advertising. To me we always have these
9 conversations what looks nice, what doesn't look
10 nice.

11 We were talking a yellow cab not
12 looking like a pizza box.

13 It is coming to a point we have to
14 start looking what is aesthetically nice, what is
15 not.

16 In addition to that, we have a new
17 type of vehicle that is out there in the sense of
18 new type of service. It is not only for
19 city-wide, it is also locally, because I noticed
20 in my community, all of a sudden people are buying
21 black cars to look like black cars, but are they a
22 car service?

23 Obviously the customers are, like
24 Harry said, demanding -- they want a little more
25 sophisticated type of vehicle. They don't

1 subscribe to a black car service because they
2 don't belong to a corporation or things like that,
3 and they don't want to pay.

4 What we should maybe look at, those
5 vehicles, those areas, give it optional putting
6 the markings; yes or you don't want it.

7 Or we can make a separate class of
8 cars.

9 Again what happens, what happens if
10 the local livery guy wants to become a high-end
11 car service? That is what he wants to do.

12 He has his customers, and that is
13 what they want.

14 I think we have to look at it,
15 because we know it has nothing to do with
16 enforcement, because what is the difference if you
17 can see the car or can't see the car? You see the
18 plate number.

19 If you want to do something, you
20 stop the car and be able to look at it and
21 determine if it is legal or not legal.

22 In addition to that, you made a
23 comment about street hails. The Commission has to
24 deal with it.

25 Do you want to put Enforcement more

1 on it or do you want to emphasize it?

2 I think we made it clear many times
3 in this Commission we don't want street hails.
4 That is illegal activity we have been talking
5 about Enforcement, Enforcement, Enforcement.

6 I don't believe by putting the name
7 on the side of the car is going to make a
8 difference. On the contrary, it is only going to
9 add.

10 If someone wants to hail a vehicle,
11 they would rather hail a vehicle they think is
12 semi-legal, or at least it gives them a license to
13 basically -- "Oh, all I am doing illegal is
14 hailing you, and I am taking you and you are
15 picking me up.

16 "At least you are licensed. Oh,
17 I'm happy because I see your license."

18 They feel safer there, because they
19 don't know who is going to pick them up, take them
20 into their cars, and all kinds of stories take
21 place with that.

22 I have to believe strongly putting
23 the markings on the car should be very optional,
24 and it is not going to help us with anything.

25 If anything, we should not require

1 them. I am not looking to legitimize the car
2 services to make them a car service that is going
3 to pick up people because they are illegal,
4 illegal street hails.

5 You see it all the time, and we
6 shouldn't ignore it.

7 I know we say it is happening all
8 over above 96 Street and the boroughs. That is
9 not true.

10 I will tell you, there are
11 neighborhoods that do have illegal street hails
12 because nobody has done any enforcement, and there
13 are neighborhoods that don't have it.

14 I can name you many neighborhoods
15 there is no illegal street hails.

16 In fact, what is interesting, and I
17 know the area that I live, an area I once
18 represented in City Council, they used to tell me
19 "There is no need for a street hail or stand on a
20 street corner. All I have to do is call a car
21 service, and within two to five minutes there is a
22 car coming to my door to pick me up."

23 We have to try to educate people to
24 understand when you pick up somebody, somebody is
25 picking you up, it is an illegal street hail, and

1 point, and I want to thank the Commissioners. As
2 you can tell, we have certainly -- the
3 Commissioners have a wonderful grasp of the
4 subject matter, not only based on their prior
5 experience, but some -- I am not going to mention
6 who -- there are some not feeling too well, some
7 are out sick, some are away doing other things,
8 but they spent a lot of time reading the comments.

9 Some of the conversations I have
10 had, just so you know that the written comments
11 you submit well in advance thanks to the new
12 procedures, everybody including myself has read
13 everything so I think that adds to the dialogue
14 and debate.

15 Commissioner Dear brings up a good
16 point, and that is working with the Police
17 Department.

18 Over the years we have attended the
19 Traffic Stat meetings with Chief Scagnelli and his
20 staff on a regular basis, and that is part of what
21 we do.

22 I think that is a good segue to
23 bring up our first speaker who is from the Police
24 Department.

25 We have joining us Deputy Inspector

1 Ann Marie Connell, who is the Commanding Officer
2 of the Special Victims Division, and she has
3 signed up to speak this morning on these rules.

4 Good morning, Inspector.

5 DI CONNELL: Good morning, and
6 thank you for the opportunity. Also with me,
7 Captain Pat Carney, the Commanding Officer of the
8 Surface Transportation Enforcement District.

9 I am here to speak on behalf of my
10 detectives who are at times called upon to
11 investigate crimes with possible links to for-hire
12 vehicles. I deeply appreciate the opportunity to
13 speak in support of these proposed rules.

14 Posting signs that name the
15 dispatch company and its phone number, both inside
16 and outside for-hire vehicles, will speed
17 investigations of serious crimes. This will
18 increase safety and boost confidence, not only on
19 the part of the riding public, but also for the
20 women and men who earn their living behind the
21 wheel.

22 In Special Victims our advocacy for
23 the signage proposal was jump-started by a
24 particular case in Brooklyn.

25 A young mother late for work, with

1 her toddler in tow, hailed a livery cab to take
2 her to the subway station. She was raped in the
3 back seat by the driver.

4 The assigned detective, Tabatha
5 Bronstein, who is with me today, had little choice
6 but to canvas numerous dispatch companies for any
7 leads. It was time consuming; very frustrating.

8 Eventually, the detective's
9 diligence paid off. The individual was
10 apprehended and is now awaiting trial.

11 It is our hope that in the future
12 the proposed signs will aid victims, witnesses and
13 drivers.

14 Earlier this month in the Bronx, a
15 woman responsible for a fatal shooting in an
16 apartment on the Grand Concourse hailed a for-hire
17 vehicle as she fled the scene.

18 If there are witnesses to similar
19 incidents, the time saved by immediately knowing
20 the name and phone number of the dispatch company
21 could prevent harm from befalling a driver.

22 Finally, in Special Victims we
23 frequently come across good samaritan drivers who,
24 encountering victims of sexual assaults, waste no
25 time in rushing disoriented or injured victims to

1 the hospital, but depart without telling anyone
2 who they are.

3 Yes, we do need to ask them
4 questions that may help us solve the case or
5 apprehend the assailant, but very often the victim
6 or victim's family would like to simply thank
7 them, and so would we.

8 These signs may make that possible.

9 Again, a win/win situation for
10 everybody involved.

11 I thank you for your time and your
12 attention.

13 CHAIRMAN DAUS: Thank you,
14 Inspector.

15 Any questions?

16 COMM. DEAR: While we have the
17 opportunity -- I see the Captain is here -- if you
18 don't mind.

19 Thank you very much. I know you
20 are doing an excellent job and you work for a
21 fantastic boss, Mike Scagnelli, and of course the
22 Commissioner and everybody else.

23 While we are here, is there any
24 way -- I know this is an important issue to us and
25 obviously to you as a safety issue -- if we could

1 coordinate with you somehow better enforcement on
2 these illegals? Because we are finding the
3 biggest problems we have today is these illegals
4 picking up people, taking away business from legal
5 people, and it is going to cause us all kinds of
6 havoc and also puts people in danger.

7 CPT. CARNEY: It continues to be an
8 enforcement challenge that we address with TLC
9 inspectors on an ongoing basis. We do joint
10 operations.

11 We have done a number of livery
12 operations, street-hail operations city-wide. We
13 continue to confiscate illegal livery vehicles,
14 and we work closely with TLC on that.

15 COMM. DEAR: If there is any way we
16 could do even stepped up more of enforcement, find
17 out where the real problems are, I could enumerate
18 in Brooklyn what is going on, and if we start
19 confiscating a lot more cars, I guarantee you we
20 will see a stop to it.

21 CHAIRMAN DAUS: It might be a great
22 idea if we can get some of -- not all, but at
23 least five of the seats of the Commissioners on
24 the Board represent a borough. Commissioner
25 Giannoulis represents Queens, Commissioner Dear

1 represent Brooklyn.

2 They are very active and have an
3 understanding of the geography, and I think it
4 would be great if they could have some input,
5 whatever form is appropriate; a meeting or some
6 communication.

7 I know you come to our advisory
8 board meetings and we go to Traffic Stat. You and
9 your folks are doing a tremendous job, and we are
10 so thankful for it.

11 I think they have a lot to add in
12 terms of viewpoint so maybe we could have a
13 situation set up where we could communicate some
14 of those issues.

15 CPT. CARNEY: We welcome any kind
16 of information that you have you could bring to
17 us, and then we will set up operations based on
18 that.

19 CHAIRMAN DAUS: Thank you so much
20 for coming, you and your staff, and the hard
21 working members of the Police Department and
22 Deputy Inspector, and please convey our thanks to
23 Commissioner Kelly, who is doing an outstanding
24 job in my opinion.

25 Thank you so much for coming.

1 The second pre-registered speaker
2 is Vincent Sapone from LOMTO. You are signed up
3 to speak on for-hire vehicles.

4 MR. SAPONE: I want you to
5 understand something. I am not an expert on
6 liveries. On yellows, yes.

7 By the way, my name is Vincent
8 Sapone, Managing Director of the League of
9 Merchant Taxi Owners in Manhattan.

10 Good morning, Mr. Chairman. Good
11 morning, Commissioners, attorney, stenographers
12 and everybody else.

13 You know, let me tell you
14 something. At first I was in favor of the
15 inspections on the liveries, but now I am not
16 sure, and I have to tell you why.

17 My idea is to get the junk cars off
18 the roads, okay? That would probably help, but,
19 then again, I am thinking will this affect the
20 legit corporate cars, the black cars?

21 They are all really new, they take
22 care of their cars.

23 Sometimes when you agree to
24 something it goes on. I won't say a cancer,
25 because that is too drastic, but it goes on like

1 that and moves forward and forward and forward.

2 What I am trying to say is this:

3 If I knew for sure that the TLC is only going to
4 do what they should do, and that is to try to get
5 these junk boxes off the streets, that would be
6 fine, okay?

7 But if it will affect the corporate
8 black cars, then I am against it.

9 Maybe I am not telling you much,
10 okay? But that's my feeling, because the black
11 cars, I also deal occasionally with a black car
12 company when I have to go somewhere, make
13 pre-arrangement, let's put it that way, because
14 you are not allowed to call a taxi for a ride. It
15 is against the law.

16 I was talking to TLC staff, top gun
17 over here, and they had mentioned to me about a
18 sign in the livery cars for pre-arrangement. Is
19 that right? Does anybody know that about,
20 Mr. Fraser?

21 Well, that is what they told me.

22 CHAIRMAN DAUS: You mean a sign
23 having language on it that it could only be for
24 prearranged --

25 MR. SAPONE: I think if you are

1 going to put pre-arrangement, I would like to see
2 for pre-arrangement only. Maybe the people --

3 CHAIRMAN DAUS: No street hails,
4 you mean?

5 MR. SAPONE: Something like that.

6 Let me tell you something. We just
7 had a discussion here about street hails. You got
8 to come to my building on my corner. It is
9 murder, okay?

10 I am not saying the police aren't
11 doing anything or TLC. You probably are; there is
12 no question about it.

13 This is numerous, okay? You are
14 talking about thousands of cars picking up people,
15 and also out of those thousands of cars picking up
16 people, there are a few that are raping their
17 passengers and mugging them and whatever else they
18 are doing.

19 What about just going to the
20 hotels? They are right there. We don't have to
21 send directions where they are. They are right
22 there.

23 I don't understand. Maybe it is
24 politics. Maybe I am in the wrong business.

25 Anyway, that is the way I feel.

1 And you know what? I see more yellows getting
2 stopped than liveries, okay? Much more. It is
3 not fair.

4 Stop a yellow, check him out, make
5 sure he has all the right credentials. I don't
6 say no, but -- my time is up. What is the use?

7 Anyway, that is my feeling. Take
8 it for what it is worth.

9 CHAIRMAN DAUS: Thank you very
10 much.

11 MR. SAPONE: Any questions? Nobody
12 wants to ask me any questions?

13 CHAIRMAN DAUS: I apologize to the
14 folks standing in the back. I would just ask the
15 speakers, you know, moving forward, if we could
16 try to keep to the two minutes, we would
17 appreciate it, otherwise we are going to be here
18 for a few hours.

19 You hit all the points accurately
20 and within your two minutes and thank you.

21 COMM. AROUT: I appreciate your
22 information, and I said this over and over again.
23 It is unfortunate we cannot get more manpower. I
24 think we will have a committee one of these days
25 go down to the Mayor's Office and explain the

1 problems really thoroughly, and ask them for man
2 power, take those 50 or 60 men and concentrate on
3 for-hire for hailing.

4 It is physically impossible to
5 cover --

6 MR. SAPONE: You are right.

7 COMM. AROUT: What I am trying to
8 say, and --

9 MR. SAPONE: You are right.

10 COMM. AROUT: You have to
11 understand where we come from.

12 MR. SAPONE: I understand, but let
13 me add to that. You guys are doing an excellent
14 job. I wish I was sitting there; be more
15 comfortable.

16 Anyway, how about, okay, finding
17 out how many illegals were stopped against how
18 many yellows were stopped, and then putting all of
19 that illegal stoppage onto the liveries? And you
20 don't have to hire more men. How about that?

21 You know what my theory is? Yellow
22 cabs who get summonses pay their fines. Liveries
23 disappear. Figure out what I am trying to say.

24 Thank you. Have a nice day.

25 CHAIRMAN DAUS: Thank you, Mr.

1 Sapone.

2 Next speaker is Darlyn Sanchez from
3 United as One.

4 MS. SANCHEZ: Good morning. My
5 name is Darlyn Sanchez. I represent United One, a
6 base association. That is base owners, FHV's.

7 CHAIRMAN DAUS: I am sorry. I made
8 a mistake. You have three minutes, not two -- I
9 made a mistake -- as do all the other speakers.

10 MS. SANCHEZ: I am not a public
11 person. I don't like to speak here. Most of the
12 time I like to speak with the staff and try to fix
13 the problems.

14 I hear all the complaints about
15 street hails, and I applaud these new changes.

16 First, the inspection by TLC. A
17 lot of people just go, make an inspection, pass
18 through. I don't know how. Sometimes it is cars
19 that the doors are falling down. The inspectors
20 give them the certificate. Sometimes I don't know
21 how they are in the room. They are a real danger,
22 and you guys give a license to these cars,
23 somebody gets killed in there, guess what? I am
24 going to be the lawyer to sue you, because they
25 are a real danger on the street.

1 If they go to TLC now, and we are
2 talking about the markings, I know you said "Oh,
3 how that can help the street hails? A lot."

4 Let me tell you the base point. So
5 far we have get so many tickets that the legal
6 bases, the ones that we are doing everything
7 100 percent right, don't deserve it.

8 We got this car, the car affiliated
9 with us, get a nice beautiful diamond that says
10 belongs to our base. They work in the morning,
11 and in the afternoon I am going home and he is
12 working another base.

13 That one has an illegal driver with
14 no hack license, and they get stopped, they are
15 doing street hails, but for that base and
16 everything, who gets the ticket? The base that is
17 trying to hold them down.

18 When we get the ticket we call the
19 driver, "What is up, what is this?"

20 "I was working for ABC Base in the
21 afternoon, and they were supposed to put an legal
22 driver in the car and they didn't."

23 Now we say, "Okay, you know what?
24 You are suspended and you are not going to work.
25 It is \$25."

1 They say "\$25, good-bye" and go on
2 to another base.

3 So the people we are doing the
4 right things, we are losing our drivers.

5 COMM. GIANNOULIS: Why would a
6 sticker on the door not get you a ticket? You are
7 getting the ticket anyway.

8 MS. SANCHEZ: The stickers on the
9 cars are not magnets they can just move. They are
10 not regular stickers. They have to go to a
11 mechanics garage and they will use your labels,
12 they have to have authorization from our company
13 to put it.

14 If we disaffiliate this car, now
15 this guy, one, has to go to the inspection in
16 Woodside, because they have to change the
17 stickers, they have to go to the mechanic garage,
18 the place where they put the stickers, and they go
19 to Long Island City.

20 Now it is going to be that easy of
21 just paying \$25, take out the diamond and put
22 another one. Now they are going to think about
23 it.

24 We are going to have more control
25 on our drivers and our cars that we don't have.

1 Let me tell you guys. You can put
2 all the new rules, but the bases don't have
3 control of the drivers.

4 Guess what? \$25, they are leaving.

5 Sorry. My three minutes is gone.
6 I have so many things to talk about.

7 CHAIRMAN DAUS: Could you sum up,
8 please?

9 MS. SANCHEZ: We need control of
10 the cars. The inspections are an excellent way to
11 control, them because they will have to go over
12 there to change.

13 The TLC will check that the
14 markings on the car is the base they said they
15 belong to, and the car that is reported is going
16 to have ten days to go to the facility; if not,
17 reported to DMV, the TLC plates have to be
18 returned.

19 COMM. GIANNOULIS: Talking about
20 your group, how many bases do you have?

21 MS. SANCHEZ: 40 bases. They are
22 all here today in the other rooms.

23 COMM. DEAR: I appreciate you came
24 up here and that you are speaking on behalf of
25 your bases, and it is nice to see there are a lot

1 of legitimate people out there that want to do
2 business and want us -- your help.

3 I am sorry you haven't been to the
4 last four years meetings. You would have heard
5 the same questions I have; how do we allow illegal
6 bases that totally don't operate properly, if we
7 know what their intentions are, and we are still
8 approving them.

9 We are introducing a new process
10 and improving on it every day, and that is why
11 these rules are here. That is why the staff came
12 up with these rules.

13 What I need from you also, to be
14 helpful, we have a lot of people out there
15 claiming to represent bases and don't have
16 bases -- that claim to represent drivers. I don't
17 know who is who.

18 That is the old game that we don't
19 know. Somebody gets a little news media and gets
20 the attention in the news media, and they say "I
21 represent so and so." They bring a few people
22 together.

23 "How do I know? Let me see what
24 your license looks like." The media is not going
25 to ask you about that.

1 I encourage you to be more vigilant
2 in representing who you are, because you seem you
3 are legitimate, and to be out there to represent
4 the legitimate business.

5 In that aspect we would like to
6 work closely with you, because we like to talk to
7 the people who truly represent the people in the
8 business.

9 MS. SANCHEZ: Actually, we have
10 been working with the Taxi and Limousine
11 Commission for many years. I do come to the
12 meetings, sit in the back really quiet, and we
13 make writings and recommendations and meet with
14 people from TLC, including the Commissioner,
15 Andrew, Samara, everybody. We just don't like to
16 be in public in the news.

17 CHAIRMAN DAUS: That is fine. We
18 want to encourage that. If you feel you have a
19 great idea or comments you think we are going on
20 the right or wrong road, everybody is not as
21 public or vocal, and that is fine, but we listen
22 to everybody and we certainly have listened to you
23 and worked with you, and I am glad the
24 Commissioners had the opportunity to see and meet
25 you and get to know you better.

1 COMM. DEAR: Thank you very much.
2 Keep up the good work you are doing.

3 CHAIRMAN DAUS: Thank you for your
4 testimony.

5 Next speaker is Mr. David Pollack.

6 MR. POLLACK: Good morning. I have
7 written comments.

8 Good morning, Commissioners, ladies
9 and gentlemen.

10 I am David Pollack, Executive
11 Director of the Committee for Taxi Safety.

12 Would you please distribute these?

13 Decals, I am here to talk about
14 decals. Everything has been touched upon that I
15 want to speak of by our Commissioners and other
16 industry people, but enforcement must be increased
17 to find and impound illegal FHV's that take our
18 customers and pick up our street hails.

19 It seems as though FHV's cruise our
20 streets and illegally pick up street hails almost
21 without any penalty.

22 If Enforcement is increased, there
23 should be no problem allowing identifying decals
24 on FHV's proving licensure and base information.

25 However, by no means should these

1 decals be used as a device that legitimizes
2 non-yellow taxis street hails.

3 This affects owner drivers, it
4 affects fleet drivers, it affects driver-owned
5 vehicles, known as DOVs; everybody is fighting
6 this fight.

7 We certainly don't need the public
8 to see a sticker on a vehicle and say "Oh, that
9 car is licensed by the Taxi and Limousine
10 Commission" and put their hand up.

11 An additional decal should be
12 considered that states this vehicle is not insured
13 for street hails.

14 Just a point of information. I was
15 in Manchester, England about two-and-a-half years
16 ago, and they have taxis, and they have their
17 black cars are car services. Every black car has
18 stickers on the window and a big sticker on the
19 hood. The one on the hood says you are not
20 insured if you haven't called the operator, and
21 they have little stickers on the windows with a
22 saying that simulates the words "not available for
23 street hails."

24 Those are my comments.

25 CHAIRMAN DAUS: Any questions?

1 COMM. DEAR: Thank you for your
2 time.

3 CHAIRMAN DAUS: Thank you so much
4 for being precise.

5 The next speaker is Mr. Fernando
6 Mateo.

7 MR. MATEO: Good morning, everyone.

8 CHAIRMAN DAUS: Good morning.

9 MR. MATEO: First I would like to
10 mention that one of our cab drivers lost two twins
11 in the fire in the Bronx today, and that was a
12 terrible tragedy so I just want to make you aware
13 of it so maybe you could reach out to the family
14 at some point.

15 CHAIRMAN DAUS: We are sorry to
16 hear that.

17 MR. MATEO: I agree with a lot of
18 the comments that have been made here today.
19 Mr. Pollack has a very legitimate comment, and
20 that is that we need to stop illegal street hails.

21 I think that what we are trying to
22 prevent here by putting decals and ID stickers on
23 the vehicles is we are trying to get rid of the
24 pirates that are out there operating.

25 I don't think that livery cabs that

1 are identifiable are going to be identifiable for
2 street hails.

3 I also believe that enforcement is
4 very important. We need to find those that are
5 breaking the rules and make sure that they pay the
6 consequences.

7 Furthermore, I believe that the
8 stickers and what you are trying to do with
9 identifying these legitimate livery cars is good
10 only because there are a lot of people out there
11 that are basically putting the public in danger,
12 and that is people that are picking up street
13 hails without having a license, people that are
14 picking up calls because they have a radio in
15 their car and their radio is so powerful they can
16 hear the transmission from a base where the
17 passenger needs to be picked up.

18 I believe making the public aware
19 is what the New York State Federation of Taxi
20 Drivers has been fighting for for many years so I
21 commend you for finally bringing this to the
22 forefront and making sure that we finally do
23 something to get rid of the thousands of illegal
24 livery drivers that are out there operating.

25 All of that is good.

1 Where we don't agree is inspecting
2 livery cars every two years. We don't agree not
3 with all of the vehicles; we believe that there
4 should be some kind of situation where if your car
5 is older than seven years, then the vehicle should
6 be taken into TLC for inspection.

7 Right now what you are going to do
8 with that, by inspecting these vehicles, you are
9 going to take a lot of business away from those
10 small shops that are licensed by DMV to inspect
11 vehicles.

12 These are community-based
13 businesses. These are people that basically
14 survive by inspecting vehicles and getting them --
15 and fixing whatever is wrong and getting them back
16 out on the road.

17 I think if TLC takes on this task,
18 you are looking at about 30,000 vehicles or more
19 you are going to have to inspect.

20 If there is something wrong with
21 that vehicle, that driver is now going to lose two
22 or three days, maybe more, going back to the shop
23 to get whatever was not right fixed and then
24 bringing it back to TLC to get inspected.

25 So I believe that 75, 80 percent of

1 your proposal is good; the other 20 percent should
2 be modified somewhere, because I believe, you
3 know, that changes should be made.

4 I don't know whether you had time
5 to put me on or whether the Federation put me on
6 to speak on the GPS issue, but if you haven't, I
7 want to make sure that I have a few minutes to
8 speak about that as well.

9 Thank you.

10 CHAIRMAN DAUS: Yes. You are the
11 second speaker for that as well.

12 COMM. DEAR: I did ask before on
13 the issue of the inspections, obviously there is
14 going to be a lot of cars that we are going to
15 have to inspect. Are we equipped to handle that,
16 and is that going to impede with the yellow cabs
17 that have to be inspected, and how long is it
18 going to take for drivers and how much time, down
19 time is there going to be when they have to do
20 those inspections?

21 MR. MATEO: Excuse me, Mr. Dear --

22 COMM. DEAR: I was addressing the
23 Chairman.

24 MR. MATEO: I just want the
25 Commissioner to know right now when you issue the

1 diamonds, it usually takes days and days and days,
2 and the drivers are out of work because you can't
3 handle the load so inspecting these vehicles are
4 going to make things worse.

5 CHAIRMAN DAUS: Understood, and
6 Commissioner Dear has a point well taken. It
7 wasn't something even really contemplated until we
8 are able to get the inspection times down.

9 Peter, I don't know if you are able
10 to address the concerns, Commissioner Dear's
11 concerns.

12 My understanding is basically we
13 have done such a good job with the yellow cabs
14 being inspected more quickly, we have been able
15 to -- due to administrative efficiency -- correct
16 me if I am wrong, Peter -- been able to free up
17 some time, correct?

18 MR. SCHENKMAN: Correct. By
19 11:00 a.m. we are complete with all the day's
20 scheduled inspections. The reinspections trickle
21 in until about 1:00 o'clock where the bulk is
22 done. We have stragglers after that, we have the
23 ability to do an streamlined inspection of the
24 for-hire vehicles.

25 I certainly wouldn't want them to

1 wait any longer than the yellow cabs do, and that
2 is currently an approximately 47 minutes.

3 COMM. DEAR: Are we going to add
4 additional lanes?

5 MR. SCHENKMAN: We can't add
6 additional lanes.

7 As I said, from 1:00 o'clock on we
8 have at least three lanes, and we push about eight
9 cars a lane per hour.

10 COMM. DEAR: In addition to that,
11 are we going to have other facilities? For
12 example, with a yellow taxi, they are basically
13 confined to a limited area, where they come from
14 and everything else.

15 With the liveries you are going to
16 have people coming from Staten Island, the other
17 end of the Bronx, other end of Brooklyn, and the
18 time-wise to travel to your facility is going to
19 take almost two hours, waiting if you are saying
20 only 40 minutes, and back so you are talking about
21 close to close to five hours.

22 MR. SCHENKMAN: With all due
23 respect, I live on Staten Island, and I see quite
24 a few yellow cab owners live there, and they are
25 doing commute also; same in the Bronx.

1 We understand it is a centralized
2 facility. It is the best way and most accurate
3 way. We are a DMV facility.

4 COMM. DEAR: I am just concerned
5 that we be equipped and be able to handle them
6 efficiently.

7 MR. SCHENKMAN: I think we are.

8 COMM. GIANNOULIS: How many cars
9 can you do in a day?

10 MR. SCHENKMAN: Currently we do
11 approximately 250, and we are done by between one
12 and 2:00 o'clock for all of them.

13 We envision that in the first phase
14 we would do approximately an additional 100
15 initial inspections on the vehicles.

16 COMM. GIANNOULIS: So yellow cabs
17 have to come to you how many times a year?

18 MR. SCHENKMAN: Three times a year.

19 COMM. GIANNOULIS: And it is the
20 same inspection?

21 MR. SCHENKMAN: Obviously we don't
22 check for meters and stuff like that, but it is a
23 DMV sanctioned inspection, same as anyone would
24 get at the local gas station.

25 COMM. GIANNOULIS: So it is safety,

1 emissions?

2 MR. SCHENKMAN: Safety and
3 emissions.

4 COMM. GIANNOULIS: Yellow cabs do
5 it three times a year. They have to come to the
6 facility every time?

7 MR. SCHENKMAN: We are the only
8 authorized yellow medallion inspection facility.

9 COMM. GIANNOULIS: Livery cabs also
10 have go three times a year?

11 MR. SCHENKMAN: They do, and
12 currently they go to regular repair shops.

13 COMM. GIANNOULIS: So the proposal
14 is once out of those six times they would have to
15 come to our facility --

16 MR. SCHENKMAN: Upon licensing, and
17 then the second phase will be upon renewal, and
18 then the third phase would be should a windshield
19 break or lose the permit or something, or change
20 base affiliation, and that would be a visual
21 inspection; not a full DMV.

22 COMM. GIANNOULIS: Do you have any
23 statistics to share with us in terms of the yellow
24 medallions as to success, passing rates?

25 MR. SCHENKMAN: Sure. Overall, the

1 yellow medallion industry has about a 47 percent
2 pass rate.

3 COMM. GIANNOULIS: That low?

4 MR. SCHENKMAN: Yes, that low.

5 Vehicle owners and fleets continue
6 to use our facility as a diagnostic facility.

7 What we have seen since we became
8 an official DMV facility is that the reinspection
9 rate is sub 20 percent. They are fixing it the
10 first time, and they are fixing it right, which is
11 great.

12 Prior to us becoming a DMV
13 facility, the reinspection failure rate was above
14 40 percent.

15 What we do know is that the fleets
16 and the agent-owned vehicles are sub 20 percent on
17 failure rate on reinspections. The individuals
18 are still hovering around 50 percent, and it is an
19 indication of the small repair shops that are no
20 longer capable of fix --

21 COMM. GIANNOULIS: Are there big
22 categories of particular failures?

23 MR. SCHENKMAN: Yes.

24 COMM. GIANNOULIS: They are
25 generally what?

1 MR. SCHENKMAN: It depends on the
2 vehicle. Certain vehicles have certain problems.

3 COMM. GIANNOULIS: Give me a sense.

4 MR. SCHENKMAN: The current biggest
5 failure rates are emissions, which is on-board
6 diagnostic systems and undercarriage suspension
7 issues, chassis.

8 COMM. GIANNOULIS: My guess is we
9 can pretty comfortable feel that you are doing a
10 much stronger chassis inspection than the gas
11 station down the block does?

12 MR. SCHENKMAN: No. We are doing
13 the same inspection. We are putting the
14 vehicle -- we are a little more technologically
15 advanced than the average gas station. We have
16 found gas station that have put passed stickers on
17 yellow cabs and we failed the vehicle and had the
18 repair shop shut down as a result of doing
19 erroneous inspections.

20 Having come out of the automotive
21 industry and local repair scene, it hurts.

22 COMM. GIANNOULIS: If we are
23 talking about one out of six, I actually thought
24 in terms of what Mr. Mateo said in terms of local
25 business, it is a legitimate play, but the

1 liveryies are still going to be going to local
2 shops five out of six times so it is not like we
3 are closing the businesses down, which would be a
4 legitimate issue.

5 CHAIRMAN DAUS: There are arguments
6 on both sides.

7 Before I acknowledge Commissioner
8 Gonzales and then Commissioner Arout, I just want
9 to beg everybody's cooperation.

10 We have at this point 46 speakers
11 at three minutes a pop. That is two-and-a-half
12 hours of testimony. It is getting a little hot in
13 here. So I guess what I would ask, if it is
14 possible for you to make your points in less than
15 three minutes, because we have listened, we have
16 read and we have poured through a lot of the
17 written stuff already.

18 We have a pretty good handle on a
19 lot of this stuff.

20 If you could kind of sum up what
21 your position is, I would appreciate that.

22 Also, for the Commissioners, if it
23 is possible without interrupting the flow to try
24 to keep as many questions as we possibly can for
25 towards the end of testimony so we can move people

1 through, because it is getting hot.

2 CHAIRMAN DAUS: Commissioner
3 Gonzales?

4 COMM. GONZALES: Pass.

5 CHAIRMAN DAUS: Commissioner Arout?

6 COMM. AROUT: Pass.

7 CHAIRMAN DAUS: The next speaker is
8 Victor Dizengoff.

9 MR. DIZENGOFF: Good morning,
10 Commissioner Daus and Commissioners. My name is
11 Victor Dizengoff. I am the Executive Director of
12 the Black Car Assistance Corporation, a trade
13 association for the black car industry.

14 I am also the Executive Director
15 for the New York Black Car Operators' Injury
16 Compensation Fund.

17 The BCAC represents in excess of 40
18 companies which have approximately 10,000
19 affiliated vehicles. To the extent that we
20 represent the companies, we are also very much
21 concerned with drivers issues.

22 As stated previously, I am the
23 Executive Director of the Black Car Operators
24 Injury Compensation Fund established by statute,
25 signed into law by Governor Pataki in 1999 for the

1 express purpose of providing Workers Compensation
2 Insurance for black car drivers.

3 Black car industry has since its
4 inception, and continues to be, an industry
5 regulated by the New York City TLC. Our primary
6 concern in addition to the quality service we
7 provide our clients has always been and continues
8 to be their safety, the safety of our drivers and
9 the safety of all citizens of New York, its
10 visitors and commuters.

11 The Board of Directs of the BCAC
12 have met in session and unanimously agreed that
13 the passage of 6-12's opening paragraph as
14 written, "where a black car base and a vehicle
15 owner shall be held jointly and severally
16 responsible for compliance with the following
17 provisions, and liable for violation thereof,
18 would be an unjust punishment as it applies to the
19 black car base and should not be passed in its
20 present format."

21 It needs to be noted that the
22 drivers and independent operator who owns his or
23 her own vehicle and rarely comes to the base,
24 thereby making it unlikely that the base owner
25 would be aware of any violation that the driver

1 has incurred.

2 The remainder of the opening
3 paragraph says the following: "No for-hire
4 vehicle should be used in the course of operation
5 of a for-hire vehicle service unless the for-hire
6 vehicle is in compliance with the following."

7 The rules go on to detail a number
8 of specific requirements for which the black car
9 base would be held jointly and severally liable.

10 We therefore respectfully request
11 that the rule not be passed as it is written, and
12 that the rule be rewritten excluding the base from
13 responsibility and/or liability.

14 Under proposed rule 6-12(a), the
15 TLC is proposing that three decals be affixed, one
16 to the windshield and one each to the two rear
17 opera windows of the vehicle.

18 We fail to see the need for the two
19 additional decals in the rear opera windows for as
20 the rule proposes, to make them plainly visible,
21 quote unquote.

22 We ask visible to whom? It would
23 do nothing more than add decals to a vehicle whose
24 aesthetic beauty is very much a part of the
25 service provided.

1 Under rule 6-12(c)(3)-- can I
2 continue?

3 CHAIRMAN DAUS: Yes.

4 MR. MATEO: -- beginning May 1, '07
5 and biannually thereafter, black cars with model
6 year '96 and later would have to be inspected for
7 emissions at the TLC Woodside facility. In
8 addition, one of the other remaining inspections
9 would have to be done at the Woodside facility.

10 Given this scenario, the BCAC
11 questions the feasibility of accomplishing those
12 inspections by the TLC staff in addition to the
13 current taxicab inspections being done at the
14 Woodside facility.

15 Our industry has not been shown any
16 data to prove that the proposed inspections could
17 be done without any disruption to either the black
18 car industry or the yellow cab industry.

19 In addition, what the TLC proposes
20 here also would restrict the availability of and
21 the accessibility to inspections currently done by
22 every licensed New York State inspection station,
23 and in some cases done 24 hours a day.

24 Lastly, the TLC proposes rule
25 6-12(p), and I would like to bring up the

1 president of the association to expound on this as
2 well, which the BCAC opposes for the following
3 reasons: Having holders for licenses in the front
4 compartment of the vehicle so as to be visible to
5 the passenger in the rear compartment would cause
6 the vehicle to resemble a taxicab -- and no
7 disrespect to a taxicab -- when, in fact, the
8 vehicle is being hired for the specific reason of
9 it not being a taxicab.

10 Our vehicles are dispatched and the
11 customer has full knowledge of the vehicle of
12 which car is picking them up.

13 3. The possibility of it taking
14 away from the aesthetic beauty of the interior of
15 the vehicle.

16 4. In the Lincoln Town Car there
17 currently exists -- I just have a paragraph.

18 CHAIRMAN DAUS: If you could sum
19 up, because we are way over.

20 MR. DIZENGOFF: -- passenger side
21 air bag where the TLC would consider placing the
22 holder.

23 In the event the TLC sees fit to
24 pass this regulation, which we are hoping not, the
25 BCAC would request that we have input as to where

1 the license holders are placed inside the vehicle.
2 An alternative might be considering a license
3 holder that could be a badge.

4 Thank you very much for your time.

5 CHAIRMAN DAUS: Thank you.

6 MR. DIZENGOFF: Any questions, I
7 would be glad to answer them.

8 I would like the president of the
9 BCAC to just expound on one portion of this.

10 CHAIRMAN DAUS: Very quickly. We
11 will scratch you off the list.

12 MR. HAROUTUNIAN: My name is Berj
13 Haroutunian, president of the BCAC. I am also an
14 operator, black car operator of Vital
15 Transportation Inc.

16 I understand TLC has been in touch
17 with some of our clients. One happens to be
18 Goldman Sachs and Merrill Lynch, which are
19 probably the largest clients out there in the
20 industry, and I spoke in person -- I happen to
21 have both accounts, and I have spoken to the
22 contacts, and they both said to me "an idea is
23 fine but we don't want the car to look like a
24 taxicab. We don't want these decals in the front.
25 We don't want decals in the windows."

1 They suggested -- it is a great
2 idea, but maybe the driver can have something on
3 his jacket or perhaps something hanging from the
4 back seat on a chain. I have seen this in other
5 cities, and I believe it works out fine.

6 In terms of the inspections, we are
7 customer-driven. If my cars are not repaired
8 properly, the fenders are shaken and the car is
9 not in good condition, the customer is not going
10 to use me. He is going to use one of my
11 competitors.

12 We personally inspect our cars at
13 our base three times a year. I think we do a
14 better inspection than the TLC. We actually drive
15 the cars, which I don't think the TLC does.

16 If you have any questions, I will
17 be happy to answer them.

18 CHAIRMAN DAUS: It is understood.

19 Thank you very much.

20 Next speaker -- thank you,
21 Victor -- next speaker, Mr. Eugene Pero.

22 MR. PERO: Good morning, Chairman
23 and Commissioners.

24 With regard to the rules being
25 considered today, I have the following comments

1 and observations: As far as -- I will make this
2 as short as possible -- as far as the signs on the
3 vehicles I think are appropriate for the following
4 reason: It is a public safety issue. I come out
5 of Brooklyn. I am very aware of what is going on
6 in Brooklyn. There are a multitude of vehicles
7 that do not have markings on the cars.

8 If a woman like the police officers
9 had stated earlier gets into a vehicle, there is
10 no identification on the vehicle, you don't know
11 where it is coming from.

12 If a person is attuned to doing
13 street hails, it doesn't matter whether they have
14 a sign or not; they are still going to go into
15 that vehicle.

16 I think it is only appropriate. It
17 legitimizes the industry more.

18 As far as the displaying of the
19 driver's license in the vehicles, from my
20 understanding from my membership -- I didn't give
21 you my name. My name is Eugene Pero, President of
22 Livery Owners Coalition and member of the Taxi and
23 Limousine Advisory Board.

24 As far as the licensing displayed
25 in the vehicle, we have no problem with that

1 neither. All our drivers are licensed, and the
2 display doesn't mean nothing.

3 My main concern is with the
4 inspections. We are required three times a year
5 to be inspected. According to your rules, a
6 transferred vehicle or a new vehicle has to be
7 inspected first by the TLC.

8 One problem is that when I go to
9 DMV, prior to me going, especially doing a
10 transfer, before going to the TLC facility in
11 Staten Island is that the DMV requests a copy of
12 the inspection, the printout.

13 So where would we go -- in other
14 words, in order to pay for our licensing, whether
15 it is a transfer or new vehicle, then go to the
16 Woodside facility, but then it contradicts the
17 situation because according to your new
18 notification, you cannot do a transfer, not unless
19 you have the car already registered with DMV so
20 there is a conflict of interest there.

21 You have to process your
22 registration before you do your transfer.

23 Second thing is, the length of time
24 to travel to the Woodside facility.

25 You are talking from the furthest

1 paths in the five boroughs, being if you have to
2 come from northern Manhattan or the Bronx,
3 Carnarsie area, Staten Island, southern part of
4 Brooklyn, minimum time will be an hour-and-a-half
5 to get there.

6 That is without the waiting time in
7 order to be inspected.

8 Could I go on with this?

9 CHAIRMAN DAUS: If you could sum
10 up.

11 MR. PERO: There are 13,000 cabs
12 which have to be inspected three times a year.
13 That is 39,000 vehicles. We have 48,000 livery
14 vehicles in the streets. Say we split that in
15 half. All together 63,000 vehicles per year. You
16 divide that by 12, by the amount of months would
17 be 5,250 inspections per month, 1,312 per week,
18 262 inspections per day.

19 The Woodside facility only has six
20 bays to do these inspections.

21 According to the people I speak to,
22 mechanics that have the facility to do the
23 inspections, minimum time for a good inspection
24 takes approximately about half an hour. I spoke
25 to three different facilities.

1 I suggest that if you want to
2 inspect a vehicle -- I could understand where you
3 are coming from -- I would suggest a visual
4 inspection. That is what you are really looking
5 for.

6 We are required to do a DMV
7 inspection.

8 CHAIRMAN DAUS: At alternate
9 facilities?

10 MR. PERO: Right. That is what I
11 would suggest.

12 I will just submit this and you can
13 read it.

14 COMM. DEAR: What you are saying is
15 it is a tremendous hardship going down to
16 Woodside?

17 MR. PERO: Correct.

18 COMM. DEAR: It is interesting what
19 you raised. The concern we have, obviously, is we
20 want to make sure that the vehicles are being
21 inspected properly and that they are passing on
22 the par that they are supposed to. The facility
23 doesn't do more than DMV does -- the station of
24 DMV -- so they want to make sure you are out
25 there.

1 You know there are many vehicles
2 out there. How they got inspections, god should
3 only know. That is ridiculous.

4 MR. PERO: No argument. We know
5 each other a long time, and I know a lot of the
6 Commissioners.

7 The TLC takes on all different
8 hats. One time they want to be the Insurance
9 Department, now you want to be DMV.

10 There is a certain point at where
11 if we are going to resemble a taxicab, and that is
12 what you are leading towards, we have to have some
13 benefits to the situation, whether it is a cap on
14 vehicles, a cap on bases; something similar to
15 where we can show some kind of profitability.

16 The only kind of profitably we have
17 in our bases is what our phones are worth.

18 COMM. DEAR: First of all, you know
19 it, and we were talking about it with each other,
20 if -- I don't know how many cars are out there.
21 If there are 50,000 cars, I guarantee you 24 don't
22 bother to show up, because they are not going to
23 inspection. It will never happen.

24 The others that are showing up will
25 fail inspection.

1 You heard the number. 47 percent
2 of yellow cabs are failing inspection.

3 MR. PERO: And those are new
4 vehicles.

5 COMM. DEAR: Pretty new vehicles.
6 To me it is only a benefit. We will bring some --
7 you can call it an artificial cap, if you want to
8 say, but it will bring something of value,
9 something of value in the sense of not so much
10 money but value of a service than the way it used
11 to be.

12 A car service in the old days you
13 went in there, you had a driver dressed up,
14 everything was clean and everything else.

15 MR. PERO: Car service industry has
16 been getting better through the course of the
17 years.

18 Like I brought out to you before,
19 we are talking a visual inspection. You are
20 looking for these junk boxes that are roaming the
21 streets. I agree with you --

22 CHAIRMAN DAUS: I am sorry. We are
23 going to be here -- Commissioner Dear, I don't
24 know if you were in the room at the time, but
25 there are 46 speakers. Unless everyone gives me a

1 commitment right now they will stay until
2 3:00 o'clock --

3 COMM. DEAR: Go ahead. I am
4 finished.

5 CHAIRMAN DAUS: There are, for the
6 record, I think 17 of the 50,000 vehicles I think
7 are older than five years just to give people a
8 flavor.

9 The next speaker is Arty Grover
10 Mr. Grover?

11 MR. GROVER: Good morning,
12 Mr. Chair, Commissioners.

13 You need more room back there. I
14 couldn't even take my jacket off.

15 CHAIRMAN DAUS: We didn't realize
16 so many people were going to come.

17 MR. GROVER: I have two comments.
18 One, listening to the problems that bases are
19 having with drivers, it appears that the
20 independently owned vehicles are the problem; not
21 the fleets. The fleets are very well controlled
22 by the people who own their vehicles, who have
23 drivers working for us.

24 Staten Island is 90 percent fleet
25 owned. The rest of the City, the independent

1 drivers are 90 percent of the cars.

2 On Staten Island we have a DOT
3 building where the TLC is located. There is no
4 reason why the people in Staten Island should be
5 put through the tragedy of killing a day sending
6 somebody to Woodside to have a car inspected.

7 I am sure no one took into
8 consideration the cost factor to a fleet to have
9 this done.

10 What Gene did mention is that a
11 visual inspection will get the junkers off the
12 road. We want the junkers off the road.

13 We also are in a situation where
14 Commissioner Noach Dear had mentioned that there
15 are many livery companies who are upgrading their
16 fleets so they can do higher-end livery work.

17 To make them look like a postcard
18 does not work, because these people are not
19 looking for that type of transportation.

20 Before anything goes through, I
21 think a lot has to be taken consideration of how
22 all this is going to affect the industry.

23 I understand there are situations
24 and problems that are there, but we also have to
25 understand how the industry is going to be

1 affected before anything is voted in.

2 If anybody has any questions, I
3 would be happy to answer.

4 CHAIRMAN DAUS: Thank you.

5 Actually, it is a point well taken,
6 and we will look into that. I have already had
7 conversations with Commissioner Arout about that.
8 I am not sure what the property is being used for,
9 but it is an interesting idea.

10 Next speaker is Mr. Erhan Tuncel.
11 Mr. Tuncel?

12 MR. TUNCEL: Good morning, Chair,
13 Commissioners. My name is Erhan Tuncel.

14 I basically don't object to all the
15 FHV rule changes, but the vibe I am getting all
16 here this morning from all the testimony and
17 speeches of some of the Commissioners is that
18 particularly the decals on the doors are
19 definitely legitimizing FHV vehicles in the
20 public's eyes, and that is a concern for the
21 yellow taxi industry.

22 You know that those illegal street
23 hails is a big, and I mean big, problem.

24 There was an admission by one of
25 the Commissioners that you don't have enough men

1 to enforce the existing rules.

2 Now --

3 COMM. DEAR: I am not sure if that
4 is an accurate statement.

5 COMM. AROUT: That is not very
6 accurate. I didn't say rules.

7 If we had a special group of
8 inspectors, and if the Mayor would give us more
9 people, maybe we can concentrate on the areas that
10 have a lot of hails, but that would be their
11 position to do.

12 I think if we had that, we probably
13 could relieve a lot of that. That is what I said;
14 not the rules. Let's get that straight.

15 MR. TUNCEL: Thank you.

16 Now, there is one way to really
17 address this problem is trying to make these rules
18 in the FHV rule book, particularly 316(g) and
19 316(f), and 316(f) is only a fine carrying
20 violation, it carries only a fine, which is that
21 the FHV vehicle must pick up fares only on
22 pre-arranged basis.

23 Now, 316(g), on the other hand, is
24 another FHV rule that addresses the problem with
25 the FHV vehicles picking up at taxi stands.

1 Now, that carries a fine and
2 points.

3 Now, why can't the first 316(f),
4 which is basically the street hail, carry points
5 also? If that happened, perhaps that will be a
6 little more deterrent level in these applications.

7 Fifty thousand for-hire vehicles in
8 the city. That's a lot. No wonder they are out
9 there on the street trying to make money.

10 I mean, if the bases -- if they all
11 operate out of bases, there is no way they are
12 going to make money. There is no way 50,000
13 vehicles are going to survive in the city without
14 pre-arrangement.

15 It is obvious. I just have a
16 couple more sentences.

17 Now, I heard some comments from the
18 speaker before that some of the bases are
19 fleet-owned; in other words, the base owns the
20 vehicles, and there is a lot of bases out there,
21 like the one you just denied today on the cell
22 phone, being a wiseguy, operating, and there is a
23 lot of bases who are storefront.

24 Just because they have a store
25 doesn't mean they have any intention of giving

1 jobs to people, their drivers.

2 Perhaps if these fleets, some of
3 them were forced to own a percentage of their
4 vehicles, any percentage, 15 or 20 percent of the
5 vehicles they sponsor, maybe we will get some of
6 these illegal base operations out of the way.

7 That is another suggestion that I
8 have.

9 CHAIRMAN DAUS: Thank you,
10 Mr. Tuncel. Your time is expired.

11 Could you sum up, please?

12 MR. TUNCCEL: Basically what I am
13 trying to say is on the rules, they are similar
14 rules and they both should carry fines.

15 I personally would like to see -- I
16 mean, they both should carry points. They both
17 carry fines, but only one carries points.

18 Increasing the fines is another way
19 to deter the illegal activity on the vehicle.

20 CHAIRMAN DAUS: Thank you.

21 Mr. Dave Pollack?

22 MR. POLLACK: I spoke on this issue
23 already.

24 CHAIRMAN DAUS: George Lipsky, Dr.
25 George Lipsky?

1 I think he is signed up on the
2 wrong list.

3 Jessica Macareno?

4 Biju Mathew?

5 Are you here to speak on FHVs,
6 Mr. Mathew?

7 I think there is some confusion
8 about these lists.

9 COMM. DEAR: Could I just --

10 CHAIRMAN DAUS: We have some good
11 news, right?

12 COMM. DEAR: Yes. We found the
13 luggage, but, believe me, trust me, this is
14 something -- it was very serious. People lost
15 their religious articles and other personal
16 effects, but I do want to publicly thank Lee
17 Sanders, our former Chair, former Commissioner,
18 for getting his people from the MTA police, Chief
19 Morange and Chief Fortunato and others, who
20 overnight in the last few hours have been working
21 to get the way, the route the taxi went.

22 The passenger realized he went
23 through a certain Henry Hudson bridge, and he
24 realized which lane he went to -- by the way,
25 illegal lane. The yellow medallion used a cash

1 lane when he is supposed to use an E-Z Pass, and
2 that was helpful to us because there were less
3 cars.

4 We identified the car and who it
5 belonged to, that is next, and we have the
6 luggage.

7 You jumped into action, Deputy
8 Commissioner Salkin, and Dawn Sherman, to
9 tirelessly work on it, and we came to a good
10 conclusion.

11 If there were GPS we wouldn't have
12 to go through the Police Department and MTA. We
13 could have texted it and gotten it right back.

14 CHAIRMAN DAUS: Thank you,
15 Commissioner Dear.

16 Next speaker is Tariq Wain.

17 Not here.

18 Willie Rivas?

19 Guess we wore everybody out.

20 We have a representative from
21 Council Member Diana Reyna's office, Luis
22 Espinoza.

23 Are you still here?

24 UNKNOWN SPEAKER: Must be in the
25 other room.

1 CHAIRMAN DAUS: If there is anyone
2 watching in the overflow room, make your way down
3 here and raise your hand prominently in the back,
4 and we will get you up here.

5 Don't run or trip.

6 There seems to be some confusion
7 about the list here.

8 This list says for FHV hearings
9 only.

10 The next speaker --

11 MR. ESPINOZA: You just called my
12 name on behalf of Councilwoman Reyna. I put my
13 name on the wrong list. I am here for customer
14 service improvement.

15 CHAIRMAN DAUS: We will put you on
16 that list.

17 Next speaker is Beresford Simmons?

18 Wrong list.

19 Is there anyone here who would like
20 to speak on the FHV rules?

21 Did we skip you, Eileen?

22 MS. KELLY: Yes, you did.

23 CHAIRMAN DAUS: Eileen, Michael.

24 Anybody else?

25 And that is it. Then we are going

1 to close the hearing.

2 MS. KELLY: Good morning, everyone.
3 I am Eileen Kelly. I have a car service in
4 Queens. I am on the Livery Advisory Board, and I
5 would just like to speak -- I agree with
6 everything that Gene and Arty said about the
7 inspections, but I would like to speak about the
8 base name and telephone number on the vehicles.

9 I have a lot of different types of
10 vehicles, some of which are Town Cars. I will
11 lose all my corporate work and a lot of my
12 affiliated drivers if I have to put my base name
13 and my telephone number on the side of the car.

14 I have a lot of cars that I have
15 that aren't that are airport cars and I do other
16 work with, but there are a lot of bases, and these
17 are fleet bases. They own their own vehicles.
18 They are lettered up like NASCAR cars, and they
19 are picking up off my stand every day; nobody
20 there to stop them.

21 Thank you.

22 CHAIRMAN DAUS: Thank you.

23 MR. GRODONSKY: My name is Michael
24 Grodonsky. I am president of Dial Car. Our
25 company has been in business since 1963, and we

1 are one of the oldest black car companies in New
2 York.

3 I see that you failed to
4 distinguish the difference between the car
5 services and the corporate transportation
6 industry, which is completely different.

7 Just because you bear the TLC plate
8 on the vehicle, it doesn't mean that you are a car
9 service, because you have Manhattan Limousine that
10 bears a TLC plate. You have a lot of high-end
11 limousines that are stretch and regular sedans
12 that are having a TLC plate. Are these also car
13 services considered by you? They also have to go
14 through all these inspections and all this stuff
15 that the regular car services have to do?

16 We have to have also the name plate
17 on the side. We also have to have the plate for
18 the driver's license.

19 We are hired cars, high-end cars.
20 We are transporting VIPs and presidents of big
21 corporations.

22 These people want to be not
23 noticed. They don't want to be --

24 CHAIRMAN DAUS: I don't think the
25 external markings under the proposed rules apply

1 to the black car limos. The other stuff does.

2 MR. GRODONSKY: But we are
3 inspecting our cars four times, three times a
4 year, much more deeply we inspect our cars than
5 ever any, any inspection station will of do.

6 We keep track of our cars.

7 You visited our facility and you
8 know how state of the art we are.

9 I think you should reconsider only
10 to -- I have nothing against the car services
11 having all these things that are proposed, but you
12 have to distinguish the TLC plates for the luxury
13 sedans, luxury companies from the regular car
14 services.

15 That is only my point.

16 CHAIRMAN DAUS: Thank you, sir.

17 Michael Woloz.

18 COMM. GIANNOULIS: Could you have
19 staff -- you should be able to do it quickly, like
20 within a week -- give us a memo on distinctions
21 within the industry in terms of some simple
22 issues, in terms of inspections, signage, just so
23 we have a sense of the difference? Because I
24 could not follow what he was talking about.

25 CHAIRMAN DAUS: The distinction

1 on the exterior and interior that simply states
2 This Vehicle Does Not Pick Up Street Hails.

3 If we are going through all the
4 effort to put on signage that identifies the base,
5 and we are putting the license inside the vehicle,
6 a simple phrase, simple sentence would go a long
7 way to preventing street hails and improving
8 safety.

9 I think while you are doing this
10 effort, you really need to include that.

11 I think all the legitimate livery
12 base stations would agree with that. They don't
13 want to see illegal livery street hails, the
14 yellow taxi industry doesn't want to see illegal
15 street hails, and the Commission doesn't want to
16 see it.

17 CHAIRMAN DAUS: Thank you.

18 MR. BASOS: Good morning. My name
19 is Enrico Basos from Carmel Car Service. Thank
20 you for allowing me to speak.

21 I would like to quickly refer to
22 the penalty section, and I think it might
23 answer -- 612(c)(1) talks about a suspension of
24 the vehicle owner license until the correction of
25 the condition; however, 612(c)(2) and 612(1) are

1 talking about suspension in general.

2 I think it should also say
3 suspension of a vehicle owner license until
4 correction of the condition, because otherwise a
5 base like Carmel or Dial 7 with 500 vehicles each
6 may find himself suspended because of one vehicle.

7 As far as the TLC inspection, I
8 commend the TLC for becoming the certified, and I
9 think we support that.

10 We also support the decals and the
11 display. I think it really helps in passenger
12 safety.

13 Where we strongly oppose is the
14 door markings, and with your permission, I did an
15 illustration of how the vehicle will look. I did
16 an illustration of how the vehicle will look once
17 you put the marking, and I called it taxifying the
18 Town Car, because this would affect dramatically
19 passenger safety.

20 Let me explain. Street hails will
21 increase; there is no doubt in my mind. The Town
22 Car will look like a taxi. We are legitimizing
23 the vehicle, and more and more people will
24 identify the vehicle as the one to hail.

25 The proposal of the last gentleman

1 who said to put another sticker saying it is not
2 street for hail, maybe we should also put an
3 apartment for rent.

4 You know, enough stickers.

5 If we agree that street hails are
6 going to increase, we must agree that we are
7 decreasing passenger safety. One can never be
8 considered safe if he is entering a vehicle
9 performing an illegal act of street hail.

10 Furthermore, it will not help
11 arresting or summonsing more illegal vehicles. It
12 will do the opposite. Now it will be easier to
13 catch the vehicles with a door marking and sparing
14 the illegal ones.

15 On one hand you have passengers
16 more looking for those vehicles with the door
17 markings; on the other hand you make it easier to
18 catch them. It is like giving a candy to a kid
19 and slapping him for taking it.

20 The illegal vehicles will not be
21 caught.

22 We respectfully request the
23 proposed door markings be eliminated or at least
24 be reconsidered before it has such a devastating
25 effect.

1 I am not accustomed to saying no
2 without a solution. If you turn to the next page,
3 you will see that our solution goes to two levels.
4 Number one, if a vehicle, if a base dispatches an
5 illegal vehicle, go hard on that base with a heavy
6 summons.

7 The way to identify that is
8 combining your side rear auto window decal with
9 the bold name of the company and the car number.
10 This way it is small enough for the car not to be
11 identified as taxi, and big enough when I come to
12 open the door and I see it is not a legal vehicle,
13 I report it to the TLC, and the TLC goes hard on
14 me.

15 That's it.

16 COMM. GIANNOULIS: I had asked for
17 a picture like this, but how similar is the second
18 page to what we are talking about?

19 MR. BASOS: The second page decal,
20 I spoke to --

21 CHAIRMAN DAUS: It does look like
22 it meets the requirements, but you can't see the
23 front of it.

24 MR. BASOS: It is my own creation.
25 Our own artist did this.

1 CHAIRMAN DAUS: Except we wouldn't
2 have the corporate logo on the top. We wouldn't
3 have Carmel on top of the stickers we give to,
4 let's say, Dial 7.

5 MR. BASOS: Again it is clear to
6 see you have the car. The car from far looks like
7 a regular car. The car from close, you see it is
8 a licensed vehicle.

9 Thank you.

10 CHAIRMAN DAUS: Those are fair
11 points, and we thank you for your testimony. You
12 have been very helpful as well as other members of
13 the industry in terms of giving us some input on
14 this.

15 Now that the public hearing is
16 closed, I just want to say a few things and turn
17 it over to my Commissioners to make some comments.

18 Basically this is the first step in
19 serious for-hire vehicle reform. I think
20 everybody in this room and everybody on the Board
21 knows that this is coming, that we need to do more
22 in order to enhance the bottom line, the standard
23 of the floor has to be risen, the details of how
24 we do that need to be worked out.

25 There was some really good

1 suggestions, some really good ideas that came out
2 today.

3 This is going to be a process that
4 is going to take some time.

5 Like I said, this is one part of
6 our FHV plan that is going to be more fully
7 presented in May or June at the latest.

8 I commend the Commissioners, you
9 know, for basically getting us to this point. It
10 has really been the input of the Commission and
11 the Commissioners that have looked at every single
12 base license application, looked at those
13 conviction histories and looked at what they were
14 doing right and the things that they were doing
15 wrong.

16 I think -- what I said at the
17 beginning, the for-hire vehicle industry does a
18 tremendous job; the limousines, black cars,
19 whatever, they provide a vital function for the
20 City of New York.

21 The vast majority of people do the
22 right thing, and they are great businesses and
23 very much a part of the fabric of our society and
24 of this great city in terms of moving people.

25 What we are looking to get at as

1 part of these reforms is the few or handful of bad
2 bases, the handful of bad drivers that are out
3 there that are doing the wrong thing.

4 I think all of us in this room
5 could agree that that is a great goal, and we want
6 to accomplish that.

7 We want to accomplish it together,
8 we want to do it right.

9 We would like to make some changes
10 to these rules, we would like to add more rules
11 and more issues as time goes on, but I will
12 recommend that, especially since there are three
13 Commissioners absent today, you know, one who has
14 been very involved, Commissioner Weinshall, but
15 also Commissioner Vargas got sick last night and
16 he represents the Bronx; a vital hub for community
17 car service activity.

18 Also we have a new commissioner,
19 Luby Polanco, who represents Manhattan.

20 I think out of respect for them
21 they would like to have more input.

22 This is not going to be an
23 overnight process. We would like to work together
24 on what is right and fair, and some tweaking and
25 fine tuning needs to be done.

1 I don't know how my colleagues
2 feel, but that is how I feel.

3 I would like to start working on
4 this immediately after this meeting, get some of
5 the reports Commissioner Giannoulis requested,
6 analyze some of these comments.

7 I would like to leave the door
8 open, if that is okay, Chuck.

9 MR. FRASER: No problem with that.
10 If you want to state a deadline, that might be
11 useful.

12 CHAIRMAN DAUS: Maybe we will leave
13 it open for another three weeks from today. This
14 way we can at least have some more comments before
15 our next Commission meeting.

16 I thank you for your time and the
17 people waiting around, because it is very hot in
18 here.

19 Does anybody have any comments or
20 questions or disagreement?

21 We will take a five-minute break.

22 (A recess was taken.)

23 CHAIRMAN DAUS: Having concluded
24 item 5A on the agenda, I would like to move to
25 item 5B, the Taxicab Vehicle Retirement Rules.

1 In part these rules are being
2 proposed in response to legislation that was
3 passed recently by the City Council and signed by
4 the Mayor.

5 There are certain provisions that
6 are in there that are mandatory, there are some
7 that we are proposing -- excuse me. Could we
8 please have some quiet? If you would like to
9 talk, feel free to go out into the hallway.

10 Thank you.

11 The City Council passed laws.
12 Consistent with the spirit of those laws as well
13 as a mandate or requirement we are proposing some
14 rules today.

15 I want to thank first and foremost
16 the number one person who helped negotiate and
17 pass these rules in the form that we felt was
18 acceptable to us, Eric Kim, the First Deputy
19 Commissioner's Chief of Staff.

20 I also have some good and bad news
21 about Eric, who is joining us today to talk a
22 little bit about these rules: He is going to be
23 leaving us.

24 He has been here for a few years
25 now. He has done a tremendous job, and I wanted

1 to thank you, Eric, because I think you really
2 brought the scholarly level of our work to a new
3 height.

4 You worked on some very tremendous
5 and excellent projects where we couldn't have
6 gotten it done without you. Not just the FHV
7 reforms, but a lot of the clean air activity we
8 have done involving hybrids and making the city a
9 better and a greener place.

10 Also, working day and night as we
11 all remember, kind of a distant memory now, but
12 the transit strike we didn't think it was going to
13 happen. It happened, and the person who
14 spear-headed the contingency plan and its
15 implementation and conception for the actual
16 strike that occurred was Eric, and Eric was at the
17 Mayor's Office of Emergency Management day in and
18 day out and is truly a devoted public servant.

19 We are happy the government was
20 able to partake of his fine work for the past few
21 years.

22 He is moving on to the private
23 sector, and we want to thank you for all the
24 things you have gone.

25 Eric, congratulations, and god

1 speed.

2 I would like for call you up
3 because I think you wanted to say a few things,
4 some good-byes, and a farewell chart?

5 MR. KIM: I did want to talk about
6 the legislation and the rules that are being
7 proposed today and the Local Laws.

8 This is a presentation that I
9 actually delivered a few months ago to the
10 Commission, and it is just sort of a refresher,
11 and I know the general counsel and our
12 Commissioner have some additional comments
13 regarding these rules. Hopefully we will be able
14 to address the questions the Commissioners may
15 have.

16 Again, as the Chair mentioned,
17 there were Local Laws that were passed by the City
18 Council. The process started last summer where
19 they introduced eleven bills relating to the Taxi
20 and Limousine Commission, and in the fall/winter
21 of 2006, the TLC worked with the Council to
22 negotiate on those bills, and we ended up passing
23 together with the Council four Local Laws, Intro
24 158(a) relating to taxicab retirement cycles and
25 incentives for clean air and accessible vehicles;

1 Intro 352(a) which relates to the creation of a
2 plan to be adopted by the Commission for clean air
3 and accessible taxicabs and for-hire vehicles;
4 Intro 353(a) which relates to placing of an
5 insignia on clean air vehicles, both taxicabs and
6 for-hire vehicles; and Intro 354(a) which relates
7 to creating insignia to be placed on accessible
8 vehicles.

9 Today we are actually here
10 regarding Intro 158(a), Local Law 52 of 2006, and
11 specifically what that bill called for was the TLC
12 would adopt retirement cycle incentives to
13 encourage the use of clean air and accessible
14 taxicabs.

15 Specifically, the bill established
16 certain levels and definitions for clean air and
17 taxi labs, level one and level two.

18 Level one clean air and accessible
19 vehicles would be eligible for up to a two-year
20 retirement extension.

21 Level two clean air accessible
22 vehicles would be eligible for up to a one-year
23 retirement extension.

24 Again, this relates only to
25 taxicabs.

1 The extensions, something the Local
2 Law calls for, is that it gives the TLC the
3 ability to base those extensions based on
4 performance at the TLC safety and emissions
5 facilities inspections, and that is an important
6 provision that we made sure to have included in
7 the Local Law, because we had concerns that we
8 wanted to ensure that the vehicles that are going
9 to be used as accessible and clean air vehicles
10 continue to meet the high standards the TLC
11 expects for taxicabs.

12 So we had that provision included
13 in the Local Law, and it is reflected in the rules
14 that you have before you today.

15 I think that basically summarizes
16 the relevant Local Law for today's rules.

17 I would be happy to take any
18 questions if the Commissioners have them regarding
19 those rules.

20 Okay.

21 CHAIRMAN DAUS: Any questions?

22 COMM. AROUT: No questions.

23 CHAIRMAN DAUS: Certainly thank
24 you, Eric, for your service to the City of New
25 York. We hope you come back and join us again one

1 day.

2 MR. KIM: Thank you for your kind
3 words as well.

4 CHAIRMAN DAUS: Let's proceed to
5 the public hearing -- do you have any comments you
6 would like to make?

7 MR. FRASER: No.

8 COMM. GIANNOULIS: Whoever replaces
9 him, make sure he does as thorough presentations
10 as he does, which have always been very helpful so
11 thank you.

12 Good luck in your new job.

13 CHAIRMAN DAUS: Thank you.

14 The first pre-registered speaker is
15 Vincent Sapone from LOMTO.

16 MR. SAPONE: I am talking about
17 hardship extensions for taxicabs.

18 You know, in my heart I shouldn't
19 even have to talk. You people should know better,
20 I am sorry to say, and understand.

21 You know, I got a group that is
22 driving 10 years, 20 years, 30 years, even 40
23 years -- 40, not four.

24 A lot of them could be in their
25 mid-60s.

1 There is one guy who is 72 years
2 old.

3 Years ago when Diane McKegney any
4 was the Chairlady, I had a guy that was on chemo,
5 and he wasn't able to really work; maybe two hours
6 a day, maybe three days out of the week.

7 His car passed inspection and had
8 very low mileage on it.

9 They told me the rule was he has to
10 buy a new car.

11 When we looked it up, it says in
12 the rule book for some unforeseen illness, you
13 could get an extension, and I guess that is
14 unforeseen.

15 So I am talking about giving a guy
16 a reason to live, giving him hope, giving him
17 dignity, not taking away his job, okay?

18 If a guy had a heart attack and he
19 is out of work for a while or he is on chemo,
20 which I hope to god nobody here ever has to go
21 through that, because my father went through that
22 and he also drove a cab, but he didn't own his own
23 cab, let him get up in the morning and say "You
24 know what? Maybe I can work a couple of hours,
25 keep myself busy," and also, you know, if his car

1 is safe, and his car is due to be turned in, you
2 know, because he owns a cab, that is all on paper.
3 That ain't in the bank or his pocket.

4 By the time the government takes
5 out the taxes when he gets out, and by the time he
6 pays the rest of the loan he's got, he winds up
7 with bologna.

8 What I am saying is you guys should
9 use your heads on the extensions.

10 With a serious illness, you should
11 give a guy more time, four months increments, as
12 long as he has a clean safe car.

13 And if a guy is retiring in six
14 months --

15 COMM. GIANNOULIS: Excuse me. I
16 am lost. What does this have to do with
17 alternative fuel?

18 MR. SAPONE: This ain't alternative
19 fuel.

20 CHAIRMAN DAUS: This is part of the
21 rules.

22 There is an extension?

23 Eric, you want to point out why we
24 did this, why this is proposed?

25 There are two or three elements to

1 talk -- someone says "I got two kids in college,"
2 I ain't talking about them, or "I didn't work this
3 week; my car broke down."

4 I am talking about someone with a
5 serious illness that his car is safe and passes
6 inspection, he cannot get an extension? He should
7 give up all his hope, all his dignity? That is
8 what this is all about?

9 If it happens to you guys or me, we
10 still got a job.

11 You want the man to sell out? It
12 is not right. Give him an extension only on a
13 serious illness.

14 CHAIRMAN DAUS: Okay.

15 MR. SAPONE: Any questions?

16 COMM. GIANNOULIS: No.

17 MR. SAPONE: What do you mean no?

18 COMM. GIANNOULIS: You are already
19 in my throat at this point so no.

20 MR. SAPONE: Thank you.

21 COMM. GIANNOULIS: The point is for
22 us to hear testimony and ask questions; not to see
23 an act.

24 At the end of the day does the
25 staff believe that people won't take advantage of

1 the extensions that are provided to the clean air
2 vehicles because these other extensions are --
3 talking a hardship, how would you calculate -- I
4 am not going to buy a clear clean air vehicle
5 because I may get ill -- maybe I am missing
6 something.

7 MR. KIM: Just --

8 COMM. GIANNOULIS: I understand the
9 value of eliminating extensions, but that would
10 mean somebody is calculating they are going to buy
11 a clean air vehicle versus getting cancer.

12 CHAIRMAN DAUS: I think the staff's
13 thinking, Commissioner, was there is a better way
14 to accomplish it. There is an exemption, and I
15 know the industry will probably think it is not
16 the same exact thing, but the way it was explained
17 to me there is an exemption where someone can
18 apply to me to get a second driver to drive,
19 where -- to exempt them from the owner must drive
20 rule.

21 If somebody gets catastrophically
22 ill or can't drive for a certain period of time --
23 the law says they are required to drive a certain
24 number of hours every year. There is an exemption
25 you can obtain so you can get a second driver to

1 drive and hold onto your medallion.

2 Obviously it is a little bit
3 different but in the same general category of some
4 type of fairness procedure.

5 COMM. GIANNOULIS: Eliminate C and
6 G, eliminate hardship and eliminate minivan
7 extensions, which we had at some point put in to
8 encourage people to buy minivans.

9 MR. KIM: And we currently have
10 over a thousand minivans in use today.

11 COMM. GIANNOULIS: Will these
12 people be happy we are removing the extension?

13 MR. KIM: This would not apply to
14 current vehicles in use today.

15 COMM. GIANNOULIS: Why did we want
16 to at one point encourage minivans?

17 MR. KIM: It is a decision the
18 Commission made to --

19 COMM. GIANNOULIS: I am asking if
20 anybody knows the answer?

21 CHAIRMAN DAUS: Just to give you
22 the history on this, over the years, ever since we
23 put the vehicle retirement rules into place going
24 back to, I believe, three fare increases ago, it
25 was part of that whole customer service package.

1 The hardship exemption that
2 Mr. Sapone was talking about was part of the rule
3 changes at the time to provide for a situation
4 where somebody could buy -- actually not get a
5 1-year extension; instead of putting a new car on
6 the road, to be putting -- be allowed to put a
7 used car that is up to two years old on the road
8 if you could prove some type of catastrophic
9 illness.

10 Since then, the Commission has used
11 the vehicle retirement extension process to
12 promote certain public policies.

13 In the past it has given extra time
14 for compressed natural gas vehicles, for minivans.
15 Minivans, there are a lot more of them on the road
16 now than ever before in terms of manufacturers
17 making them.

18 At the time it was something
19 passengers liked. The Commission was trying to
20 get variety on the road; an alternative to the
21 Crown Vic.

22 It has been effective in some
23 respects, and sometimes it hasn't been effective.

24 I think the thinking is here the
25 staff is recommending, and following the Council

1 and Mayor's lead also, that green is a priority.
2 Going green and getting clean-air vehicles on the
3 road is a policy priority. I would agree.

4 Getting accessible vehicles on the
5 road is a policy priority. I would agree with
6 that.

7 I think the thinking was try to
8 eliminate as many exemptions or opportunities -- I
9 am not sure I entirely agree with all of the
10 nuances of hardship. I think still think there
11 has to be an opportunity, in my opinion, for
12 somebody who is really, really sick to not be
13 affected by this, and we can talk about that.

14 COMM. GIANNOULIS: Is there
15 anything in the City Council legislation that
16 would require us to pass -- does the legislation
17 say it will be only one incentive?

18 MR. KIM: No. The legislation does
19 not specify there be only one. Clearly the
20 intent, and our intent in negotiating the bill,
21 was to maximize the incentives offered to
22 encourage as much as possible the use of clean air
23 and accessible vehicles.

24 CHAIRMAN DAUS: Part of this is
25 mandated by the law, Harry, and part is related to

1 trying to meet the intent of the legislature.

2 Questions?

3 David Pollack is the next speaker,
4 and then we have two speakers after him.

5 In the interest of time, we have
6 reduced the speaking time from three to two
7 minutes for everybody so if you could kindly
8 adjust your comments accordingly.

9 Counsel?

10 MR. FRASER: I don't think there is
11 any legal requirement the speaking time be any
12 particular minimum.

13 CHAIRMAN DAUS: You are making a
14 good point. We will of course extend your time a
15 little bit, unless everybody wants to stay here
16 until 3:00 o'clock.

17 I don't know if my Commissioners
18 will.

19 Let's try it and see how it goes.

20 MR. POLLACK: My name is David
21 Pollack, Executive Director of the Committee for
22 Taxi Safety.

23 There are a couple of issues I want
24 to speak about. Obviously one is the hardship and
25 vehicle retirement, and the other is the hybrids

1 and accessible vehicles.

2 We believe and strongly urge the
3 TLC to retain discretion to offer hardship
4 extensions for vehicles, for vehicle retirement in
5 instances when needed. To eliminate discretion is
6 not to allow for that one case where circumstances
7 beg for relief.

8 We are dealing here not only with
9 vehicles, but with people and the ability of those
10 people to earn a living.

11 Once again, this affects fleet
12 drivers, driver-owned vehicles, DOV drivers and
13 owner drivers.

14 In the instance as Mr. Sapone
15 mentioned, in instance of sickness, in instance of
16 financial difficulty, a family member, something
17 happens, we have, I believe, 171 countries
18 represented in our license, hack-license holders,
19 and maybe they have to go back to their country
20 for certain reasons.

21 That is what I have to say about
22 the retirement vehicles.

23 You should also consider the shape
24 the car is in.

25 With reference to the extension for

1 hybrid and accessible vehicles, if you wish to
2 encourage the industry to purchase these vehicles,
3 then the incentive has to be real. The present
4 rules allow for all taxis to be reinspected up to
5 two times after an initial inspection failure.

6 Under the proposed regulation, in
7 the year prior to the extension, if you do not
8 pass the first TLC inspection, in two of the three
9 mandatory inspections, there is no extension at
10 all granted.

11 In other words, there is no second
12 chances even for a cracked lens or mirror, and you
13 lose the extension immediately in the period if a
14 vehicle fails any of the three initial annual
15 mandatory inspections, thereby taking the taxi off
16 the road permanently.

17 The practical effect of this rule,
18 there is no tension because data shows more than
19 40 percent of fleet maintained vehicles fail their
20 initial inspection, as Mr. Schenkman stated
21 before.

22 The result is no incentive for the
23 industry to purchase hybrid vehicles or accessible
24 vehicles.

25 Thank you.

1 CHAIRMAN DAUS: Thank you,
2 Mr. Pollack.

3 The next speaker is Mr. Erhan
4 Tuncel.

5 MR. TUNCEL: Hello. My name is
6 Erhan Tuncel. Commissioners, once again.

7 On the extensions, the incentives
8 for the owners and drivers are a much better way
9 to bring about changes that are beneficial to the
10 riding public and all New Yorkers.

11 I agree with your position to give
12 extensions to the lives of hybrid vehicles as a
13 New York taxi, but rather than giving a longer
14 extension for tier 2 vehicles, all hybrid vehicles
15 should get two-year extensions.

16 As far as changing the rules of
17 inspections during the extended lives or the year
18 before of the vehicles, it should not matter
19 whether the vehicle fails the initial inspection
20 as long as the reason for the failure is easily
21 correctible.

22 I would not object, on the other
23 hand, for you to force the owners to replace the
24 vehicles during the extended life of the vehicle
25 if the vehicle fails the initial inspection for

1 reasons that weren't a red sticker as rules apply
2 today.

3 About the elimination of the
4 extensions given to the C and G vehicles and
5 minivans, both of these vehicles have proven to be
6 a great service to the public and our environment.

7 I urge you to reconsider the
8 changes to the rules as they will virtually
9 eliminate all C and G vehicles and substantially
10 decrease the amount of minivans out there.

11 C and G vehicles are clean burning
12 vehicles, and the minivans have been proved to
13 service the public by providing an extra seat and
14 plenty of luggage space.

15 By my passengers, I am sure by
16 passengers of the other minivans also, minivans
17 have often been compared to the famous old
18 Checkers as far as space is concerned.

19 Therefore, I really don't see any
20 use of eliminating the extension for these
21 vehicles as far as serving the public and the
22 environment.

23 Thank you.

24 CHAIRMAN DAUS: Thank you.

25 The last speaker is Marcelino

1 Hervias.

2 That concludes our hearing.

3 Any comments, questions, issues the
4 Commissioners have?

5 COMM. DEAR: The issue which I
6 raised to you a few times about the hardship.

7 I know you are saying to me that
8 there haven't been any application for hardship,
9 but you can never tell. I think to take what
10 total discretion from you or somehow for an appeal
11 I think puts it in a difficult position, because
12 there is always some times someone falls through
13 the cracks, and we should have to have a little
14 heart and understanding of some of these people.

15 CHAIRMAN DAUS: I certainly agree
16 with that.

17 You know, when I was general
18 counsel, our office used to handle a lot of these
19 requests, and I remember the whole chronology of
20 how this happened.

21 I think the first Commission
22 meeting when I was Chair, it was right after 9-11,
23 and we had changed the catastrophic illness
24 provision which gave you the ability to take used
25 cars and put them on the road, and we expanded

1 that.

2 It was a big part of our recovery
3 plan that we included other types of hardship, and
4 we gave people an extension of up to a year.

5 I think that is something LOMTO had
6 put forward and a lot of other industry groups.

7 It was certainly the first official
8 act I did as a Commissioner, and it was something
9 I believed helped this industry recover, among
10 other things we did, faster than most industries
11 that were affected by 9-11.

12 To the extent that times have
13 changed, there is no question that cab drivers are
14 not experiencing that same hardship. There has
15 been a rebound. The industry is not experiencing
16 that hardship.

17 I am concerned that you do have
18 situations that arise, and I see them happen all
19 the time. I get calls from people, letters from
20 people.

21 Does it happen that often that it
22 is an administrative burden? Not really as much
23 now, because, you know, people can't meet the
24 hardship burden anymore because the industry has
25 recovered so we don't have thousands of requests

1 coming in.

2 There are cases, unfortunately,
3 where drivers who are required to drive and own
4 are human beings and, unfortunately, experience
5 the hardships of life.

6 A little bit of extra help -- I
7 don't think it is going to hurt us that much to
8 give up to an extra year.

9 I think it should be a
10 discretionary case-by-case basis. I think that
11 has worked before.

12 I thought about this the other
13 night. I have asked Chuck to draw up some
14 language to share with you.

15 We will talk about it, but I think
16 it is important that we have a deadline to pass
17 certainly a lot of the provisions in these rules
18 with respect to the accessible and clean air
19 vehicles that the Council I think wants us to get
20 this done quickly, the Mayor does.

21 To the extent we can do something
22 fair today, I would like to talk about it.

23 Chuck?

24 MR. FRASER: Yes. I have drafted
25 some language that would retain a hardship

1 extension with what is intended to be a clearer
2 standard than what is in the existing rule.

3 Let me just read it into the
4 record.

5 It is copied. I am handing out
6 copies to the Commissioners.

7 The change in the text would be a
8 new section 302(d). An independent taxicab owner
9 or a long term driver who is also the owner of a
10 vehicle may request an extension of up to one year
11 of the otherwise applicable vehicle retirement
12 date by written submission to the Chairperson or
13 his or her designee no later than 30 days before
14 such date. The request must include documentation
15 demonstrating an extreme personal financial
16 hardship that is specific, unique, unforeseen and
17 unforeseeable such as a catastrophic illness.

18 There are also some changes in the
19 statement of basis and purpose to the rule that
20 would have to be made.

21 I am not going to read those into
22 the record, but they are on what I handed to the
23 Commission.

24 COMM. DEAR: Again, you are using
25 catastrophic illness as an example, but it could

1 be other hardships as well; am I correct?

2 MR. FRASER: Yes. It is such as a
3 catastrophic illness so that is intended as one
4 example. That's correct.

5 CHAIRMAN DAUS: It seems to fit
6 some of the issues that we are talking about.

7 Anybody have any questions?

8 COMM. DEAR: What about the issue
9 that was raised by LOMTO with regard to somebody
10 retiring, decides to retire within the year and
11 his vehicle is up; would that come under this
12 consideration? If he is thinking about retiring,
13 is going to retire?

14 MR. FRASER: I think I would say
15 no, this does not cover that. I think my reaction
16 to that would be that is not an extreme hardship,
17 a desire to retire. That would be my answer to
18 that.

19 CHAIRMAN DAUS: What if you took
20 the word extreme out?

21 MR. FRASER: I am still not sure
22 the desire to retire is a hardship to any degree.

23 COMM. DEAR: He is thinking of
24 retiring, he is winding down his business and now
25 he is going to have to go out and buy another

1 on Commissioner Dear's suggestion?

2 COMM. GIANNOULIS: Is it
3 possible -- you talk about this hardship -- you
4 are talking about 40 cases a year you are saying,
5 or so or some cases none, and I am a little bit
6 concerned that we are taking 1,200 minivans,
7 basically, where we are removing any incentive for
8 them. That seems to me to be a lot more relevant
9 here.

10 It is just not clear to me other
11 than creating this other incentive for the other
12 vehicles why we are doing it.

13 What are we claiming?

14 I see here it says they don't
15 need -- I assume minivans, if I remember
16 correctly, are more expensive?

17 CHAIRMAN DAUS: Yes.

18 COMM. GIANNOULIS: So we create an
19 incentive to have more minivans on the street. If
20 we take away the incentive, minivans are gone. It
21 says minivans now make up more than 10 percent of
22 taxicab fleet, and therefore these incentives are
23 no longer required.

24 MR. SCHENKMAN: If I could just
25 add, minivans at one time were more expensive, but

1 currently the base Sienna has a lower sticker
2 price than the Crown Vic of around \$23,000.

3 COMM. GIANNOULIS: I am not some
4 defender -- it seems to me to be pretty relevant
5 we are affecting a sizable chunk.

6 MR. SCHENKMAN: We have the first
7 round of minivans when this rule took place, I
8 believe it was in '97. Come the 7th year of the
9 life of those, they were old Honda Odysseys and
10 Isuzus. They were horrible.

11 We do know from State data from DEC
12 that the older -- the longer a vehicle is on the
13 road, the more polluting it is.

14 CHAIRMAN DAUS: Some of these
15 hybrids are minivans, aren't they?

16 MR. SCHENKMAN: No.

17 CHAIRMAN DAUS: I am sorry. SUVs.

18 MR. SCHENKMAN: Yes.

19 CHAIRMAN DAUS: I think the
20 consumers who had lauded them, lauded them because
21 they appeared roomier, and I have been getting
22 some very positive feedback on the hybrids. Even
23 though we thought there would be less leg room,
24 some are SUVs and it gives the illusion there is
25 more leg room.

1 People seem to like them.

2 I don't have a problem with them.

3 The hardship, I do think there is something to be
4 said for if we are looking to promote clean air
5 and accessibility, if someone comes to a decision
6 I have to buy a new vehicle and what are my
7 options, and there are only two options, I think
8 it is the best solution they have three or four
9 options rather than getting the gas guzzling
10 minivan.

11 On the hardship question extension,
12 I have a question.

13 Does it currently apply to the
14 long-term -- the driver-owned vehicles, or does it
15 only apply to independent --

16 MR. FRASER: It applies to both.

17 CHAIRMAN DAUS: It applies to both.

18 COMM. DEAR: How many hardships did
19 you have in the last few years, applications or
20 requests?

21 MR. FRASER: I can give you numbers
22 for the last year, which is approximately four a
23 month were granted, as I said. Approximately
24 three-quarters of the applications were denied.

25 Figure for a month -- I don't have

1 the numbers right in front of me, but it was
2 roughly as Commissioner Giannoulis said, 45 or so
3 were granted and four times that were the total of
4 applications.

5 CHAIRMAN DAUS: I just don't
6 know --

7 COMM. DEAR: And the 45 you granted
8 are going to fall into this category as well?

9 The 45 you have granted, they would
10 apply today with this new rule?

11 MR. FRASER: I would say that is
12 probably right.

13 The problem most people had with
14 the rule is just on clarity; not understanding
15 what would qualify and not qualify.

16 CHAIRMAN DAUS: I think you took
17 the language from the original rule that was
18 passed --

19 MR. FRASER: Right. I handed out a
20 mix of language from the existing hardship rule
21 and old superseded rule that was not a vehicle
22 extension rule but --

23 CHAIRMAN DAUS: I am not sure if
24 this with everything going on is a good time and
25 place to start throwing language out there.

1 What I would suggest if you all
2 agree, we vote on the rules and ask Chuck to take
3 into consideration the Commissioner's comments and
4 redraft this section and come up with appropriate
5 language for a hardship exemption for next month
6 and see if we cannot make it as open-ended as it
7 is now, but also not make it as stringent as it is
8 here and kind of come up somewhere in the middle.

9 Maybe we will discuss it with staff
10 over the next month.

11 I want to make sure we meet the
12 Council's deadline under the legislation for
13 passing the other stuff.

14 I do feel strongly by eliminating
15 the other exemptions it is a good thing and
16 important for people who are retiring their
17 vehicles tomorrow to buy one of these hybrids or
18 accessibles outside of the medallion sell process.

19 Do I have a motion?

20 Second?

21 All in favor?

22 (Chorus of "ayes.")

23 CHAIRMAN DAUS: Thank you. It
24 passes.

25 Chuck, if we can work with the

1 staff on maybe retooling this a little bit, and we
2 will come back next month.

3 Item 5(c), taxicab technology, the
4 one you have all been waiting for.

5 I just want to start -- Ira
6 Goldstein, our Chief of Staff.

7 A couple of things before we start
8 very briefly.

9 First and foremost I would like to
10 thank Ira Goldstein, his entire team, Gary, Sam,
11 Lev, Eileen Fox, Chuck Fraser, Andy Salkin; all
12 the people that have worked very closely on this
13 project.

14 This is a massive endeavor, and
15 Ira's office is right next to mine and I know it
16 is massive because all they do is talk about this
17 all day, and all I see is people popping aspirins
18 and heads on their desk.

19 You know, it is a massive endeavor
20 because it is technology, and technology by its
21 nature is complicated.

22 You throw a different competing
23 business interest in the mix, you throw a diverse
24 industry with different business interests in the
25 mix, and then you throw in the mix different types

1 of mechanisms working with others, as you can
2 imagine, it becomes very complicated.

3 This has been a long process. The
4 Commission voted on this three years ago this
5 month, actually, in 2004 as part of two fare
6 increases ago.

7 The amount of time that has gone
8 into this with the Department of Transportation,
9 the Mayor's Office of Budget, the Mayor's
10 Management Office, the Law Department, the
11 Department of Information Technology, you name it;
12 this is a multi-agency effort that has worked day
13 and night on competitive procurement contracts
14 that are hundreds of pages long, technical rules
15 that we are considering today, and I want to thank
16 all of you for your work, especially Ira who has
17 been the project manager and is going to kind of
18 walk us through these rules.

19 I think I first have to acknowledge
20 the misinformation that has been out there about
21 what we are doing today. I don't believe it has
22 been reported accurately.

23 Basically today is not about
24 whether this project is happening or not.

25 The Commission, this Commission,

1 voted twice on it. In fact, voted in 2004 that it
2 is happening, and it has been promised to the
3 public and is moving forward.

4 There is a lot of confusion out
5 there as to what we are doing today. We are not
6 voting today on anything necessarily to say yes or
7 no; we are voting on details that are technical in
8 nature involving an outgrowth of contractual
9 relationships that have been negotiated between
10 form vendors and the City, and looking at the
11 regulatory landscape of the people we regulate and
12 how they fit into that mix so we can get the
13 program implemented.

14 It is technical, it is complex, it
15 is long, but it is not a yes or a no; it is how we
16 do it.

17 I just want to make sure that the
18 record is clear on this before we start.

19 I would appreciate the people who
20 testify to try to stay on topic and give us
21 concrete substantive suggestions on which
22 provision of the rules you suggest that you change
23 and why.

24 Everybody has been waiting around.
25 It is really up to the Commissioners.

1 We can go with two minutes per
2 person or three minutes.

3 It is up to you. I have ordered
4 some lunch for you folks.

5 Maybe we will take a lunch break.

6 We will go back to three minutes if
7 everyone can keep to the time frame.

8 I really am just begging you to
9 please try to keep with it. If you can make your
10 comments within a minute or minute-and-a-half, we
11 have read everything. Most of the people
12 testifying have submitted comments. We are well
13 aware of the issues, and are taking them into
14 consideration.

15 I would ask you try to be as
16 concise as you can.

17 Ira?

18 MR. GOLDSTEIN: Good morning,
19 Commissioners.

20 Just before I get into some of the
21 specifics of the rules, I just wanted to give you
22 a quick update on some of the status of the
23 project.

24 We have completed all -- all four
25 vendors have completed stage one, which was some

1 basic functional testing where vehicles that were
2 operating not for-hire that we just took out and
3 tested on the road for compliance with the
4 contractual demands has been completed.

5 We are now in stage two. We refer
6 to it sometimes as a beta stage where there are
7 cabs that are actually operating live and
8 operating for-hire on the road.

9 Three of the vendors have the 50
10 cab requirement, and one is close. One has in the
11 mid-30s, approximately 35 cabs.

12 In terms of the overall roll-out
13 when we anticipate this coming to the fleet, the
14 entire taxicab fleet, we think that will start
15 sometime in the spring, and then the roll-out,
16 full complete roll-out should take place in the
17 summer of '07 through the winter of '07.

18 COMM. DEAR: Just with regard to
19 time-wise, just trying to think of 13,000 cabs,
20 are we going to be able -- the capacity to have
21 them all up and running, 13,000 cabs going to
22 happen over this period of time?

23 MR. GOLDSTEIN: I think so, because
24 the roll-out period is going to be basically a
25 four to six month roll-out so we should be okay.

1 COMM. DEAR: Reading all the
2 material, the compatibility, somebody has a meter,
3 it is going to be compatible to all the functions?
4 Could people separate themselves and come
5 differently; could they say "If you come with my
6 meter company, I am not going to have to" -- you
7 can't use someone else's, you know, package,
8 whatever you want to call it? Is it all going to
9 be compatible?

10 MR. GOLDSTEIN: What the rule today
11 should accomplish is getting us almost completely
12 to that point.

13 COMM. DEAR: "Completely"
14 meaning --

15 MR. GOLDSTEIN: Almost.

16 COMM. DEAR: What is "almost"?

17 MR. GOLDSTEIN: There may be an
18 issue of compatibility, as you say, between one of
19 the service provider's solutions and a few of the
20 smaller meter manufacturer players so --

21 COMM. DEAR: How do we determine
22 everybody is compatible?

23 COMM. GIANNOULIS: Maybe he should
24 finish his presentation.

25 MR. GOLDSTEIN: Also during stage

1 two, we are currently undergoing an IT,
2 information and technology, security audit that we
3 are putting all the vendors through.

4 We are doing additional functional
5 testing with live data that is out there.

6 The vendors are also required to
7 make modifications to the presentations that will
8 be on the passenger information monitors, or what
9 or as we refer to them, PIMs, based on the result
10 of the survey.

11 I might have mentioned that previously. We put
12 200 people through all four of the vendor's
13 solutions. They answered a 300 question
14 questionnaire, and out of those results, we set a
15 pretty high standard of acceptability.

16 If any vendors scored higher than
17 15 percent as an unacceptable rating, they had to
18 go back and make some modifications to that.

19 That also has to take place before
20 there is the roll-out to the fleet.

21 Today's rules are for the most part
22 to get everything in place in terms of compliance
23 with the technology, equipment mandate, and also
24 to do an update of some of the rights and
25 responsibilities of the drivers, owners and

1 agents, as well as the meter manufacturers.

2 As far as if there is a situation
3 where if one of the systems does not work, the
4 rules that were originally passed back in March of
5 '04 said if any one of the four components of the
6 enhancement project were inoperable, that the cab
7 had to be taken off the road.

8 What the proposed rules today are
9 is that it would allow a cab to continue to
10 operate on the road if the malfunction is reported
11 by a driver when he knew or reasonably should have
12 known within one hour, and a similar requirement
13 on the owners and the agents.

14 Where they would be calling that
15 into, each one of the vendors is required to have
16 a 24/7 help desk so that is how we would have the
17 record that it was called in.

18 All repairs would have to be done
19 within 48 hours, and the cab could continue to
20 operate for 48 hours.

21 COMM. GIANNOULIS: So the driver is
22 in the cab and the credit card machine goes down,
23 and the driver would get out of the cab and call
24 the --

25 MR. GOLDSTEIN: Call the help desk

1 of the service provider of his choice, of the one
2 that has the system.

3 COMM. GIANNOULIS: And if he works
4 for a fleet when he gave the car back, he would
5 say to them "The thing is broken; go fix it," and
6 they would have to fix it within 48 hours, or if
7 the person owned the vehicle, they would have to
8 go take it to a station and get it fixed within 48
9 hours?

10 MR. GOLDSTEIN: One of the -- of
11 the service provider, or if they have a
12 subcontract --

13 COMM. GIANNOULIS: How about if it
14 can't be fixed in 48 hours?

15 MR. GOLDSTEIN: We feel that it
16 will be in all situations, because a lot of the
17 vendors have business models that involve swapping
18 out equipment, and that if there is something
19 wrong, they don't plan on having the person in the
20 garage for a long period of time. They will just
21 swap out equipment in most cases.

22 COMM. GIANNOULIS: How about if --
23 I guess you are saying it is fine, the vehicle
24 can't go on the street, but let's say --

25 MR. GOLDSTEIN: After 48 hours.

1 COMM. GIANNOULIS: Say somehow the
2 equipment breakdown has something to do with the
3 electronics system and a part has to be ordered
4 and that part is not available? What happens?
5 Does that person now got to take that car off the
6 street?

7 MR. GOLDSTEIN: After 48 hours,
8 yes, but under the contract between the contractor
9 and the owner that we have in place, they would be
10 entitled to service credits.

11 COMM. GIANNOULIS: I am saying if
12 the problem that is causing the machine not to
13 work doesn't have anything to do with the machine,
14 but has to do with the vehicle so, for example, it
15 could be -- there would be no reason to take a
16 vehicle off because there is something wrong with
17 some electronic thing because it would pass
18 inspection, but it won't allow the credit card
19 machine to work? I mean, it seems to me to be
20 kind of aggressive to force that person, if the
21 person has done due diligence and is trying to get
22 the part --

23 CHAIRMAN DAUS: That also could
24 apply to any situation we take a cab off the road
25 for other reasons too.

1 I guess my question was, what
2 extent of this is discretionary, up to us, and
3 what extent of it has already been negotiated in
4 the contract and is binding and is something they
5 agreed to?

6 Is this in the contract itself?

7 MR. GOLDSTEIN: It is in the
8 contract the 48 hours as an absolute maximum.
9 There is varying levels.

10 About 50 percent have to be fixed
11 within two hours when we examine the service
12 provider's records.

13 Then there is a sliding scale up
14 to, I think, four hours or 75 percent, and then
15 there is, I think, 90 percent is 12 hours, and it
16 goes to 99.9 percent on 48 hours.

17 COMM. GIANNOULIS: I am fine with
18 the technology issue if that is especially part of
19 the agreement. Maybe I am just making this up,
20 but -- I am not a mechanic.

21 I know in kind of older cars, you
22 know, and I assume in cars that are more computer
23 controlled now, if something goes wrong, if for
24 some reason that credit card machine burns
25 something else in the car and now that -- and it

1 can't work, and that person has to order that
2 part, and they say to him "We don't have that part
3 in stock," if it is not a safety issue it doesn't
4 seem fair that that person is now forced to not
5 work.

6 CHAIRMAN DAUS: It is a fair
7 question.

8 Chuck wanted to bring up -- address
9 the issue of discretion under the rules and under
10 existing -- do we have any discretion when it
11 comes down to items such as this?

12 COMM. GIANNOULIS: Fleets could
13 give somebody another car, but somebody owns their
14 own car, they can't go get another car.

15 CHAIRMAN DAUS: Does anybody want
16 to take a stab at that question?

17 The question is, for the scenario
18 being raised outside of the rules, is there any
19 discretion for extreme or unforeseen or wild or
20 bizarre circumstances relating to forcing somebody
21 to go out of service for related issues?

22 MR. GOLDSTEIN: Not that I am aware
23 of, and I have not been made aware of that type of
24 issue coming up, but our top mechanic here has
25 come up to bail me out.

1 COMM. GIANNOULIS: What is with you
2 guys growing beards?

3 CHAIRMAN DAUS: They don't have
4 time to shave.

5 COMM. GIANNOULIS: You look very
6 nice, but still --

7 MR. SCHENKMAN: Thank you.

8 Without taking apart the systems, I
9 can tell you fundamentally there is a 12-volt
10 electrical wire that powers them, and it is
11 connected to the meter. If the meter is the fault
12 preventing the system from operating, the vehicle
13 comes off the road anyway.

14 If it is a 12-volt or an electrical
15 short that has shorted out the entire electrical
16 system, the vehicle is probably not going to
17 function on the road anyway so I certainly
18 understand the questions.

19 We don't want to mandate the
20 vehicle be fixed or taken off the road if it is
21 unrelated to the technology enhancement.

22 CHAIRMAN DAUS: That would happen
23 irrespective of these rules.

24 If there is a problem of that
25 nature, it sounds to me you have the authority and

1 you do take those cars off the road until they get
2 fixed, which is the right thing to do, but the
3 testing so far hasn't led to any of these

4 MR. SCHENKMAN: Right.

5 CHAIRMAN DAUS: So far it has been
6 good?

7 MR. GOLDSTEIN: I haven't been made
8 aware of that type of situation.

9 CHAIRMAN DAUS: That is a very
10 valid question.

11 Where are we now?

12 MR. GOLDSTEIN: Next slide,
13 installation.

14 Currently the rules as were
15 adopted, there was a firm deadline that would be
16 set by the Commission, and what these rules allow
17 for is there is an exception if a vehicle is
18 coming up for its mandatory retirement date within
19 90 days of the compliance deadline so there was a
20 situation where compliance deadline was
21 January 1st, if the vehicle was coming up for
22 retirement up through March, they would be --
23 correct me if I am wrong, Chuck -- it would be
24 like exempt from the requirement for three months.

25 MR. FRASER: Correct. The

1 replacement vehicle obviously at the end of March
2 would have to have the system.

3 MR. GOLDSTEIN: And the other piece
4 where there is an exception under the
5 circumstances for the deadline is in the contract
6 we have that if any particular service provider
7 obtains a large portion of the market share, which
8 is defined as over 3,000 cabs, if they are having
9 difficulty with hitting all the compliance
10 deadlines for the vehicles, they can come to the
11 Commission, Commissioner, and just ask for an
12 exemption on behalf of that vehicle so that we
13 don't penalize the vehicle for something that the
14 vendor was responsible for.

15 Just trying to hit on some of the
16 key highlights of the rules. There is some
17 anti-tampering provisions. In most cases they
18 were just included onto the existing taximeter
19 rules, and that is in addition to what I was
20 mentioning before about the security requirements
21 under the contract and what we are currently
22 doing.

23 I think we are going to come back
24 to the credit card piece; save the best for last
25 here.

1 The next section that we have some
2 changes are in the agent rules, and the way the
3 rules and the contracts were structured is it is
4 the medallion owner that is responsible for
5 compliance with these rules.

6 What we propose is to have agents
7 be -- if that obligation is being delegated to an
8 agent, that the rules basically mirror the agent
9 rules that are currently in place.

10 For example, the agent is
11 responsible not to allow a vehicle to be
12 dispatched without a working meter so these rules
13 just basically mirror that.

14 With the current rules that were
15 passed, the Commission decided to allow
16 advertising on the passenger information monitor
17 and included a mandate that the passenger be able
18 to control turning it off completely or deciding
19 to turn off the screen or muting it.

20 In the rules we have before you
21 today we just recognize that there is a
22 possibility when you are talking about these
23 screens are very similar to a computer screen, and
24 that it may include the manufacturer name or we
25 could allow for the vendor's name, the service

1 provider's name.

2 At this time it wouldn't include
3 any -- allowing any advertising on the plastic
4 screen that surrounds a screen.

5 We believe that that is consistent
6 with when the board passed the original rules
7 regarding allowing advertising on the PIMs that
8 that is consistent with that.

9 To get to your question,
10 Commissioner Dear, on the meter, the enhancement
11 system interface, where these rules should put in
12 place where almost -- it will open up the market.
13 All service providers will have access if they
14 wish to to all taximeters.

15 COMM. DEAR: Again, you said
16 almost. What is the "almost"?

17 MR. GOLDSTEIN: Where I said they
18 will have access. If a service provider chooses
19 not to interface with one or two of the metered
20 manufacturers that are on the market, because
21 there may be an extended problem with being able
22 to develop that interface, they can waive that
23 right for the first year of licensure.

24 There is one last thing to that.
25 If someone chooses that they want that service

1 provider system that doesn't interface with one of
2 the other meters, they would include a price that
3 is included in the proposal that they submitted to
4 the TLC for the cost of swapping out the meter.

5 COMM. DEAR: Why don't you just
6 mandate that everybody be interfaced?

7 MR. GOLDSTEIN: Because at this
8 point there may be a little bit of -- there may be
9 some technical issues that would extend that.

10 COMM. DEAR: Hold on a second. We
11 are talking about technology. This is a
12 technology thing we are going to know where
13 everybody is and we can't figure that out? To me
14 that shows favoritism over one vendor over
15 another, and I will tell you right now --

16 CHAIRMAN DAUS: I don't know if
17 I --

18 COMM. DEAR: -- I don't know if I
19 can support something like that.

20 CHAIRMAN DAUS: I don't agree with
21 that.

22 MR. GOLDSTEIN: There was never any
23 mandate everything interface with each other.

24 CHAIRMAN DAUS: There is a certain
25 part of what we need to do here to make this

1 project work, and to the extent that we can get
2 the vendors to work together, I think that is
3 important. People have differences of opinion.
4 Not only do we have to negotiate with them
5 individually, but collectively it is difficult to
6 get everybody on the same page.

7 Sometimes some of these rules,
8 including this particular issue, has been a
9 problem for us. Certain people have rejected both
10 ways.

11 This is where it gets really
12 complicated.

13 You know, we don't want lawsuits
14 getting in the way of derailing the project, but
15 one vendor against another.

16 I mean, I wish everybody would get
17 along, but that is not the real world.

18 It is our job to try to make the
19 project move along by doing what we think is in
20 the best interests of the public.

21 COMM. DEAR: We are giving an
22 advantage to one vendor over another.

23 CHAIRMAN DAUS: I am not sure if I
24 agree with that or understand that point.

25 MR. GOLDSTEIN: If you can explain

1 what that advantage is?

2 COMM. DEAR: Somebody has a meter
3 shop and he has a system.

4 MR. GOLDSTEIN: Meter shops is not
5 in the equation.

6 COMM. DEAR: The meter and the
7 system has to be compatible to each other.

8 MR. GOLDSTEIN: This is between a
9 meter manufacturer and the vendor and the
10 interface.

11 MR. SALKIN: I want to just
12 testify. The intention of the rules are as
13 follows: Each vendor if desired will have access
14 to all 13,000 cabs regardless of the meter so the
15 idea is no matter what vendor you are, it will
16 work with every meter.

17 If you are a driver and you own a
18 car and you have a meter in it, you can go to any
19 of the vendors that you would like to have your
20 car -- to have it put in.

21 The idea here is the rule is a
22 requirement on the licensee. The licensee is the
23 meter.

24 We have a contract agreement with
25 the vendors.

1 The way the rule is structured and
2 what we are trying to do here, if the vendor wants
3 access to the entire market, we will direct meter
4 companies to comply with providing them access to
5 the entire market.

6 If a vendor so desires not to have
7 access to the entire market -- I am not sure why
8 they wouldn't -- we are not going to put that
9 requirement on the meter companies to work with
10 them if the vendor is not interested in working
11 with them.

12 There is still a second requirement
13 that whatever driver appears to the vendors, they
14 must accept them and be able to set them up.

15 COMM. GIANNOULIS: Now I am
16 confused, Andy. When we are talking the vendors,
17 we are talking about the four vendors.

18 This rule you are proposing --
19 correct, we are proposing a rule -- would require
20 the vendors to accept all meter --

21 MR. SALKIN: No. The rule is a
22 rule aimed at the licensee, in this case the meter
23 companies. The rule says the meter companies will
24 be directed by the Commission to make sure that
25 their system works with all the vendors' systems.

1 COMM. GIANNOULIS: And then you are
2 also saying -- I understand that. So the rule as
3 I originally understood it was directed toward the
4 taximeter company saying to them there is going to
5 be now four approved vendors. You are going to
6 have to go figure out how your machines connect?

7 MR. SALKIN: Correct.

8 COMM. GIANNOULIS: Then you said
9 that vendors are not going to have to necessarily
10 allow their machines to interface with taximeters?
11 That is where you are losing me.

12 MR. SALKIN: Each vendor -- in
13 order for the system to work and be approved, it
14 has to work with at least one meter.

15 Now, if a vendor decides they don't
16 want access to all the meters, if for some reason
17 their business model is they only want to work
18 with one meter, that is okay.

19 COMM. GIANNOULIS: Wouldn't then
20 the taximeter companies be in violation of the
21 rule since a vendor company is not allowing them
22 to interface?

23 MR. SALKIN: The way the rule reads
24 is that we are only going to direct the meter
25 companies to work with the vendors that have the

1 desire to interface with all the meter companies.

2 So you are correct. We cannot
3 force a meter company to work with somebody who
4 doesn't want to work with them. Why somebody
5 wouldn't want to have access to all 13,000 in the
6 market I am not sure.

7 They still have to accept anybody
8 that comes to them and work out a way that this
9 person can hook up --

10 COMM. GIANNOULIS: Does that mean a
11 meter company would be forced to create systems
12 that would be acceptable to all vendors, and if a
13 vendor decides a month later "I am changing my
14 system," the meter company would then have to
15 change it again?

16 They would be able to close out the
17 meter company in kind of like a random moment?
18 They would be able to --

19 MR. SALKIN: Let me just understand
20 what you are saying. You are saying so I am a
21 vendor, and I am working --

22 COMM. GIANNOULIS: I support what
23 you are trying to do here, but one of my problems
24 is kind of like chicken and egg. Who is chasing
25 who at this point?

1 CHAIRMAN DAUS: You want to talk
2 turkey, basically? We will talk turkey.

3 Let's cut to the chase. Let's not
4 beat around the bush here.

5 One of the four vendors --

6 COMM. GIANNOULIS: Have you ever
7 known me to beat around the bush?

8 CHAIRMAN DAUS: You are not. I
9 think you don't know all the stuff going on. That
10 is why you are asking the questions.

11 I will tell it to you straight.
12 One of the four vendors believes that their codes
13 and information is proprietary. They didn't
14 necessarily want to share that information with
15 the other three vendors, even though we thought
16 that would be the best way to do the project.

17 They made a unilateral decision to
18 drop their claim, the way it was explained to me,
19 for purposes of moving the project along. This is
20 a unique situation.

21 The vendor also has an ownership
22 interest in a meter company -- it is MetroMeter,
23 it is Taxitronic.

24 They made a business decision
25 rather than make a big stink of this, to move

1 forward and initially only focus in the market on
2 selling people -- selling their products to people
3 who already have their meter as opposed to -- they
4 made a decision between releasing their
5 proprietary information to other vendors, which
6 they didn't want to do.

7 We don't necessarily -- that is
8 their decision. That is their decision. They
9 don't want to do that.

10 But by the same token, they are
11 willing to move forward with the project and feel
12 they can get enough of a market share by just
13 offering some special deals to the people that
14 already have their meters in their cars because
15 they are already set up to interface.

16 They don't have to share their
17 proprietary information. There is enough of a
18 market share for the other three vendors to
19 operate in.

20 If the other three vendors want to
21 tell them "Get rid of your meter because we can
22 sell you something with this other meter
23 manufacturer that will work with all three
24 systems," that is kind of where the market comes
25 into play.

1 Look. Am I personally happy with
2 all these nuances, is the staff happy, all the
3 vendors happy with it?

4 No. In terms of moving the project
5 forward, it is a real issue.

6 There are very prominent lawyers
7 involved. There have been threats to make
8 lawsuits and stuff like that.

9 I think it is important that the
10 project don't get derailed, and if we can make a
11 good faith effort to work together -- we have
12 asked that, and John Massalino and his client has
13 made an effort to actually work this out with our
14 staff and with the other vendors.

15 The other vendors, as far as I was
16 told, weren't as happy about it, but I was told
17 that they were okay with it.

18 Now, we will hear from them. If
19 you disagree, what you got to do, what you got to
20 really do here is realize is it really worth it to
21 derail this project over this?

22 I wasn't talking to you guys.

23 COMM. GIANNOULIS: I am just trying
24 to figure this out.

25 So the requirement -- the opt-out

1 of the vendors is confusing me. I am a little
2 confused by that.

3 MR. SALKIN: Because we have a
4 contract with the vendor, and we have a commitment
5 we believe to the vendors to make the meter market
6 and taxicabs available to them, we will ask them
7 are you interested in access to the entire market?
8 Simple question. I am not going to answer the
9 question for them.

10 Based on their answer, if they say
11 yes, then we are going to require, as the rule
12 says, a directive to the meter companies to work
13 with the vendors, and the vendors have under the
14 contract to work with the meter companies to make
15 the systems integrate and work together.

16 The meter company at that time --
17 there is two ways of integrating. One is you give
18 up your technology to allow the vendor to
19 integrate, or the vendor gives you their
20 technology and allows you to integrate with the
21 technology.

22 COMM. GIANNOULIS: My question
23 isn't about the technology, because I know there
24 is intellectual -- certainly this Commission
25 cannot figure out intellectual property, including

1 myself.

2 MR. SALKIN: The key here is offer
3 the vendors access to the entire market. We
4 believe these rules will absolutely do that.

5 COMM. GIANNOULIS: My only other
6 question again, and if the vendor changes their
7 mind -- I am a little confused about that --

8 MR. SALKIN: The point you are
9 trying to make is the rules should make clear once
10 the vendor makes a decision --

11 COMM. GIANNOULIS: I am not saying
12 that.

13 MR. SALKIN: You shouldn't be
14 necessarily allowed to change your mind midstream
15 without working out the way it works first.

16 COMM. GIANNOULIS: It may be
17 something we have to come back to later. I am not
18 saying now. I am asking a simple question, and
19 that is my last question on that.

20 MR. SALKIN: The way I understand
21 it is the contract, in order if they are going to
22 change the way their system fundamentally works,
23 they have to change the contract, renegotiation
24 with us, and obviously that would require, working
25 out with the meter companies.

1 COMM. DEAR: I have a serious issue
2 with that with regard to the system with the
3 interfacing with all companies, with all companies
4 being excluded and the Chairman telling us because
5 of the big lawfirm --

6 CHAIRMAN DAUS: That is not --

7 COMM. DEAR: That is the way you
8 said it.

9 CHAIRMAN DAUS: In the context of
10 we are trying --

11 COMM. DEAR: I don't care about
12 lawfirms. I am an attorney also. What is fair is
13 fair.

14 CHAIRMAN DAUS: When you are trying
15 to get the project to work you have to take into
16 consideration that people are going to sue each
17 other and the likelihood --

18 COMM. DEAR: By the way, if I am
19 not mistaken, some company sued us already on
20 this, tried to stop it and didn't.

21 Commissioner Arout, if you are not
22 happy with me speaking --

23 COMM. AROUT: How much can you talk
24 about this? He is trying to tell you something.
25 You won't listen.

1 COMM. DEAR: Maybe you don't
2 understand some of the issues, but I do, all
3 right?

4 COMM. AROUT: Maybe I don't.

5 CHAIRMAN DAUS: Let's not get
6 personal. This is going down the wrong road.
7 This is --

8 COMM. DEAR: There are some serious
9 issues here.

10 COMM. AROUT: I know just as much
11 as you. You might be a lawyer, I am not a lawyer,
12 but hold your mouth.

13 COMM. DEAR: I don't disrupt your
14 speaking. Don't disrupt my speaking.

15 COMM. AROUT: I didn't --

16 COMM. DEAR: You did. Every time I
17 get up to speak you are grumbling. Enough
18 already.

19 CHAIRMAN DAUS: Gentlemen, stop it.

20 COMM. DEAR: This is a serious
21 issue.

22 CHAIRMAN DAUS: I understand.

23 COMM. DEAR: One company has an
24 advantage over another because he has a major
25 portion of the meters, and he could go to those

1 clients -- that is the fact -- we will hear from
2 the others -- I am not going to support -- I am
3 not voting on anything that gives one guy an
4 advantage over another.

5 CHAIRMAN DAUS: I think we
6 should -- let's wrap up this preview, and we have
7 like 20 people ready to speak so let's hear what
8 they have to say before we pre-judge the matter.

9 Let's just move on.

10 Do you have more to talk about,
11 Ira?

12 MR. GOLDSTEIN: I think with the
13 credit card portion, the large interest is in the
14 cap that will be imposed on the owners as far as
15 what they could charge a driver, and I am going to
16 have one of my members of the staff that has been
17 working very hard on this, Gary Roth, to handle
18 that portion of the presentation.

19 MR. ROTH: Good afternoon,
20 Commissioners.

21 On the credit card acceptance
22 portion, there is going to be -- the drivers will
23 be prohibited from charging a surcharge to the
24 passengers for using their credit cards.

25 We are looking at having -- capping

1 the fee that can be charged over the course of a
2 shift, because over the course of a shift the
3 averages will come out to about \$25, \$18; in that
4 area. We are looking to cap the amount.

5 The drivers will be able to set up
6 their own merchant accounts so the money will be
7 directed directly into their own personal
8 accounts.

9 In an effort to keep the credit
10 card rates low, the first thing we did was
11 negotiate with the major credit card companies.

12 As far as American Express goes,
13 their regular rate is up to 3.5 percent. We have
14 been able to get a 2.15 percent for the whole
15 taxicab fleet.

16 We are also working with the Visa
17 small ticket rate, which is 1.65 percent, and the
18 MasterCard small ticket rate, which is
19 1.9 percent.

20 We have also in our negotiations,
21 we are able to waive the signature requirement for
22 any fare below \$25.

23 So this next slide is -- shows some
24 of the charges that we have seen during the beta
25 test. This is from one of the vendors. There is

1 companies, and we came out to .2 percent plus 21
2 cents.

3 In addition, we understand that the
4 medallion holders will incur some administrative
5 costs. We have added .67 percent to help them
6 offset the cost of this system.

7 The total number we got was 2.69
8 plus 24 cents, and with this formula, based on a
9 \$25 fare, the cost, the total cost with all the
10 bank fees, processor costs and administrative fees
11 is 3.65 percent.

12 We feel that a 3.75 percent number
13 would be a fair number as a cap, because, again,
14 it is an average over the entire shift.

15 And because we are looking out for
16 the entire industry, we are looking out for the
17 passengers, we are looking out for the medallion
18 holders, looking out for the drivers.

19 We wanted to err on the lower
20 portion of the rate on the side of the drivers so
21 the fee, if we erred, it would be a little bit too
22 low, and the drivers would get a few more dollars
23 in their pocket instead of the error being a
24 little too high and the extra money going to the
25 drivers.

1 This isn't art, it is not a
2 science. Nobody knows what the exact number is.
3 It is our best estimate is 3.75 is a fair number.

4 CHAIRMAN DAUS: Any questions,
5 comments?

6 Commissioner Gonzales?

7 COMM. GONZALES: Based on the
8 analysis here I would like to say that this 3.75
9 that we are talking here seems to be extremely
10 competitive, and that it should enable the driver
11 to get the most proceeds with the technology
12 enhancements.

13 CHAIRMAN DAUS: Very briefly,
14 Commissioner --

15 COMM. DEAR: Forget it.

16 CHAIRMAN DAUS: Let's just go to
17 Commissioner Fraser, if you could talk about the
18 changes we are going to make, we will go to the
19 public hearing.

20 I would like to give three minutes.
21 We are going to be here all day.

22 We will try it at three minutes.
23 If people can't keep to it, we are going to change
24 to two minutes.

25 MR. FRASER: In response to the

1 comments that were received on the proposed rule,
2 the Commission staff is recommending a revision of
3 one of the sections, the section that deals with
4 the interface between the customer service
5 enhancement system and taximeter.

6 What Commissioner Salkin and Chief
7 of Staff Goldstein were describing is the rule as
8 the staff is recommending it be revised.

9 Specifically, staff recommends that
10 the rule require the service providers to declare
11 which taximeter or meters they want their systems
12 to interface with.

13 The proposed rule further requires
14 that taximeter businesses then must choose between
15 giving their taximeter specifications to the
16 service providers to enable the service providers
17 to create the interface or to receive the service
18 provider specifications so the taximeters'
19 businesses can create the interface.

20 In either event, the
21 confidentiality of the specifications would be
22 protected by non-disclosure agreements.

23 Copies of the revised version of
24 the proposed rule have been provided to the
25 Commissioners, and copies are available in the

1 back of the room.

2 CHAIRMAN DAUS: That is kind of
3 what we just discussed.

4 Let's start the public hearing. We
5 will start with three minutes and see how we are
6 able to adhere to that.

7 Vinnie Sapone from LOMTO.

8 He left.

9 Fernando Mateo?

10 Solomon Neushotz?

11 MR. NEUSHOTZ: Good morning,
12 Commissioners.

13 My name is Solomon Neushotz. I am
14 a driver of a yellow medallion taxi. My mother
15 owns it for 30 years now.

16 I have had the GPS system in my car
17 since the test pilot began in December, and there
18 are lots of flaws with the system.

19 Unfortunately, I don't have a say
20 right now in the voting aspect of it because it
21 has already been approved, I have been told, two
22 years ago.

23 You know, I have had the credit
24 card system even before this technology system was
25 in. I have gone from doing one transaction a

1 month to about seven, eight a day.

2 What that means is that if I do a
3 credit card transaction today, it doesn't go to my
4 bank account until Wednesday of next week.

5 As far as cash, you know, we get it
6 all in one day, and we don't have to pay also any
7 percentage fees of the 3.75 percent that was said.

8 Furthermore, I have had also credit
9 card transactions lost; three transactions that
10 went into the system that did not go to my bank
11 account.

12 When I went to the meter shop, they
13 covered me for it because I am doing this test
14 pilot.

15 But what happens -- let's think
16 about five, ten years down the road, passengers
17 come into the car, they are not even going to be
18 paying attention to the system anymore; they are
19 just going to be swiping the card, transactions
20 are going to be lost.

21 It is another error, because this
22 is a very complicated system, and it is very
23 difficult to be able to take a look at the system.

24 I think that before we continue on
25 with this technology system, which I know that in

1 this industry, it is a very big step, I think that
2 we should first do some due diligence first.

3 Not just with the credit card
4 system, but also with the driver and owner aspect
5 of it.

6 Fleet managers that have two, three
7 drivers on a car, they are going to have to
8 shuffle around with their payments as far as the
9 credit card transactions. It is very difficult to
10 bookkeep.

11 I think first we should think about
12 that.

13 Thank you for your time. It is an
14 honor to be here.

15 CHAIRMAN DAUS: Thank you.

16 Next speaker, Mr. Bill Lindauer.

17 MR. LINDAUER: Let's face it. This
18 is a fishtugina mishigatz.

19 The TLC is lost. It's true.

20 This is the worst way to mark the
21 100th anniversary of the taxi industry, and it
22 shows the absolute dissing of drivers.

23 You make us feel like prison
24 inmates who have to pay for their own room and
25 board.

1 That was my prelude.

2 Good morning. I am Bill Lindauer,
3 but you may mistake me for Bill Gates.

4 First you make me pay -- lose
5 \$5,000 from soaring gas prices and then let
6 inflation and lease cap loopholes nullify the
7 so-called raise, the only one in ten years.

8 Now you want me and 40,000 non-Bill
9 Gates class earners to pay for an extravagant
10 trash technology. This has drivers so enraged
11 they are ready to bring New York to a grinding
12 halt.

13 This is taxing taxis without
14 representation. This is what the American
15 Revolution was fought about.

16 We are not fois gras ducks. You
17 just don't push it down our throats and make us
18 pay for it.

19 You don't have any money? You
20 didn't get enough money from the medallion sales?
21 Ha.

22 Passengers -- I know you think
23 otherwise, but there is a lot of self-delusion
24 around here. I am sure Mr. Mateo thinks he
25 represents Joe cab drivers. He doesn't represent

1 a single one.

2 Passengers will hate the TV monitor
3 as they did the previous colossal failures.

4 Only two goals of this costly
5 calamity have even an iota of merit, and they can
6 be achieved for a whole lot less money.

7 Mr. Mathew, who is a professor,
8 will explain a more effective lost and found
9 system.

10 Credit cards require only a \$60
11 device, and of course protection of driver's
12 interest.

13 Why are you going to this nonsense?

14 You have been bamboozled. It is
15 unbelievable.

16 Of course, you are going to invite
17 lawsuits, not just between vendors, but you are
18 violating Constitutional rights. There have been
19 other cases.

20 Even recently city employees,
21 which, of course, we are not, which you always
22 tell us about health care, they just fought in the
23 City Council and won because getting rid of the
24 biometric system, which was just a palm print.

25 These are city employees and they

1 don't have to pay for this system.

2 I am almost through.

3 CHAIRMAN DAUS: Could you sum up,
4 please?

5 MR. MATEO: The TLC has denied
6 Constitutional rights before, and \$7 million later
7 it is at it again.

8 There is a moral and financial
9 imperative at stake here.

10 I implore you, good people of the
11 Commission, not to be bullied, not to act in
12 haste; to see the dire moral and economic
13 consequences.

14 The TLC is hoodwinking the public.
15 That is consumer fraud.

16 Don't believe the hype.

17 The new Coke was touted as a drink
18 revolution, the Edsel as a car revolution, and the
19 Segue as a new era in transportation.

20 Finally, this is not the America I
21 grew up in, I love. This is not the New York I
22 grew up and love.

23 Preserve that America. Preserve
24 that New York. Stop the insanity, stop the
25 madness, stop the folly.

1 You are arguing about nonsense. It
2 is scrap the crap time.

3 CHAIRMAN DAUS: Next speaker is
4 Bhairavi Desai from Taxi Workers Alliance.

5 MS. DESAI: Good afternoon. I am
6 very glad that we are having this public hearing,
7 because, you know, as you must know by now, this
8 is the single topic that occupies the minds of
9 every taxi driver that is out there.

10 I have been organizing in this
11 industry for almost 11 years now, and I can
12 honestly tell you in all of my years, I have never
13 seen drivers as upset, as outraged as they are
14 over this issue.

15 What really troubles me is that we
16 keep hearing from the Commission that it is a done
17 deal.

18 How can it not matter to you that
19 they are the workers?

20 You know, you can have the
21 technology. It doesn't run the industry.

22 You can have cabs; they don't run
23 the industry.

24 Without the drivers, there is no
25 industry.

1 The idea that you are completely
2 ignoring the fact that they are in great unified
3 opposition to this system I think is highly
4 troubling and, quite frankly, I think is really
5 immoral.

6 In terms of the specific rules,
7 there is nothing in there about safety guards for
8 the taxicab driver.

9 You have essentially put in more
10 technology into the car to make it inoperable.
11 You are increasing the chances of the car becoming
12 inoperable.

13 How that serves the public I have
14 no idea, but I do know that it definitely does not
15 serve the driver, because there is nothing in your
16 proposed rules that says if the system
17 malfunctions and you cannot have it fixed in 48
18 hours, and then the car must be taken off the
19 road, who is going to compensate the taxi driver?
20 Who is going to pay them for the lease money they
21 have already paid up front? Who is going to pay
22 them for the income they lost out on?

23 There is no compensation in this
24 for drivers at all.

25 In terms of the credit card, as has

1 already been mentioned, again, there is no safety
2 net.

3 Drivers continually will be the
4 only ones that are bearing the risks, and they
5 will not be seeing any of the profits from this.

6 You know, you said repeatedly in a
7 lot of your materials that this is a, quote
8 unquote, medallion cost.

9 Again, where is the regulation
10 around this? There is nothing that says that the
11 agent must specify in the contract that the driver
12 is not responsible; nothing.

13 These are just empty words that are
14 put out there so the public can be separated from
15 the drivers.

16 Because I assure you that members
17 of the riding public, they respect taxicab drivers
18 and they would want drivers to earn fair incomes.
19 They would not want to know that drivers are going
20 to be putting out this money for a useless system.

21 You had to require the passenger
22 information monitor to have a mute button and have
23 the ability to switch it off.

24 How on earth does it make sense for
25 you to require such a costly system that you

1 yourself have predicted many people are not going
2 to want to use?

3 That is a complete waste of money.

4 You know, it is one thing, it is
5 one thing to waste your own money, but to mandate
6 that working people would be required to waste
7 their own money is, again, quite immoral.

8 I would also like to say in terms
9 of the advertisement, the money that is going to
10 be coming in, again, where is the public
11 information on this?

12 You know, drivers we know through
13 DOV agreements we have already seen are going to
14 have to pay for this thing.

15 If any revenue comes in, what says
16 they are going to be the ones that should be
17 receiving it?

18 Lastly -- there is so much to say
19 about this, but lastly I want to say --

20 CHAIRMAN DAUS: We would appreciate
21 it if you could sum up.

22 MS. DESAI: I will.

23 The last thing I want to say, in
24 terms of the evaluation, when the TV taxis were on
25 the roads, they took up a full 12-month, 1-year

1 evaluation.

2 Now, we know that is because
3 passengers did not like it. Even when those
4 messages were put in the back seat, passengers did
5 not like it.

6 Here we have a system much more
7 complicated, much more costly.

8 Again, I haven't even gone into all
9 the privacy issues, but all the objections and
10 controversies around it, there has been a 45-day
11 test period out on the streets.

12 I understand there have been focus
13 groups, but that is by no means the same as
14 testing it out on the hustle of the streets
15 themselves.

16 It is not fair that you are only
17 testing this for such a short time period and you
18 are going to require drivers to pay for something
19 that they quite easily -- people are just going to
20 hate to the point that you are going to be forced
21 to pass another regulation that tells them to take
22 the system out.

23 CHAIRMAN DAUS: Thank you.

24 Next speaker I believe is Beresford
25 Simmons.

1 MR. SIMMONS: Good afternoon,
2 ladies and gentlemen. I am a cab driver who has
3 been driving for 35 years in this industry, and I
4 have never seen such a boondoggle since my 35
5 years.

6 Who is going to pay?

7 I want to ask you vendors here, are
8 you guys going to be open 24 hours for the driver
9 who has problems? Have any of you guys ever
10 driven a cab in this city? Do you know how much
11 it costs, how much the owners are going to charge
12 the drivers with the charge card? .2 percent plus
13 3 percent plus ten dollars a week to have the
14 equipment in their car?

15 Come on, baby, that is no good.

16 Now, gentlemen, on that screen in
17 the back of the cab, you know the people are
18 supposed to sit with their seatbelt on. When
19 little Johnny comes in the car and starts playing
20 with those equipment and I step on the brakes,
21 little Johnny's head is going to go through the
22 screen. Who is going to pay for the lawsuit?

23 This is just something from an
24 experienced driver.

25 I am not against the technology,

1 but I am against me as a cab driver has to be
2 paying for all these things that you guys are
3 putting in the cab.

4 Thank you very much.

5 CHAIRMAN DAUS: Next speaker is
6 Bernardo Celerino.

7 MR. CELERINO: Good afternoon,
8 Commissioners. Good afternoon everybody.

9 My name is Bernardo Celerino,
10 yellow cab driver for 20 years. The entire taxi
11 industry petitions not to pass the GPS proposal.
12 We just don't need it.

13 The GPS costs \$5,400. With 13,000
14 cabs on the road, we are talking in a deal of
15 about \$70 million.

16 Please understand that why are
17 people interested in passing this rule?

18 The taxi industry instead demands
19 the enforcement of Local Law number 60 of the year
20 2003, 40 months overdue.

21 Since this law has not yet been
22 enforced, the Driver's Advisory Board cannot
23 express any concern in any Taxi and Limousine
24 Commission regular meeting like this one, for
25 example.

1 I ask Commissioner Matthew Daus,
2 please, what is preventing him, if anything, of
3 enforcing Local Law 60 of 2003?

4 Commissioner, please.

5 CHAIRMAN DAUS: We are not here to
6 talk to you about that Local Law. We will talk to
7 you later about it.

8 MR. CELERINO: Thank you, but I
9 heard the same thing before from you.

10 CHAIRMAN DAUS: We are not here to
11 talk about this particular law.

12 Could you just please give us your
13 comments on this rule, and we will talk to you
14 later about the Local Law?

15 MR. CELERINO: Thank you.

16 CHAIRMAN DAUS: Because there has
17 been some movement on that, and your name has been
18 submitted.

19 MR. CELERINO: You told me the same
20 thing two years ago.

21 CHAIRMAN DAUS: It is the truth.

22 MR. CELERINO: If Taxi and
23 Limousine Commission members have a vote already
24 decided before this hearing, "I will pass the GPS
25 rule," be fair and enforce it from now four years.

1 Thank you.

2 CHAIRMAN DAUS: The next speaker is
3 Jason Schneider from Taxi Technologies, and then
4 Ed Sloam.

5 I am going to announce the next two
6 speakers so if you could just get ready so we can
7 move the hearing.

8 MR. SCHNEIDER: Good morning. My
9 name is Jason Schneider. I am counsel to Taxi
10 Technology Corporation, better known as TaxiTech,
11 and we are one of the four technology vendors.

12 One of our competitors, Verifone
13 Transportation Systems, also known as VTS, is a
14 joint venture between Verifone Holdings and
15 Taxitronic. Taxitronic manufactures meters and
16 controls their protocols.

17 In order for any of the technology
18 products to work, they must integrate with the
19 meter.

20 To date, Taxitronic has refused to
21 enable us to integrate our product with their
22 meter.

23 Instead, Taxitronic and VTS tell
24 taxi owners "You use my meter, and you have to
25 comply with the TLC's new technology requirements,

1 and my technology system is the only one that
2 works with my meter so therefore you have to buy
3 it from me."

4 In antitrust law there is a term
5 for that, and it is called tying. Tying takes
6 place when a vendor requires a customer to buy one
7 thing in order to get another.

8 The vendor ties one product, in
9 this case the taximeter, to another product, in
10 this case the technology system.

11 Tying is considered illegal
12 anticompetitive behavior, violating antitrust
13 laws, if the company that engages in tying is a
14 dominant player in its market.

15 Out of the 13,087 taxis in New York
16 City, Taxitronic has installed 8,000 meters, which
17 makes it a dominant player in the New York City
18 taximeter market.

19 So the TLC rightfully seeks to
20 protect such anti-competitive behavior by
21 Taxitronic, and that is the purpose of proposed
22 rule change to Section 15-44.

23 We welcome the TLC's attempts, but
24 we have grave concerns about the timing.

25 We understand that the TLC

1 currently plans to allow VTS to begin selling its
2 products to taxi owners and only later to require
3 Taxitronic meters to integrate with the three
4 other technology systems. That would allow VTS to
5 engage in tying for a significant period of time,
6 a critical period of time during which VTS will
7 use tying to make sales and to protect its
8 dominant market share.

9 This schedule, as currently
10 contemplated, would render the new rule
11 meaningless and ineffective.

12 If the TLC implements the schedule,
13 in effect, it would be an act by a government
14 agency that lends a hand, almost encourages,
15 anti-competitive behavior by a dominant vendor in
16 the very market that the Commission regulates.

17 To be clear, we support the
18 proposed rule change, but with one critical
19 amendment: The new rules should also specify that
20 no technology vendor may begin to sell its
21 products before all four vendors' technology
22 systems have been fully integrated with the
23 Taxitronic meters which dominate this market.

24 Thank you.

25 Can I defer questions until my

1 colleague has spoken?

2 COMM. DEAR: He is an attorney. I
3 want to talk one attorney to another.

4 MR. SLOAM: I am an attorney too.

5 CHAIRMAN DAUS: You are taking this
6 out of context.

7 MR. SLOAM: I was just speaking I
8 am an attorney too. My comments say good morning,
9 but I will say good afternoon.

10 My name is Ed Sloam, and I am the
11 president of TaxiTech, one of the technology
12 vendors. Our product, E-Taxi, was the only
13 product to receive passing scores on every one of
14 the categories of the passenger surveys conducted
15 by the TLC. Our scores awarded by passengers were
16 40 percent higher than the average of the other
17 three vendors.

18 76 percent of 206 live taxi
19 passengers surveyed stated that our product is
20 excellent. That number is staggering.

21 22 percent said our product is
22 satisfactory, and only 2 percent, a statistical
23 error, said that our product is unsatisfactory.

24 The researchers also noted that if
25 they could correct certain faults in their

1 methodology, then we would have come out even
2 farther ahead.

3 We believe that information should
4 interest the Commission. It indicates that we are
5 the only vendor whose product is very well
6 received by the riding public.

7 Certainly from a public policy
8 perspective, each of you as Commissioners cares
9 about the passenger experience.

10 As the vendor with the technology
11 system that the riding public likes the best by a
12 very big margin, I ask you to make sure that we
13 get fair and equal access to the market.

14 Our corporate partners collectively
15 bring dozens of years of experience with taxicab
16 technology and wireless technology solutions
17 around the world, massive financial stability, and
18 a high level of product reliability.

19 But we are new to New York.

20 The TLC successfully attracted us
21 and our partners to this market, and it looks like
22 we have done something right in terms of pleasing
23 passengers in this city, as we can see in the
24 surveys.

25 So we feel we have strong grounds

1 to make this request.

2 Please do not allow
3 anti-competitive practices by our local
4 competitors to shut us out of this market.

5 If you allow a meter manufacturer
6 that controls the meters in two-thirds of the
7 market to prevent us from working with his meters,
8 that will shut us out. It would be against the
9 interests of the riding public, 700,000 people who
10 take taxis every day and who love our product
11 significantly more than any of our competitors.

12 As our counsel just explained,
13 overall we support the proposed rules, but one
14 simple change would go to a very long way towards
15 accomplishing the goal of fair competition in this
16 project.

17 All you have to do is amend the
18 rules, the proposed rules, to state that the
19 Taxitronic meter integration with all four
20 technology systems is a precondition to being
21 allowed to sell the product to any taxi owners.

22 In the lingo of the project and the
23 terms of the contract, integrating the dominant
24 taximeter brand in the market, which the
25 Taxitronic meter, with all the taxi technology

1 systems, should be a required precondition to the
2 TLC awarding a notice to proceed to any taxicab
3 technology service provider.

4 The notice to proceed is the
5 document that authorizes a technology vendor to
6 begin selling its product.

7 Thank you for your time.

8 Questions? You have a question?

9 COMM. DEAR: Do you want to bring
10 up your counsel, please?

11 You made some very strong
12 statements here. You are saying to us that we are
13 in violation -- if I am not mistaken, it is
14 federal law -- if we are to proceed this way?

15 MR. SLOAM: What I am saying is --

16 COMM. DEAR: I know you are an
17 attorney too. He purported to be your general
18 counsel.

19 MR. SLOAM: He is new to the
20 company. It is his first day.

21 COMM. DEAR: I want to hear it.

22 MR. SCHNEIDER: I can't stand up
23 here and say you are in violation. I think that
24 there is a case to be made. It always depends on
25 the facts and circumstances, and I am not up here

1 to give an opinion of law that these facts are,
2 but what I am saying is that I think there are
3 arguments to be made, and that would be up for a
4 court of law to decide.

5 CHAIRMAN DAUS: Our general counsel
6 would like to, at least for purposes, answer your
7 question, at least give the legal opinion of not
8 only himself but of the Law Department.

9 MR. FRASER: We are obviously not
10 coming to this question cold. We have had
11 extensive discussions with the vendors as well as
12 taximeter manufacturers.

13 The concern that they are raising
14 is essentially that one of the meter manufacturers
15 will not cooperate. This rule terminates the
16 ability of any meter manufacturer not to
17 cooperate.

18 MR. SLOAM: Not before --

19 MR. FRASER: Excuse me, sir.

20 If that taximeter manufacturer does
21 not comply, that taximeter manufacturer loses the
22 right to sell or even keep that manufacturer's
23 taximeters on the road in New York City. That is
24 a pretty heavy duty penalty.

25 The other issue that is being

1 raised is not a rules issue, and I would urge a
2 huge block of salt to be taken when one competing
3 is vendor is arguing about another competing
4 vendor exercising non-competitive practices.

5 I think there is a huge dose of
6 salt interest that needs to be taken into account
7 there.

8 The contract provides that he who
9 passes testing first gets to sell first so what
10 they are asking is that all the vendors be held up
11 until all of them catch up. That is not what the
12 contracts provide.

13 CHAIRMAN DAUS: Doesn't sound very
14 fair to me either.

15 COMM. DEAR: Let's go back --

16 CHAIRMAN DAUS: Big firm, small
17 firm, sounds a little obstructive to me.

18 MR. SLOAM: You let them have the
19 test without following the rules of the contract.

20 COMM. DEAR: Let's go back to the
21 first issue. I want to hear clarity.

22 They are saying there is an issue
23 of violation of federal law. What are you saying;
24 yes or no?

25 MR. FRASER: I am satisfied and the

1 Law Department is satisfied that neither our
2 contracts nor our rules nor both in conjunction
3 violate an antitrust law or any other federal law.

4 COMM. DEAR: They also recognize
5 one company may have an advantage because it is
6 the meter company that owns this system?

7 MR. FRASER: I disagree with you
8 there is an advantage. Every meter company must
9 make its meter available to every vendor who
10 chooses to use that meter when they pass the
11 testing, and the contract provides it.

12 MR. SLOAM: Is that before they go
13 to market or after they go to market?

14 MR. FRASER: When they pass the
15 testing they can go to market.

16 CHAIRMAN DAUS: Mr. Sloam, we are
17 here to take your testimony, not for you to take
18 ours, first of all.

19 COMM. DEAR: I want an explanation.

20 CHAIRMAN DAUS: Let me finish.
21 This is going beyond the discussion.

22 Number two, Chuck mentioned, for
23 the Commissioner's edification, take it with a
24 grain of salt. You have to realize to put things
25 in context.

1 I mean, whether you think it is
2 right or wrong what the first vendor was doing,
3 Taxitronic, they also were the first vendor out of
4 the gate and have a jump because they did
5 everything they were supposed to do.

6 MR. SLOAM: No, they didn't.

7 CHAIRMAN DAUS: That is not what
8 has been reported to me.

9 I understand your concerns about
10 this. I am a little disturbed, quite frankly,
11 that one day people tell me everybody has no
12 problem with changes, that we are trying to work
13 something out, and the next day people called,
14 people are here and things change.

15 That is not the way we do business
16 here.

17 MR. SLOAM: I was very clear on the
18 phone last night.

19 CHAIRMAN DAUS: That is not what I
20 heard, and maybe there was something lost in the
21 communication.

22 I think when it comes down to this,
23 I was the one who originally raised the concerns
24 about the potential tying.

25 I asked Chuck very clearly and

1 succinctly numerous times to get an opinion from
2 the Law Department on the tying issue. I got the
3 opinion.

4 Do you think in your right mind
5 anyone here, morally or legally, that I and this
6 Commission and this counsel, who is one is one of
7 the most -- one of the people I have ever seen
8 with the most integrity is Chuck Fraser -- would
9 come forward and put forth rules that violate
10 federal law?

11 I mean, please, give me a break.

12 MR. SLOAM: Not intentionally.

13 CHAIRMAN DAUS: But it is a legal
14 issue.

15 I don't know if this is the place
16 and forum to work this out, to be honest with you.

17 We understand what you are saying.
18 We will talk about it further.

19 We think we know what your position
20 is, whether it is right or wrong, but just for
21 purposes of some of the comments that have been
22 thrown about here, I don't think it is a very
23 productive discussion, name calling, insinuation.

24 Everybody is trying to do the right
25 thing and fair thing.

1 We are trying to juggle four
2 competing vendors that are under regulation, under
3 contract, and they are trying to get a competitive
4 edge.

5 That is life, that is America, that
6 is what is happening here.

7 We are trying to do the right
8 thing.

9 If we take some of the personal
10 stuff out of it, and some of the whose lawyer is
11 better than mine stuff out of it, maybe that is
12 the way to go.

13 MR. SLOAM: We applaud the effort
14 to integrate the meters. We just want to make it
15 relevant.

16 If it happens after two-thirds of
17 the market has been locked up, it is irrelevant.

18 CHAIRMAN DAUS: Your point is well
19 taken. I just don't want this to devolve into a
20 who is right, who is wrong.

21 This is not the forum for that.
22 You made your point so why don't we move on and
23 get another speaker up here. Thank you.

24 Dave Pollack.

25 MR. POLLACK: Just for the record,

1 I am not an attorney.

2 David Pollack, Committee for Taxi
3 Safety.

4 Comments on the proposed rules have
5 already been sent in by our counsel, but I just
6 want to highlight and add some things that may
7 have been missed.

8 There are some concerns. The
9 3.5 percent limitation that licensed agents can
10 charge drivers is truly not enough to offset the
11 cost involved.

12 Using the TLC's formula of
13 2.69 percent but a 24 cents transaction fee on a
14 nine dollars average fare, the actual percentile
15 cost of a fare to an agent or owner is
16 5.4 percent, substantially more than 3.75 percent;
17 therefore, if the TLC model used an average taxi
18 fare substantially more than nine dollars, the
19 model is flawed, and a higher percentage should be
20 allowed.

21 The Committee for Taxi Safety is
22 requesting a 5 percent charge with a yearly review
23 after MasterCard and Visa posts new annual
24 interchange rates or at any time the TLC reviews
25 the entire technology system.

1 Note a 1 percent driver charge is
2 equal to a dollar for every hundred dollars has in
3 credit card charges; however, for an agent, that
4 1 percent loss is on every \$100 of credit card
5 fares for each taxi operated.

6 Why should the TLC approve a
7 regulation that will cause and cost financial loss
8 to licensed leasing agents?

9 There is a little formula attached
10 there.

11 The regulations should not be
12 promulgated that knowingly will cost any party to
13 lose money. The rules should not be fair to just
14 one party but to all parties.

15 On rule 1-11(g), as we speak new
16 taxis are being hacked-up with partitions and
17 meters that comply with TLC rules and regulations.
18 These same taxis will require the purchase of new
19 partitions with PIMs and possibly new meters when
20 the new technology rules are implemented.

21 For those who have hacked-up within
22 the last six months, we ask that they receive a
23 6-month extension as they have just paid for this
24 same equipment.

25 There is also the same problem for

1 vehicle must be taken off the road, penalizing the
2 driver, penalizing the agent for something which
3 is not our fault, and in that circumstance we ask
4 the vehicle be allowed to continue to be on the
5 road provided that the meter is still operable.

6 With reference to section 2-39,
7 passengers wishing to utilize credit cards,
8 perhaps a pre-authorization should be required so
9 at a destination a credit card charge is not
10 rejected. Surely for long trips or airport fares
11 this, should be done to prevent driver losses.

12 The proposed rules provide that
13 when someone with a disability flags a taxi, the
14 driver is not allowed to place the meter in an on
15 position until the passenger and the driver are
16 both in the vehicle.

17 We believe that this proposed
18 regulation, although seemingly well-intentioned,
19 will actually have an adverse effect on the
20 ability for a person with a disability from
21 utilizing yellow cabs.

22 We believe the driver and the
23 vehicle are and should be engaged from that moment
24 the vehicle is stopped by someone in a wheelchair.
25 If the driver is not paid for this time, you are

1 going to encourage drivers not to stop.

2 There is a practical side to these
3 regulations that needs to be considered.

4 Thank you for allowing me to speak.

5 I did just want to say,
6 Commissioner Giannoulis, just going back, and it
7 has nothing to do with this, the minivans, I am a
8 big guy. I can't get into a Prius, but I can get
9 into a minivan. It is a shame the incentive isn't
10 there for those guys.

11 MR. FRASER: Any questions?

12 Next speaker Luis Espinoza.

13 MR. ESPINOZA: Thank you very much.
14 I am going to read a letter from Councilperson
15 Diana Reyna. It is quick.

16 Dear Chairman Daus, I am writing
17 this letter in response to your agency's proposal
18 of equipping taxis with GPS tracking systems and
19 other interrelated technology.

20 I am deeply troubled by this
21 proposal. I do not see how this project will
22 enhance the quality of life for New Yorkers.

23 Furthermore, I feel that the price
24 tag for this innovation is too steep for
25 hard-working taxi drivers to underwrite.

1 \$5,400 for the GPS device along
2 with \$175 per month for the limited returns of
3 this investment seems like a waste of money.

4 For this proposal to be made while
5 taxi drivers are universally uninsured and
6 overworked seems to be a misguided effort.

7 Taxi drivers suffer from high rates
8 of heart disease and other physical problems.

9 The US Department of Labor reports
10 that taxi drivers are 60 times more likely to be
11 killed and 80 times more likely to be robbed while
12 working.

13 Drivers are also victims of
14 non-fatal assaults second only to police officers.

15 I cannot make my stance on this
16 issue any clearer. I oppose this proposal, and I
17 urge the members of the Commission to vote no as
18 well.

19 MR. FRASER: The next speaker is
20 Michael Levine.

21 MR. LEVINE: My name is Michael
22 Levine. I am president of Ronart Leasing Taxicab
23 Company of New York City.

24 I am also chairman of yellow and
25 checker cab companies of Chicago.

1 You will pardon me. I usually
2 don't actually read my comments. I just kind of
3 make them up as I go along. There is a lot of
4 math here. Everybody else gave you the civil
5 rights stuff. I am giving you math.

6 Altogether I operate about 3,000
7 taxicabs in this country, all of which accept
8 credit cards electronically.

9 My companys did over 20 million
10 dollars in credit card transactions last year. I
11 would venture to say there is probably nobody in
12 this room who has more practical experience at
13 credit card acceptance than I do in taxicabs.

14 I looked over the numbers that the
15 TLC provided us with Ira and Gary I guess two days
16 ago, and we all analyzed them together and found a
17 couple of minor flaws, but it is important to note
18 how credit card transactions work.

19 When a credit card company gives
20 you a number, like the number Gary gave before was
21 1.65 for a small ticket transaction, that is
22 Visa's best number. You almost never get that
23 number.

24 They have a number for their small
25 ticket, which is under 25, a number for their big

1 ticket, a number for somebody who gets mileage on
2 their credit card, they have a different number
3 for a corporate card, they have a different number
4 if you get from like a Bank of Tokyo credit card
5 from Visa or MasterCard you could be paying 2.5
6 percent. That is only for qualified transactions;
7 if it goes straight through.

8 If you have a transaction that
9 doesn't swipe because the credit card doesn't have
10 a good magnetic strip and they have to punch it
11 through by hand, you could pay close to 3 percent.

12 So the 1.65 is a small percentage
13 of the time you actually get to use that number.

14 On top of the percentage the credit
15 card company charges, there are flat fees. Visa
16 may charge 1.65 percent plus a nickle a
17 transaction, and then the bank that is actually
18 processing the transaction may charge you another
19 dime for processing those.

20 Then the vendors are adding like 13
21 cents on top of that, and they may also add a
22 percentage on.

23 By the time you get done, the
24 numbers that you originally quoted look nothing
25 like the numbers you actually see on your billing

1 statements. That is just to start with.

2 Let's assume the TLCs numbers are
3 correct, the ones they are using. They came up
4 with 2.02 percent in variable percentage costs on
5 the credit card charges that will go through on
6 the taxicabs.

7 They also came up with 24 cents in
8 flat fees they say are the average that are going
9 to be charged.

10 Then they said -- they based
11 administrative fees, which would be what my
12 company would have to charge to have one guy --
13 what I do now -- one guy who sits there all day
14 now and does nothing but check out the little tags
15 and handle the charge backs, and then you have
16 more accounting fees, you have more cashiering
17 fees, you have to have your accountants look over
18 your statements three or four times by the end of
19 the month and make sure you get all your charges,
20 which if you don't you have to go back and fight
21 them.

22 It is costing me about \$60,000 a
23 year in New York alone with only 300 cars to
24 handle just credit card transactions.

25 Now, going forward with the numbers

1 that they quoted, they are saying 17 cents for
2 handling administrative charges so their original
3 assumption was that the credit card fare would be
4 \$25, the average credit card fare. That was based
5 on cab companies like my own who are taking credit
6 cards now.

7 The fact is, my credit card, there
8 is a little bit of a swipe that is black on the
9 back of the partition, and most people don't know
10 it is there.

11 The only people that use it -- I
12 got a lot of airport work and stuff like that -- a
13 lot of math here --

14 MR. FRASER: If I may just ask you,
15 I take it you are saying the 3.75 percent charge
16 to the drivers is not sufficient?

17 MR. LEVINE: Even by their own
18 numbers. At \$18 it is the actual --

19 MR. FRASER: How much would you say
20 is what the charge should be capped at?

21 MR. LEVINE: The average across the
22 country based on TLPA results is over 6 percent.
23 Most that have mandated have mandated 5 percent.

24 MR. FRASER: Can you sum up?

25 MR. LEVINE: I can sum up. The

1 numbers -- at the current level, the TLC's number
2 at ten dollars, which is the average regular fare,
3 it is going to cost 5.09. That is with .67
4 percent, which is not quite right.

5 If you go back to 17 cents, which
6 is a flat, not a percentage, that same ten dollars
7 fare gives you 6.12 percent in charges, but if you
8 actually figure out the real costs of the
9 administration, not the cost TLC is assuming, my
10 charge would come out to about 8.82 percent on
11 that ten dollars fare.

12 If you want to take all the
13 administrative costs out and mandate that the
14 vendors now do all that stuff and have the guys
15 back there do it, that is great. Charge me my
16 3.75 percent flat from the vendor. I will pass
17 that right on to the driver, I will be done with
18 it and thanking you forever.

19 If I could go back for two
20 seconds --

21 CHAIRMAN DAUS: We have a dozen
22 speakers to go.

23 UNKNOWN SPEAKER: He could
24 relinquish his time if it would speed up the
25 process. It is covering the same topic.

1 MR. FRASER: Go ahead.

2 MR. LEVINE: The bottom line is the
3 3.75, even by the TLC's own numbers, aren't going
4 to come anywhere near covering the cost of
5 operating these transactions.

6 If you go back to the credit card
7 meters that -- the Taxitronic issue, you don't
8 want to explain from a vendor standpoint so I am
9 going to explain it from a fleet owner standpoint.

10 I have 330 Taxitronic meters in my
11 cabs. If I now go to Verifone and they say my
12 price is \$4000 to get this unit, and that includes
13 the fact I already have the meter, that is great,
14 but if I like somebody else's system and it is the
15 same \$4000, but now I have to buy another \$400
16 meter, that puts me at a severe disadvantage.

17 I have integrated equipment in
18 Chicago and New York, and it takes time.

19 The fact they will now open up
20 their codes, which basically says to another
21 company "This is how my information comes out of
22 my meter," it is going to take another month of so
23 for that company to take those codes and figure
24 out how to integrate it in their unit.

25 Basically you are going to be

1 taking the choice out of my hands as to what
2 vendor I want to use.

3 If I have Taxitronic meters, I am
4 going to be a month behind the ticket before they
5 can even sell me their unit or I have to buy new
6 meters.

7 To go back to the credit cards for
8 a second --

9 COMM. DEAR: Hold it just one
10 second. This is important. This is the first
11 speaker that really clarified the issue.

12 Could you answer that, explain?
13 Because you said that if a meter company does not
14 cooperate, they get hurt.

15 Could you explain, answer him?

16 MR. FRASER: Yes. I mean, the
17 meter company must be licensed by us, and a
18 failure to cooperate, to comply with rules, which
19 this rule would include, would result in penalties
20 up to and including revocation of the license to
21 manufacture and sell meters in New York City.

22 MR. LEVINE: Now you have revoked
23 their license to sell those meters. What happens
24 to the 8,000 of us that have those meters in their
25 cars?

1 MR. FRASER: That is a question I
2 would have to call on Commissioner Salkin or Mr.
3 Goldstein.

4 CHAIRMAN DAUS: Buy new meters?

5 MR. LEVINE: That's right. So I am
6 paying the penalty; not them.

7 CHAIRMAN DAUS: You also have the
8 choice not to sign up with them.

9 MR. SALKIN: One of the concerns I
10 think Commissioner Dear is raising that I think
11 Mike Levine raised is it takes time for
12 integration to happen -- one of the key things
13 raised was it takes time for integration to
14 happen.

15 The way the proposed rules are
16 reading is until -- there are several months
17 actually in which the taxicab meters will be
18 required to figure out a way to become compliant
19 with the vendors before the Commission, which they
20 haven't even done yet, actually mandates that the
21 systems start being installed.

22 There is going to be, I believe,
23 enough time for that to happen so anyone who is a
24 vendor, anyone who has any meter, can say with
25 certainty that the systems will work together.

1 The risk, yes, is that if a company
2 fails to figure out a way to integrate their
3 meter, they would lose, I guess you are saying,
4 their livelihood of -- I heard different numbers,
5 8,000, 6,000 thrown out today. They would lose
6 their livelihood of having all those meters.

7 I guess that is kind of the way the
8 rules are set up. If someone is willing to risk
9 that and go down that road of not being in New
10 York City and that is the new business model, we
11 do have that problem.

12 I don't foresee that happening. I
13 have worked with all the vendors on the meter side
14 and on the vendor side, and there is a level of
15 competition, yes, but there is also a level of
16 cooperation.

17 I think people recognize there is
18 access and benefits in having the whole market
19 compete.

20 I think it is important that the
21 meters are working with the vendors, and I think
22 it is important that before the system is required
23 to go in, that the meters are required to work
24 with the vendors and there is enough time for all
25 that to happen.

1 I believe the way the rules are set
2 up and the time line we envision, that will be
3 able to happen.

4 COMM. DEAR: I would like -- truth
5 is, I am not knowledgeable. This is an impartial
6 guy. He is a buyer.

7 MR. LEVINE: I don't know exactly
8 what --

9 COMM. DEAR: One second.
10 They are making snide remarks, they
11 are laughing. Do you own -- have any interest in
12 any of these companies?

13 MR. LEVINE: No, I do not.

14 CHAIRMAN DAUS: I understand what
15 you are saying. He is impartial with respect to
16 being a buyer, but he also has a business
17 interest.

18 COMM. DEAR: What is the business?

19 CHAIRMAN DAUS: He is concerned
20 about losing money.

21 COMM. DEAR: Exactly. I want to
22 hear him.

23 MR. LEVINE: I have gone through
24 this before with Taxitronic meters and with
25 products -- you know, Mobile Knowledge radios, and

1 it took -- the last time we had to do an
2 integration it took pretty close to a month, a
3 little more than four weeks.

4 You know, I don't know what the
5 schedule is on the legislation, but if you are
6 saying to me that when Taxitronic finishes their
7 test they can now go out on the road, and if all
8 the vendors finish their tests at the same time --
9 just, for instance, they all finish at the same
10 time, now when these other vendors finish their
11 test Taxitronic has to open up their meter stuff
12 to them, that is going to give them a 4-week jump
13 on sales.

14 That is the way I understood it,
15 and I could be wrong.

16 MR. SALKIN: The way it is set up
17 to work, in order for a meter to be licensed, it
18 has to work with the vendor. The time frame for
19 that will be before the taxicabs are required to
20 have the system in their cab, which hasn't been
21 voted on yet by the Commission and will be
22 determined at an upcoming meeting.

23 The idea is, Ira Goldstein referred
24 to a roll-out of about four months. You are
25 thinking something that would start in the summer,

1 I think as the program said.

2 We are looking at a time from today
3 of this discussion until early summer, mid-summer
4 in which everyone has to figure out a way to get
5 this thing integrated.

6 I think I understand your concerns.
7 I think that time frame should be enough time
8 frame for everybody to get that done assuming they
9 are all working cooperatively and working.

10 UNKNOWN SPEAKER: What about the
11 sign-up deadline?

12 MR. SALKIN: The sign-up deadline
13 is a several months process.

14 MR. LEVINE: The original sign-up
15 deadline was saying something about 60 days. If
16 we could have assurances from this group that if
17 we do not have -- if the stuff was not -- the data
18 was not given to all the other vendors in time for
19 them to integrate within that 60 day period, that
20 there would be an extension so we can actually
21 have a choice, a proper choice, that would be very
22 helpful.

23 CHAIRMAN DAUS: That is a fair
24 point.

25 MR. SALKIN: On the 60 day

1 deadline, it is separate than the notice to
2 proceed. It is 60 days so that the owners of the
3 medallions know that they have 60 days to sign up,
4 and that is not necessarily referring to the full
5 length of the time. We haven't hit that period of
6 time, and it hasn't been discussed.

7 MR. LEVINE: I think that would
8 solve the issue.

9 CHAIRMAN DAUS: It is a good
10 suggestion. I am glad you came, Mike. I wish you
11 were here last month. I got your letter.

12 MR. LEVINE: When I was misquoted.

13 CHAIRMAN DAUS: The way it was
14 explained to you that prompted your letter was not
15 entirely accurate. We were having a discussion
16 about the design trust, and things were taken out
17 of context.

18 Your name came up as someone who
19 was sitting on the panel. Somehow that got
20 misconstrued as saying you were the board member
21 that wrote the report, which was not something
22 that I ever said when I looked at the transcript
23 or anybody here.

24 MR. LEVINE: I was also misquoted
25 on this issue as well. It was said -- they didn't

1 use my name, but I gave a speech to the TLPA and
2 said at 5 percent you could make money on these --
3 that is not exactly what said. What I said is at
4 5 percent you have enough money from the
5 transactions to pay for what it is going to cost
6 you to run them so you have the ability to --

7 CHAIRMAN DAUS: I didn't hear that.

8 COMM. DEAR: This was the best
9 presentation I ever had, and it opened my eyes.

10 Please come to other hearings.
11 When it affects your industry, be here to explain
12 it to us.

13 CHAIRMAN DAUS: He usually does.

14 Dr. George Lipsky.

15 DR. LIPSKY: Good afternoon,
16 Mr. Chairman. Good afternoon, Commissioners.

17 My name is George Lipsky. I am
18 Vice President of Research and Development and
19 Operations for Digital Dispatch.

20 Digital Dispatch has been a vendor
21 of equipment servicing taxi market for last 17
22 years. We have been supplying equipment to many,
23 many operators, United States, Canada and many
24 other countries.

25 We are essentially an independent

1 supplier. We are not tied with any taxi
2 operators, we are not tied with manufacturers of
3 the taximeters, okay?

4 This is just background.

5 I just would like to raise a couple
6 of points with you. I don't want to make any
7 speeches.

8 One point relates to the interface
9 between the taximeter and the systems.

10 We strongly believe that the choice
11 should be with the medallion owners. The
12 medallion owners should have clean and
13 unobstructed choice to choose any taximeters that
14 they please, and also to choose the type of
15 systems they are the most comfortable.

16 I believe that choice, as I said
17 before, should be unobstructed, which means that,
18 essentially, the choice of whether a vendor wishes
19 to supply or not really shouldn't be with the
20 vendor, and that is the part of the proposed
21 changes that we don't like.

22 We really would like to, once
23 again, to make that choice clear and free for the
24 users to buy it.

25 The other point would I like to

1 raise is issue of timing of notice to proceed.

2 Yes, we do understand, there are
3 some issues related to whose vendor is coming
4 first, who is other; I don't have details on this
5 one.

6 But, again, the issue here is
7 customer interest, which means the medallion
8 owners.

9 You know, we believe that medallion
10 owners should have free and unobstructed choice to
11 review the benefits of its systems and choose the
12 systems based on the merits what the system offers
13 for the business.

14 Therefore, giving one of the
15 vendors, whether it is us or some other party, the
16 advantage of going ahead, I do believe it taints
17 the area of some medallion owners to make that
18 choice.

19 Thank you. That is all what I
20 wanted to bring for your attention.

21 CHAIRMAN DAUS: Thank you.

22 Next speaker is Julio Alvarez.

23 Jesse Davis?

24 MR. DAVIS: Good afternoon,
25 Commissioners.

1 My name is Jesse Davis. I am the
2 President and COO of Creative Mobile Technologies,
3 the contractor agent for Mobile Knowledge Corp.,
4 who is one of the vendors selected to provide the
5 mandated new technologies as part of the Medallion
6 Taxicab Enhancement Service Company.

7 As a vendor participating in this
8 very rigorous process, I think it is important to
9 provide you, the Commissioners of the TLC, with
10 our thoughts on the taxicab technology rules which
11 are before you today.

12 It is our opinion that the TLC
13 crafted these rules with great thought to the
14 initial guiding principle of this program, dating
15 back to the RFP that was issued in 2005.

16 That guiding principle was a
17 commitment to providing taxi owners and taxi
18 drivers with the greatest possible choice in
19 technology solutions; not to grant a contract to a
20 single provider, not to grant a contract to a
21 single provider that could not support the entire
22 industry, and not to exclude any part of the
23 medallion owner community from equal access to all
24 available choices.

25 Very early on, the TLC wisely

1 adopted the principle that all vendors must
2 welcome all comers, meaning that every vendor's
3 passenger information monitor and technology
4 solutions must be compatible with all medallion
5 taxicabs regardless of what meters are in those
6 cabs or which advertising company the medallion
7 owner contracts with.

8 Based upon this understanding which
9 has been reiterated several times over the course
10 of the last two years, CMT made the necessary
11 investments and built a solution that has the
12 capability to work with all meters. The TLC must
13 now ensure that all vendors receive the necessary
14 tools to complete this requirement; that is,
15 require all meter manufacturers to interface with
16 all PIMs in a timely manner, a milestone that is
17 required but not yet achieved due to a single
18 meter manufacturer's failure to cooperate.
19 Passage of these rules would be the first step in
20 accomplishing that.

21 The proposed rules of section 15-44
22 seek to achieve this kind of totally integrated
23 marketplace that provides owners with equal access
24 to all solutions; a marketplace where owners are
25 provided choice and where no one vendor would have

1 an advantage over another.

2 I will use CMT as an example.
3 Clear Channel, our strategetic partner, has 6,000
4 to 7,000 existing advertising contracts. Although
5 today only taxi top advertising is permissible,
6 many of the Clear Channel contracts provide them
7 with the interior rights as well. The technology
8 contract rightly prohibits Clear Channel from
9 leveraging the contracts to get their clients to
10 sign with CMT and ensures that all owners with
11 taxi top contracts are able to evaluate and select
12 the best solution.

13 While section 15-44 remains silent
14 on a previous requirement that all PIMs must work
15 with all meters -- a requirement CMT fulfilled at
16 great expense -- it does stipulate that all meters
17 must be compatible with all technology solutions.
18 That is extremely important. It is at the heart
19 of the integrity of this process. It creates a
20 level playing field for vendors and allows all
21 medallion owners to choose from all four vendors,
22 all of whom have very different systems.

23 While we support this rule, I
24 implore all of the Commissioners to remain
25 protective of this rule. As far as I am aware, no

1 vendor has cleared stage 2 and received the
2 go-ahead to sign contracts and install devices.

3 And after clearing stage 2, no
4 vendor should be able to sign contracts and
5 install devices until its PIM works with every
6 meter and every meter works with its PIM.

7 That is the level playing field and
8 the competitive spirit of the technology program
9 that this Commission approved, and it is vital
10 that the foundation of this program be kept whole.

11 Thank you.

12 CHAIRMAN DAUS: Thank you.

13 Question?

14 COMM. DEAR: You heard obviously
15 the exchange between Michael, Commissioner Salkin?

16 MR. DAVIS: Yes.

17 COMM. DEAR: Are you satisfied what
18 was a response to Michael's concerns; that would
19 satisfy your issues?

20 MR. DAVIS: With regard to having a
21 vendor not support all meters.

22 From CMT's selfish perspective,
23 that theoretically opens up more of a market share
24 if one vendor chose not go after the whole market;
25 however, that violates what was worked so hard to

1 protect from the owners. They have to be given a
2 choice.

3 Right now Taxitronic has been
4 established in the market. Those people that are
5 not Taxitronic customers have made that choice not
6 to be Taxitronic customers so the market is
7 already split into who they are going to go with.

8 We were required by contract which
9 we all signed to take all comers, which means that
10 we have to have a solution that works with all the
11 people.

12 The taximeter was not part of the
13 RPF. That is part of an existing product.

14 By allowing any one vendor not to
15 integrate with all the meters, you have given them
16 the ability to not take all comers, to limit their
17 market share, and it is less expensive and less
18 risky for you to build a product that only
19 integrates with one.

20 So three of the four vendors
21 undertook the risk and the expense to meet the
22 requirements that were set forth and have an open
23 product.

24 One was given a fast path, an
25 inexpensive and safe way out, and we all had

1 concerns over what if we suddenly faced 13,000
2 people coming to any one vendor because we had the
3 best solution.

4 If Ed's is the best solution and
5 everybody wanted it, could he support all 13,000?

6 If we had the best solution and he
7 came to me -- we all went into this process
8 thinking there would be ten or twelve vendors; not
9 four.

10 When only four came out and the
11 City came back and amended the contract to insist
12 we all take all comers and we were not allowed to
13 adjust our backup, we agreed to that assuming that
14 we would have a level playing field.

15 We were told at that time by the
16 counsel Mark Lindsay, hired by the Commission to
17 negotiate the contract, and Chris Montgomery, who
18 was the project manager at the time, that the
19 meter issue and the taxi top advertising issues
20 were the biggest concern that could make it an
21 unlevel playing field.

22 Because the advertising is a party
23 to the contract, the contract binds them, and they
24 had to give up the right to participate.

25 Because taximeters were not bound

1 by the contract, we were told that that had to be
2 done by rule change to level the playing field,
3 and we were assured by Mark Lindsay and Chris
4 Montgomery in November of 2005 that the rule
5 change would be in so all the vendors would have
6 the opportunity to integrate with all meters
7 before anyone would be allowed, the program would
8 even go forward, let alone get to the stage where
9 we are ready to come out.

10 COMM. DEAR: May I respond to that?

11 Is someone saying -- is that true,
12 what was said?

13 MR. FRASER: I wasn't party to
14 those discussions.

15 CHAIRMAN DAUS: Ira?

16 MR. GOLDSTEIN: The RFP stated it
17 was highly desirable to have all meters interface
18 with all the vendors' products.

19 CHAIRMAN DAUS: So it was an
20 absolute?

21 MR. DAVIS: That wasn't the comment
22 I was speaking to.

23 MR. GOLDSTEIN: There were probably
24 verbal comments made to that effect, but we knew
25 there would be legal issues down the road and that

1 is why the RFP was purposely worded as such.

2 MR. DAVIS: I am not speaking to the
3 requirement saying all vendors --

4 COMM. DEAR: You have an attorney
5 representing --

6 MR. DAVIS: Mark Lindsay.

7 COMM. DEAR: -- this agency, right?
8 Is he here, Mark Lindsay?

9 MR. GOLDSTEIN: He was outside
10 counsel.

11 COMM. DEAR: He is not here, right?
12 This is important. It is a very serious
13 statement --

14 CHAIRMAN DAUS: He works in
15 Washington DC, and he was hired for a short period
16 of time.

17 COMM. DEAR: Another fancy lawyer.
18 You couldn't get someone from Brooklyn Law School?
19 What is wrong with that?

20 MR. DAVIS: As far as what it has
21 come to today, basically just to explain the
22 position --

23 CHAIRMAN DAUS: Can I ask you a
24 question? Did you or did you not say that this
25 rule change the other day was acceptable to you?

1 MR. DAVIS: Absolutely never did.

2 CHAIRMAN DAUS: Did any of the
3 other vendors say so as well? Because I am
4 getting misinformation about this.

5 COMM. DEAR: Good morning.

6 CHAIRMAN DAUS: Did they or did
7 they not? Did I misunderstand?

8 MR. GOLDSTEIN: There were
9 comments --

10 CHAIRMAN DAUS: Were there
11 comments, or was there an agreement?

12 MR. GOLDSTEIN: -- that they
13 thought this was a good way of solving the
14 problem.

15 CHAIRMAN DAUS: From everyone?

16 MR. GOLDSTEIN: Not everyone.

17 CHAIRMAN DAUS: That is something I
18 did not know.

19 MR. GOLDSTEIN: Not everyone, but
20 in this case, yes.

21 COMM. DEAR: What do you suggest we
22 have to do, in two sentences?

23 MR. DAVIS: It is a timing issue,
24 and from a timing issue I am very concerned about
25 delaying the program, I am very concerned.

1 In fairness, the way the program
2 was structured, all of the vendors were given
3 equal opportunity to hit certain milestones, and
4 if you hit those milestones you would be allowed
5 to go forward. That is a fair milestone.

6 We can adapt what Andy has
7 suggested for the meter and tweak it a little bit,
8 and what Ed suggested for the meter.

9 CHAIRMAN DAUS: Isn't that outside
10 the rules process?

11 MR. DAVIS: Now you want to amend
12 the rules. First of all, you have to amend the
13 rule to require to a taximeter to work with all
14 the vendors. We haven't been given the time to do
15 it.

16 Based on the way the timing is, if
17 you gave me a notice to proceed tomorrow, with the
18 amount of focus I would have to do on
19 installations, I can't guarantee when I can get to
20 my three, four, five weeks of work on the meter,
21 nor can the meter manufacturer guarantee me today
22 that his product, the way it stands today, is
23 capable of interfacing with my product without him
24 doing development.

25 All the other meter manufacturers

1 had to do development on their product. No
2 proprietary information was exchanged.

3 We designed and discussed an
4 interface. We came up and said the City requires
5 these events to happen, this information to be
6 communicated, here is how it has to work.

7 We worked cooperatively with the
8 other meter manufacturers and designed a generic
9 interface. They implemented their code, we
10 implemented our code. They could both be
11 independently verified. We put them together.

12 We worked together to debug the
13 little misses until we got it right, and it
14 worked.

15 The other meter manufacturers --
16 nothing proprietary was exchanged in the whole
17 process, which was misinformation that has been
18 put out there.

19 COMM. DEAR: Can we go along with
20 that?

21 CHAIRMAN DAUS: Understood.

22 COMM. DEAR: Is that an issue we
23 can go along with it?

24 CHAIRMAN DAUS: I think we should
25 hear from the remaining vendors too.

1 Thank you, Mr. Davis.

2 Joe Giannetto?

3 MR. GIANNETTO: Good morning,
4 Commissioners.

5 My name is Joseph Giannetto. I
6 represent the Metropolitan Taxicab Board of Trade.

7 As I have testified in the past,
8 MTBOT supports improvements and technology that
9 serves to enhance the delivery of taxicab service
10 throughout New York City.

11 We have actively participated and
12 contributed to the research and discussion in
13 connection with the Taxicab Technology System
14 since the beginning when this Commission mandated
15 service enhancements at the public hearing in
16 March of '04.

17 Three years later, and obviously
18 after a tremendous amount of work by the TLC, its
19 staff and this Commission, we are at the threshold
20 of implementation, but our taxicab operators are
21 very anxious and they are very nervous, because we
22 have yet to be presented with the actual costs of
23 purchasing, operating and maintaining these
24 systems.

25 And in the absence of that

1 information, we are faced with the most
2 problematic component of these rules, and that is
3 the limitation on what an owner may charge a
4 driver for credit card transactions.

5 We don't necessarily object to the
6 cap itself, but 3.75 percent is too low, and it
7 doesn't come close to covering the average cost of
8 credit card acceptance.

9 Even according to the TLC's own
10 calculations presented today, the estimated cost
11 of credit card acceptance on the average New York
12 City taxicab trip is 5.1 percent.

13 Today's rules proposals will
14 undoubtedly impact the cost of our operations.

15 According to information on the
16 TLC's website, for a fleet of 100 taxicabs, the
17 overall costs can be between \$290,000 and almost
18 three-quarters of a million dollars.

19 This does not include the
20 significant integration and administrative costs
21 as well as the cost of the new partition.

22 It is important to note that the
23 TLC has stated many times in the past that the
24 cost for this initiative continues to be financed
25 by passengers in the form of a rate of fare

1 increase and shall continue to be paid for by this
2 on going generation of revenue.

3 While the 2000 -- the 26 percent
4 fare increase in 2004 has had a positive effect on
5 the taxicab industry, it should be noted again,
6 especially for those that weren't there at the
7 time, that 85 percent of the fare increase went
8 directly to drivers who also benefited from a one
9 dollar rush hour surcharge.

10 Recently drivers benefited
11 100 percent from the wait time fare adjustment.

12 Again, during the eight years prior
13 to the 2004 fare increase, taxicab owner operating
14 costs have skyrocketed, and the relatively small
15 adjustment to the lease cap did not significantly
16 offset those costs, which continue to rise, nor
17 will it cover the cost of the taxicab technology
18 system, which, if you recall, we were told would
19 cost \$1,500.

20 While we fully expected that owners
21 would bear most of the cost burden of the system,
22 it was made clear to the industry that drivers
23 would bear their fair share of the costs
24 commensurate with the benefits derived from the
25 fare increase as well as from the technology

1 system itself.

2 All we are doing is we are simply
3 asking the Commission to better balance the cost
4 between taxicab owners and drivers.

5 If the Commission wants to protect
6 the drivers by placing a cap on the amount an
7 owner can recoup from a driver for credit card
8 transactions, then it must be certain that that
9 cap allows for room for a fair recoupment of costs
10 for owners.

11 At the minimum, we want to be
12 assured that we can cover ours cost.

13 As was stated before, the cost for
14 the average New York City taxicab trip is about
15 ten dollars, and according to the calculations
16 today, if that fare was to be paid for by credit
17 card, the average cost of processing that credit
18 card transaction would amount to 5.09 percent.

19 As Mike mentioned, according to the
20 Taxi and Limousine Paratransit Association 2006
21 fact book, taxicab operators across the country
22 that accept credit cards and charge their drivers
23 a fee, charge on average 6.72 percent of the total
24 fare.

25 It is also important to note, if I

1 CHAIRMAN DAUS: No. Did you do any
2 actual data samples yourselves?

3 MR. GIANNETTO: I don't know if you
4 are referring to the average cost of a taxicab
5 trip. If the average cost of a taxicab trip,
6 which, by the way, this whole initiative was
7 premised on, was premised on a small ticket
8 category. It was told to the vendors that the
9 average fare in New York City is ten dollars, 9.61
10 right now after the fare increases.

11 We got them to buy into the fact
12 that this is a small ticket category and so if you
13 do the TLC calculation on a ten dollars fare, you
14 come up with a 5 percent credit card cost.

15 To use a \$25 fare is not fair, and
16 we know what the trend is as we have seen it in
17 McDonalds, as we have seen it in convenience
18 stores.

19 The small ticket category is
20 probably the fastest growing category in the
21 credit card business today, and everybody in this
22 room expects that the average fare that will be
23 paid for by credit card is going to be closer to
24 ten dollars than closer to 25; therefore, our
25 percentage costs will increase.

1 One last thing. The prevalence of
2 rewards cards today, some people estimate that 15
3 to 40 percent of all transactions are used on
4 rewards cards, which is just going to further
5 increase the costs passed along from the vendors
6 to us.

7 We won't know, as Michael said, we
8 won't know what our credit costs are until after
9 settlement occurs, if it is an international card,
10 if it is a mid-qualified card or a non-qualified
11 card.

12 We understand there is a lot of
13 competing interests in this room. To be fair and
14 to better balance the cost of the required service
15 enhancements, in light of those competing
16 interests of all the stake holders, we are simply
17 asking the Commission to be fair and consider a
18 cap of no less than 5 percent, which would mirror
19 the current costs.

20 Thank you.

21 CHAIRMAN DAUS: Thank you much.

22 Savas Konstantinedes?

23 UNKNOWN SPEAKER: He gave his time
24 to Mike.

25 CHAIRMAN DAUS: Thank you. We

1 appreciate that.

2 Paul Gilman?

3 MR. GILMAN: My name is Paul
4 Gilman. I am a licensed medallion driver. I have
5 been driving for over 19 years now, and I think
6 this whole thing is outrageous that we have to be
7 forced to use credit cards, because when we -- you
8 know, they tell us -- they give us this nice
9 chart, pay 1.1 percent, and then we find the true
10 cost is over 5 percent.

11 Say half your jobs are, you know,
12 credit card jobs so you bring in about 250, \$300
13 so you have to pay 5 percent of that, and that is
14 including the lease fee, and these guys who get
15 the 5 percent, they don't lift one bag, they don't
16 drive a passenger, they don't take any of the
17 risk.

18 We are taking all the risk, yet
19 they are taking a piece of our money for doing
20 nothing but sitting on their asses, and that is
21 wrong.

22 We are doing the work, and they are
23 keeping the money. That is not fair. That is not
24 right. That is immoral, that is restraint of
25 trade.

1 We are talking about our right to
2 do business and the way we want to do it.

3 This is not a question of safety or
4 health; this is a question of how we do business.

5 You do not have a right to
6 legislate that.

7 We are talking about free trade
8 agreements here, restraints of trade, all this
9 kind of crap, but yet you violated it by forcing
10 us to do stuff we don't want.

11 That goes for E-Z Pass. We should
12 have the right to collect the money in our own
13 way. That is our prerogative, not yours.

14 Second, with GPS we know very well
15 the privacy issues. They have been talked about
16 ad nauseum.

17 I worked for a black car service at
18 one time. They gave me -- they had GPS. They
19 sent me to Williamsburgh to pick someone up at
20 Peter Lugers.

21 I am sitting there waiting for the
22 client.

23 They thought I was in New Jersey.
24 The thing doesn't always work.

25 In England if you go above a

1 certain speed limit, they will send you a ticket.

2 What if the thing is not working?

3 Your word against a machine?

4 That is not right. How are they
5 going to sort all this out?

6 You are mesmerized by technology
7 like it is going to solve all the problems.
8 Technology has created problems; it doesn't solve
9 all the problems.

10 I am going to give you a parable.
11 When they were having the space age a long time
12 ago, the astronauts were trying to figure out how
13 to do the ball point pens in gravity, like they
14 wouldn't write with zero gravity because you try
15 to write upside down.

16 They spent two, \$3 million to get a
17 pen that would work in space.

18 You know what the Soviets did?
19 They used a pencil.

20 We use pencils. That is good
21 enough. We don't need no GPS. GPS is not for the
22 drivers.

23 I can tell you when we had the
24 computers in the back seat? Passengers didn't
25 like it. That is down time for them.

1 One last thing I want to sum up.
2 Right now you are controlling us through GPS and
3 all of that. They are going to be making it
4 mandatory in all your cars; it is not going to
5 just stay limited to us. You are driving on a
6 slippery slope. You are going to be forced to put
7 GPS in your car.

8 You go over a certain speed limit,
9 you double park, you are going to pay the penalty
10 eventually too.

11 Right now we are the canaries, but
12 this gas is going to bomb all of you.

13 Don't think you are going to get
14 away with it.

15 It is not me that is going to do
16 it. You are supposed to know better.

17 You are supposed to go to college
18 and read the Constitution. I don't know what the
19 hell happened to you guys.

20 CHAIRMAN DAUS: The next two
21 speakers are Mor Thian and Osman Chowdhury in that
22 order.

23 Mor Thian?

24 UNKNOWN SPEAKER: He had an
25 emergency and had to leave.

1 CHAIRMAN DAUS: Sorry to hear that.

2 Osman is not here?

3 MR. CHOWDHURY: Hi. Good

4 afternoon. My name is Osman Chowdhury.

5 Chairman Daus and Commissioners, I
6 would like to thank you for giving me the time
7 last month to honor me for returning the diamonds
8 when the passenger left my taxi.

9 This honor not for me; all for New
10 York City, those are driving, brother and sister;
11 goes to all of them. They are sharing with me.
12 All taxi drivers are honored working hard, seven
13 days, 24 hours shift.

14 I can say something about GPS, like
15 lost and found for a party, the GPS you can send a
16 text message, the lost and found for a party, but
17 that is not a solution.

18 The easiest solution, when you shut
19 off the meter, you get a back light giving a
20 powerful light and you are going to see what stuff
21 they have inside.

22 Now they shut off the meter, from
23 the back seat, very dark.

24 When you shut off the meter the
25 back seat has the powerful light, people can see

1 what stuff they had. Now I shut off the meter,
2 bad light, nothing light there. You don't see
3 anything.

4 The easy solution, meter, lost and
5 found property.

6 Another thing, sometimes a party,
7 some passenger, notified me "I found some things."

8 Okay, they are given to me. I
9 tracked down and give to them.

10 Sometimes some passenger wants to
11 keep the stuff. "I found in the back seat
12 property," a passenger found it, sometimes they
13 wanted to keep it. I said "No, it is not your
14 property. You cannot keep it. Give it to me so I
15 can track down."

16 Also, the passenger can notify TLC
17 or anyone they found some property, they give it
18 to the driver. We need a solution on this thing.

19 Also, sometimes you put the text
20 message to send the driver somebody left stuff on
21 the seat. That I don't know anything about. They
22 took it. I saw lots of things.

23 How can you text message taxicab?
24 Driver doesn't know. How can you solve this
25 problem?

1 Also, sometimes -- last year I go
2 to the station and I gave them the return.
3 Sometimes a doorman is there waiting. I give it
4 to them; empty handed back. I don't mind.
5 Sometimes ten dollars, times \$20, sometimes \$50.
6 I don't care about -- we feel anything found,
7 return to them. Text message is not the solution
8 to everything.

9 The other point, GPS, the problem
10 is midnight, driving night driver, 3:30,
11 4:00 a.m., four people came. One guy wanted to
12 sit in front seat. I refused them because they
13 are drunk.

14 I don't take them.

15 They are going to make a complaint.

16 What reason? They are drunk.

17 Because I know they are talking --

18 I told them now you can go in the back seat.

19 No, no, they wanted the front seat.

20 I refused them.

21 GPS is going to accept a rider?

22 This is not a solution.

23 Midnight, other place in the far
24 away, you go there, only one credit card, go to
25 the destination, no authorization, what can I do?

1 Then I am losing the money.

2 Thank you.

3 CHAIRMAN DAUS: Thank you for doing
4 what you did. You made all of your fellow drivers
5 very proud.

6 Congratulations. I hope you got
7 the invite to the driver ceremony.

8 The next two speakers are Lawrence
9 DiMatteo and Dick Thaler.

10 MR. DI MATTEO: Good afternoon.

11 My name is Lawrence DiMatteo. I
12 have been a cab driver for almost seven years.

13 I got several points. One, am I
14 going to have to be listening to advertising with
15 this stuff? Because to me this is a very serious
16 workplace issue, okay? It is like torture to have
17 to listen to this stuff all the time.

18 Also, it is a safety issue. It is
19 distracting, taking up my mental space. I have to
20 be concentrating. I am going milliseconds all the
21 time. I don't need to be listening to this crap.

22 It is also -- and it blocks also my
23 ability to hear my environment, okay? Which is a
24 very serious safety issue.

25 This is important. For what;

1 advertising? What does that have to do with cab
2 rides?

3 I mean, it is not intrinsic to cab
4 riding. You are really moving away from the
5 center here.

6 Also, my second point, why couldn't
7 we have a credit card reader, instead of all this
8 big expensive stuff, have a credit card reader and
9 a hundred dollars a year cell phone that connects
10 to one phone number for one car. You can call the
11 car, which I think your system can't do, for all
12 this Mickey Mouse technology and you can't do it?

13 One cell phone for \$100 a year, you
14 can call the car. If there is something lost or
15 you have to contact us, and -- like Cab Watch, but
16 just a little bitten enhanced.

17 One hundred dollars a year max,
18 probably much lower. You could do that, but you
19 want all the fluff.

20 Next point, I think you ought to
21 put it to a vote for the drivers. I think this is
22 somewhat a real -- you really are kind of riding
23 over us, you are riding roughshod over us, steam
24 rolling it, this is inevitable, we can't stop, all
25 the rest, okay?

1 This is not fair to us.

2 We don't have any representation.

3 We don't have a single official who represents our
4 interests, okay? You represent the riders, but
5 not us.

6 We need an official who represents
7 us.

8 I think the Mayor should address
9 that, City Council should address that.

10 We need somebody to represent our
11 interests because we have nothing.

12 This is the perfect example. All
13 the cab drivers are showing we really, really hate
14 this, and you don't give a damn.

15 Thank you.

16 CHAIRMAN DAUS: Mr. Thaler and then
17 Ajay Gupta.

18 MR. THALER: Good day.

19 The aspirin dosages you referred to
20 earlier are likely to increase.

21 I would like to refer to some
22 highlights in my written comments that have been
23 submitted to the record and refer to some comments
24 made earlier.

25 First, I am very, very happy that

1 some of the vendors have raised an
2 anti-competitive issue. Now that that is out of
3 the closet, I would like to raise two more
4 anti-competitive issues that I was not prepared to
5 talk about, because if it walks like an
6 anti-competitive issue and walks like it and talks
7 like it and smells like it, perhaps it is.

8 The first one, as I remember, is on
9 page 33 of the contract between the vendor and the
10 city refers to no-fees payable.

11 In the no-fees payable provision it
12 says that in consideration for restricting the
13 market, which goes back to in my view the
14 unjustified use of the innovative procurement, in
15 consideration for receiving data, the TLC will
16 restrict the market and provide for additional
17 benefits or encourage additional financial
18 benefits for the vendors.

19 The next one is perhaps even more
20 serious. In the last Commission meeting, I think
21 the whole idea of advertising, interior and
22 exterior was considered, and because it is being
23 considered, new approvals for rooftop signs are
24 being frozen. You can't get a new rooftop sign
25 approved.

1 Well, this to me is a tremendous
2 anti-competitive force related to the program.

3 Right now the most significant
4 source of enhanced revenue, as you call it, is on
5 the roof.

6 So an individual vendor can't come
7 and get approved their rooftop sign.

8 What you have is a de facto
9 monopoly rooftop sign vendor is protected because
10 he happens to be in an exclusive subcontract with
11 one vendor, and I assure you the deals that that
12 subcontracting arrangement will provide for might
13 be better than any of the other deals.

14 I don't know why advertising for
15 the roof that is approvals for new rooftop signs
16 can't be considered along with this program.

17 I would like to refer to a few
18 things that I have referred to in the written
19 comments.

20 First, the definition of a
21 merchant. When you have an agent fleet operator,
22 the merchant of record acting as the merchant with
23 respect to the card issuer rules and so on, what
24 it turns out, there is then a legal connection
25 between the merchant and the passenger, because he

1 is the guy, the merchant is the guy, that honors
2 the cards, and in consideration for delivering a
3 service in this case, transportation services,
4 gets paid.

5 There is a legal link so it is a
6 legal fiction that the lease agent or fleet
7 operator is delivering the transportation
8 services, yet there is a legal link.

9 I really wonder if the trial
10 lawyers are lining up to get their hands around
11 this one.

12 In terms of --

13 CHAIRMAN DAUS: You can sum up.

14 MR. THALER: The sum-up is in the
15 written record.

16 Thank you very much for your time.

17 CHAIRMAN DAUS: We actually had
18 your comments in advance and distributed them.
19 The Commissioners did read them.

20 Thank you.

21 We have two more speakers, Ajay
22 Gupta, and the final speaker is Byron Corcoran
23 from Centrodyne.

24 UNKNOWN SPEAKER: You missed me.

25 CHAIRMAN DAUS: We will take a

1 ten-minute break.

2 Actually, what we should do is --
3 let's conclude this. If you were on the list --
4 because it is all discombobulated now -- I can't
5 make heads or tails out of this.

6 I have two more speakers on this
7 list that I think want to speak, but if you were
8 on the other list, if you could sign up now and
9 when we start in ten minutes that will be the end
10 of the hearing, whoever is on this list.

11 (A recess was taken.)

12 Ajay Gupta, and next speaker is
13 Byron Corcoran.

14 Good afternoon.

15 MR. GUPTA: Good afternoon, Mr.
16 Chairman, Commissioners.

17 I want to request to be very
18 practical and realistic about the GPS system and
19 technology.

20 I am against the GPS, and my points
21 are, tracking the taxicab by GPS technology will
22 take away the privacy of driver and passenger.
23 Which way we going, which way we coming?

24 I think it is a very uncomfortable
25 feeling.

1 If the credit card or debit card
2 will bounce or denied, and the passenger says "I
3 don't have the cash," and then the taxi driver has
4 no way but to let him go and lose the money.

5 Regarding the GPS unit \$5,400 cost
6 and \$175 monthly maintenance, you say that the
7 medallion owner or broker will pay the bill, but
8 in my twelve years experience, the medallion owner
9 or broker will never pay any penny regarding the
10 taxi expenses.

11 My broker increased at least \$22
12 from this Monday, and I can guess it is because
13 the cover of that \$5,400.

14 If the GPS system broke down, then
15 we have to stop work. Just be practical. It
16 won't be fixed in 48 hours because of technology.
17 We have to find the real mechanic, real master of
18 that, but the broker wants the lease, and he will
19 take away the car in the middle of the job, and we
20 will lose the job, and our family will lose the
21 support, the livelihood.

22 Regarding the trip sheet, in
23 childhood, if you remember, if you write down
24 anything, you remember more of that word, that
25 sentence rather than any other way means to

1 remember. That is why I prefer trip sheet.

2 Also, it is useful to enhance the
3 beauty of writing, increase the handwriting, and
4 it is very important that you have a good
5 handwriting.

6 Regarding the big screen in the
7 back, as you remember, if a person watches just in
8 front of him a big TV screen about 1 foot,
9 one-and-a-half foot, in the long run he will lose
10 his vision. It will damage his eyes, and we don't
11 want a passenger to lose his vision.

12 Also, New York City is a very fast
13 lifestyle. We live a very fast pace.

14 But since we have no time or don't
15 bother with the computer -- he wants to talk on
16 the cell phone about the business deal, a million,
17 2 million. He wants to talk to his wife, his
18 child who is sick, he wants to talk to his
19 colleague about what is going on in the stock
20 market.

21 This is not making any sense; it is
22 just a distraction to the passenger.

23 CHAIRMAN DAUS: As he is talking on
24 his cell phone.

25 MR. GUPTA: And then about the --

1 want to start with where Chairman Daus started.
2 He said the technology is very complex. Yes, it
3 is.

4 There is no way this technology can
5 work without data being collected.

6 The TLC has been trying to convince
7 everybody that the only data the TLC is going to
8 collect is the beginning of trip, end of trip,
9 trip sheet data, but there is no way this
10 technology can work unless the data is being
11 collected, that the data is being generated, held
12 in the box, inside the cab and then transmitted at
13 a frequency of anywhere between four to 12
14 seconds.

15 That is data about the driver's
16 movement, the cab movement, all of that is being
17 collected at some frequency between four seconds
18 to 12 seconds that is going to be held by a
19 private agent, and that becomes in all
20 probability. Nothing is clear in the rules, and
21 that in all probability becomes the private
22 property of the private agency.

23 We have been talking about privacy.
24 We have been talking about protecting people's
25 privacy, the drivers and the passengers, but there

1 is nothing in the rules.

2 The TLC told us that there are some
3 special provisions in the rules that have been
4 created to protect the privacy of the driver and
5 protect the privacy of the passenger.

6 There is nothing in the rules -- we
7 can go through it clause by clause -- there is
8 nothing in the rules that does anything specific
9 to protect privacy of the passenger or the driver
10 when information is being collected at a rate of
11 somewhere between four seconds to 12 seconds.

12 That information becomes private
13 property. That information is information the
14 driver loses control over. That information is
15 information that the passenger loses control over.
16 That information is information that will be sold
17 in the flea market, and that information is what
18 will finally destroy the privacy of all drivers
19 and passengers in the city.

20 Just go through the clause by
21 clause. It is a boiler plate definition of
22 privacy.

23 I am a professor of information and
24 communication technology. A lot of the modern
25 scholarship on this is happening right now. Every

1 new technology project is fully filled with the
2 concept of how to do incremental work on the issue
3 of privacy.

4 There is not one iota of
5 incremental work in these rules.

6 Let me tell you a second thing
7 about this, if you don't mind granting me another
8 minute.

9 This technology, the fundamental
10 assumption that all the people in this room seem
11 to be sharing is this is an aggregate piece. Not
12 at all. The GPS signal has nothing to do with the
13 credit card transaction. The credit card
14 transaction has nothing to do with the PIM.

15 So for this technology, to protect
16 privacy, pull things out. You have implemented
17 rules little by little, and you can do it again
18 when you actually pay attention to all of this and
19 actually ensure that the good rules are created if
20 at all, so they can ensure the technology program
21 is really worthwhile, that it does something for
22 the people it claims it is going to be doing
23 something for.

24 One last thing, which is simply
25 this: Lost and found -- this is addressed

1 especially to you, Commissioner Dear. You said
2 this technology will help us find lost and found.

3 Can you believe that this
4 technology will not do one more thing for lost and
5 found?

6 Lost and found depends on three
7 simple rules: Any lost and found system in the
8 world will tell you it is recall, recovery,
9 return.

10 The GPS system does nothing for
11 recall. You can do something very simple, put a
12 weight sensor in the trunk or put a switch in the
13 trunk so when you put a bag in the trunk, you
14 switch the switch on.

15 An alarm goes off in the back cabin
16 when the ride is over. That is recall.

17 Put a system of two mirrors that
18 can look at the back seat -- wait a minute -- look
19 at the back seat --

20 CHAIRMAN DAUS: Can you sum up,
21 please?

22 MR. MATHEW: I will be done in 30
23 seconds.

24 Put a system of three mirrors and a
25 light in the back seat, and you will be able to

1 scan in that back seat five seconds after a
2 passenger leaves, and therefore turn around and
3 say "Hey, you left your wallet behind."

4 All of these technologies I am now
5 suggesting costs not more than \$100. Instead you
6 are putting a \$5,400 monster which does nothing
7 about either recall or recovery.

8 That is what this technology is
9 about. It is a sell-off and nothing more than
10 that.

11 I think you should examine the
12 rules in far greater detail than we have been
13 given an opportunity to do and stop these rules
14 from moving forward.

15 CHAIRMAN DAUS: The next speaker is
16 Morcelino Hervias, and the next speaker after you
17 is Krishna Goswami.

18 MR. HERVIAS: Commissioner,
19 Commissioners, my name is Morcelino Hervias. I
20 have been in the business for the last 24 years,
21 and what I would like to say is about -- I am
22 listening to everybody up here saying technology
23 is great, and I think it is great, but why should
24 it be imposed to the drivers, all the drives like
25 myself? Where are the monies going to come from?

1 We just got a raise a couple of
2 years ago, and waiting time a couple of months
3 ago.

4 What it does, instead of me working
5 six days a week and half a shift Sunday, and now I
6 work five days a week and Saturday half a day.

7 Many years ago I didn't mind.

8 Now I have two kids. My kid is
9 eight years old, and he complains about I am not
10 spending time with him.

11 Sunday comes, he says, "Daddy, you
12 tell me we are going to the park."

13 What I want to do, I want to sleep.

14 Now, you think that I work 10, 12
15 hours? I do work 12, 14 hours a day four days a
16 week.

17 Friday I work from six in the
18 morning, and I am getting home by 11 or 12.

19 It takes a lot of discipline, a lot
20 of responsibility.

21 Now, on top of this technology,
22 maintenance comes. Why don't we talk about TLC
23 helping us or showing us how to fund a college
24 fund, IRS or some kind of pension?

25 I mean, my age, you know, I look

1 19, but I am not 19. I mean, talking to my
2 friends, we already have, a lot of us, prostate
3 problems. We don't have enough time to go to the
4 bathroom.

5 And expenses, how is it going to
6 increase my pocket? I don't -- I mean -- now,
7 again, I not against technology, but if it is
8 good, it will get there.

9 They said it is wonderful, but let
10 the free markets run by itself. Let the
11 competition say "Hey, Mr. Driver, you run want to
12 run my advertisement? Here is my advertisement,"
13 whatever you call it, "and \$100 on top of it. You
14 run my advertisement."

15 Well, I say, "I will think about
16 it," because actually I, myself -- talking for
17 myself -- I don't need any of those things. I
18 like to talk to my passenger and show the way I
19 go, tell them the time it is going to get from one
20 point to another, and if they are tourism I like
21 to show my city, which I probably do. I know my
22 city well.

23 If there is some complaint about
24 drivers not knowing how to get from point A to
25 point B or they don't speak the language, it is

1 not the taxi industry's fault. It is the Taxi and
2 Limousine Commission's fault, whoever is issuing
3 the license.

4 Now, there is a remedy for
5 everything. Why don't you come up with some kind
6 of book or magazine, pamphlet, saying "Hey,
7 Mr. Driver, this is what you got to do. You got a
8 passenger in your car, hello, how are you, how are
9 you doing" so we can communicate much better.

10 Believe it or not, even if you told
11 them a joke, something, your tip is going to be
12 much better.

13 Not this technology they are going
14 to waste -- sometimes what if I am in heavy
15 traffic and suddenly moves and the guy is punching
16 buttons or whatever is there, and then suddenly
17 somebody is jay walking and I got to brake?

18 They are going to hit the screen.
19 Who is going to be liable? I am going to be
20 liable; nobody else.

21 Thanks so much. That's all I have
22 to say.

23 CHAIRMAN DAUS: Thank you, sir.
24 Thank you for your patience.

25 Mr. Krishna Goswami, and the next

1 speaker is Victor Salazar.

2 MR. GOSWAMI: Thank you very much
3 for giving me a chance to speak to you regarding
4 this problem, which I will speak the same issue
5 which was speaking previously.

6 I would request you first not to
7 allow GPS in our system. We are already suffering
8 for cabs, which is the engine problems. Every
9 time we have a problem, we have to go back to the
10 garage to fix it. We waste our time.

11 The meter has the same problem. We
12 will have to go back to the garage to fix it and
13 they will send us to the meter shop.

14 We spend our time. The garage
15 gives us credit for five dollars an hour, but we
16 pay \$20 an hour including our gasoline, plus we
17 don't make money that period.

18 Now, the thing is, if I have to
19 install it, if you allow me to do it, of course I
20 will have to do it if it is your rules, but if it
21 is break down by somehow, by drunk people -- I
22 have passengers drunk -- who put the leg on the
23 screen -- forget about the brake. If I brake,
24 they will do it, but they put the leg or foot on
25 the screen where it is partition.

1 Now, if it is break down or I park
2 the car on the street when the shift is finished,
3 the next partner is coming to pick up the car, he
4 will see that GPS is broken, meter is broken, then
5 his shift will be finished and also we will suffer
6 from that if I am a private owner.

7 Now, the thing is, instead, I would
8 request you to install a camera with a recorder
9 which will save our life, also people who are
10 sitting in the cab which will help you, help me,
11 help the city, help USA.

12 That is all I would say. Thank you
13 very much.

14 CHAIRMAN DAUS: Thank you.

15 Mr. Victor Salazar, and the next
16 speaker is Ronald Blount.

17 MR. SALAZAR: Hello. Good
18 afternoon, everybody. I am an owner operator.
19 That means that I am a driver with a dream, and
20 the reason I refer to my job as a dream is because
21 it started with an auction, and during the auction
22 it was said in the papers the driver has a dream
23 first, but we have to face reality on top of that.

24 Now, I never expected the fact that
25 once I purchased a medallion, you know, that a

1 taxi commissioner is going to keep on increasing
2 the price of the medallion, and for sure as a
3 driver, I am totally opposed to GPS.

4 One thing I know is the GPS is
5 definitely against our constitutional right. In
6 order to protect our property, I think we have
7 every constitutional right to do so.

8 I hope that the Taxi and Limousine
9 Commission look upon us in a humane way rather
10 than pieces of a chess, you know --

11 I know the Taxi and Limousine
12 Commissioner, we felt like he abandoned us as
13 drivers, and we would like to look upon our
14 conditions of work like my friends referred
15 before, and that is one thing.

16 Another thing is about credit
17 cards. If I go to a restaurant and if my credit
18 card doesn't work, I don't think the restaurant is
19 going to be closed, but I don't see why should
20 drivers have to stop picking up fares because one
21 passenger's credit card doesn't work?

22 The GPS is simply injecting more
23 anguish and more problems to all of the drivers,
24 and in doing so it affects the cost of the
25 maintenance of driving the taxi and medallion.

1 As an owner I tell you it is very
2 expensive. My dream, actually, has become like a
3 nightmare because it is very expensive.

4 Like my other colleagues say, we
5 all have families, and we need to maintain a
6 certain order with us.

7 About technology, I think cell
8 phones work very good in giving the text messages.
9 If there is lost and found property -- I receive
10 sometimes some calls from the TLC on my cell phone
11 asking me to eventually return or to check the
12 van, whatever.

13 So far it works very good instead
14 of GPS.

15 That is all I can tell you.

16 One thing, Taxi and Limousine
17 Commission, I can see it is more or less like Taxi
18 and Limousine Corporation, because I see you guys
19 talking about percentages and vendors, and
20 everyone is kind of in an arena here trying to
21 sell whatever, the technology, which doesn't
22 really help at all.

23 That is basically what I have to
24 say.

25 Please, don't abandon us, the

1 drivers.

2 CHAIRMAN DAUS: Thank you for your
3 time.

4 Mr. Ronald Blount, and the next
5 speaker is Luis Molina.

6 MR. BLOUNT: My name is Ronald
7 Blount. I am from Philadelphia from the Taxi
8 Workers Alliance of Pennsylvania.

9 I am here just to say the problems
10 we are having in Philadelphia with the GPS system.

11 We had a Taxitronics system down
12 there, and at any given day 10 percent of the cabs
13 are down.

14 On my phone right now today I have
15 five or six calls, the problems they are having in
16 Philadelphia with this GPS system.

17 The system goes down, the meter
18 goes blank, the driver has to argue with the
19 customer over the fare. The customer says "I am
20 used to paying seven"; the driver says "No, you
21 have to pay eight."

22 At the end of the day the driver
23 has to go back and argue with the medallion owner.

24 That is credit card money that is
25 being lost. He just bunches all the credit card

1 payments to the driver all at once.

2 It is up to the driver to try to
3 itemize where the money is.

4 They are telling the drivers, or
5 they are trying to calculate the hours the drivers
6 are working, and the machine is sometimes telling
7 the driver he worked 12 hours already when he has
8 only been out there three hours.

9 I am going to say at least
10 10 percent of the taxi drivers in Philadelphia
11 have quit, and the whole industry has been
12 volatile over the whole year; strikes, protests.

13 In fact we had a strike like last
14 month at the airport. I don't see no end in
15 sight.

16 Maybe you guys might want to take a
17 look in Philadelphia and might not want it to go
18 ahead and happen in New York.

19 That is all I got to say.

20 CHAIRMAN DAUS: Luis Molina, and
21 then and Abdul Qayyum.

22 MR. MOLINA: Good afternoon,
23 Commissioners.

24 Luis Molina, president and ten year
25 veteran yellow cab driver and proud member of the

1 New York City Taxi Workers Alliance.

2 I almost forgot that I am a member
3 still.

4 I have seen them grow in eight
5 years, and they have become not a group; it is an
6 insult. We are a union, and you need to deal with
7 us as such.

8 Let me make several important
9 references with regards to both the economic and
10 moral reasons why I am against the GPS system.

11 First of all, I am a lease driver.
12 I lease from Checker Management. My nut is 1,120
13 a week for seven days.

14 Imagine what I have to go through
15 without any health insurance, without any
16 benefits, okay? No sick time, no sick leave, no
17 time off for my family.

18 My body is tired, okay?

19 I am saying this: With reference
20 to it benefits the brokers, the garages and the
21 principal people and players that are behind the
22 deal, and it puts drivers' lives at risk, because
23 if the lease goes up against, it is going to pay
24 for -- it is going to go against the drivers.

25 GPS will be an added burden on top

1 of the lease we already have to pay.

2 They have raised our leases
3 arbitrarily. I think some of them are in
4 violation against your rules and they should not
5 have raised the leases.

6 They need to dispatch TLC
7 inspectors to investigate the garages and shut
8 down some of these garages in violation of the
9 leases that have gone too high.

10 Drivers will not be helped with
11 their leases. It will go up, and if they add on
12 the burden for us to pay for the GPS system, we
13 are going to work more than 12 hours. We are
14 going to work 14 or 15 hours. Unheard of in the
15 United States.

16 This is a form of extortion.

17 I would like to make some final
18 comments on this.

19 What the Taxi Workers Alliance and
20 what common sense people of the Central Labor
21 Council and everybody from A to Z that believed in
22 the unionization of yellow cab drivers is this:
23 The decent thing the Commission can do is to have
24 a rule put in that says that the brokers and the
25 garages and yourselves are to pay for drivers'

1 extra a month?

2 I am going to have a heart attack
3 before I ever see another shift.

4 My life is at risk as it is, you
5 know, dealing with sometimes irate passengers that
6 are very disrespectful, and some of the very
7 racist comments against drivers of color.

8 I hear the most outrageous comments
9 that they say against my brothers and sisters
10 behind the wheel.

11 And I don't think you realize also
12 that there is probably 2 percent of women drivers
13 that drive behind the wheel. What happens if they
14 stop working? They still have the burden to pay
15 the lease, and on top of that the GPS maintenance
16 a month? That doesn't make sense, it doesn't make
17 sense.

18 If your wives had to drive a cab
19 tomorrow, they are going to pay \$175 for a GPS
20 system that is not certain to work?

21 I mean, that is common sense
22 prevailed. Let's have health care instead in the
23 rule.

24 Please, think of me.

25 CHAIRMAN DAUS: Thank you, sir.

1 The next speaker is Abdul Qayyum,
2 and then Michael Higgins, and then one more
3 speaker after that, the final speaker Kevin
4 Fitzpatrick.

5 MR. QAYYUM: Good afternoon.

6 My name is Abdul Qayyum, and I am
7 driving a taxicab since eight years. I do have a
8 GPS and credit card system since one year. I do
9 not like the GPS because this is interfering in
10 our privacy.

11 The credit card always we have a
12 problems, whether a communication error, blah blah
13 blah.

14 I am paying at least \$15 a week for
15 the GPS plus 5 percent on the credit card.

16 Sometimes we have a request from
17 JFK or La Guardia. We go out of town.

18 What happens? GPS says
19 communication error.

20 The passenger shows us a card.
21 What are we going to do if communication error?
22 We have to wait or lose the money.

23 I do not like the GPS.

24 Credit card only -- I do like
25 health insurance.

1 If you could do something for the
2 driver, whether he have a heart problem, kidney
3 problem, diabetes, back pain from the cab.

4 We only need health insurance; no
5 credit card.

6 I have not more than five times
7 credit card problems. I lost more than 250 to
8 \$300 to the credit card system.

9 Nobody paid me, credit card system,
10 even my broker, even TLC. No benefit.

11 Thank you for listening.

12 CHAIRMAN DAUS: Thank you.

13 Michael Higgins?

14 MR. HIGGINS: Good morning,
15 everybody. First of all, good afternoon,
16 Commissioners.

17 At the risk of damning Chairman
18 Daus with faint praise, I would like to say he is
19 one of the best commissioners we have ever had.

20 CHAIRMAN DAUS: Well, I got one
21 person clapping.

22 MR. HIGGINS: You are upgraded to
23 smattering.

24 Also, with the credit card, I sell
25 advertising for a living so the sell on getting

1 cab drivers to take credit cards is this: I have
2 a great idea. I am going to show you how to make
3 5 percent less money. What do you say? If I sold
4 my product like this, I would be out of business.

5 I would ask anybody trying to pitch
6 the credit card program to show -- all together,
7 class -- the drivers how to make more money for
8 taking credit cards, and show them if they are
9 spending 5 percent of their money or losing 5
10 percent of their money, that there is a way for
11 them to make more money accepting a credit card.

12 That hasn't been done. That is why
13 they are upset.

14 As far as the TV monitors, the
15 gentleman brought up a good point. I have seen
16 one of the monitors situated below the partition,
17 and the passenger literally has to lean up to the
18 monitor so whether you want to put some more
19 padding around it, or whatever you want to do --
20 that is lawyers in love with the positioning on
21 the monitors.

22 I had a couple of insurance
23 executives say the same thing to me so it is not
24 just me spouting it out.

25 Also with content, we have two

1 channels bragging about exclusive content. Last I
2 checked on Cable TV, we had 175 channels.

3 To me it begs the question -- I
4 also besides having a newspaper, I have a radio
5 show and Cable TV show.

6 If I wanted to put content on these
7 devices, how do I do it? Do I have to go through
8 two guys, or is there going to be some fair play
9 involved with me providing content as well if they
10 go on tabs?

11 Last but not least, there was a big
12 fiasco a while back on the New Jersey turnpike
13 where tickets were written based on the E-Z Pass
14 where if it took nine minutes to get to a certain
15 point on the Jersey Turnpike, and the driver did
16 it in eight, he would instantly be issued a
17 summons based on the time of his ticket on the
18 Jersey Turnpike.

19 The question, and the reason you
20 had 400 people standing in front of the TLC in
21 15-degree weather about the GPS, on the rare
22 occasions where a driver goes faster than 30 miles
23 per hour on Park Avenue, will the GPS be used to
24 give him or her a ticket?

25 If the driver is going faster than

1 40 miles an hour on the FDR Drive, will the driver
2 be given a ticket based on GPS technology?

3 Chairman Daus, since you are one of
4 the top attorneys in the city, if not the top
5 attorney -- no problem with that. It is true --
6 since you know how to write the rules, what would
7 the language be to assure these drivers that if
8 they going 31 miles an hour on city streets, that
9 they are not going to lose their hack licenses?

10 CHAIRMAN DAUS: Trying to flatter
11 me to answer that?

12 MR. HIGGINS: I am just trying to
13 get you to answer that.

14 CHAIRMAN DAUS: I think we are on
15 record what we intend to use it for.

16 MR. HIGGINS: Could you please
17 explain to me and to the drivers? We are outside
18 in the cold.

19 CHAIRMAN DAUS: Data.

20 MR. HIGGINS: Data?

21 CHAIRMAN DAUS: We are looking for
22 data. We are certainly going to use it the next
23 time we have a fare increase discussion. We are
24 going to get not samples; we are going to get
25 data. We are not going to be looking at John Doe

1 and Jane Doe and where they went; only for the
2 purpose of retrieving lost property.

3 As Chuck Fraser pointed out
4 numerous times, it is in the contract, in the
5 contract between the city and the vendors that it
6 cannot be used for any other purposes other than
7 stated therein.

8 Even though some people testified
9 about the privacy issues, even though it is not in
10 the rules, it is in the contracts, which is the
11 place where it should be, and that is where we
12 stand.

13 UNKNOWN SPEAKER: We haven't seen
14 it.

15 CHAIRMAN DAUS: We can give you a
16 copy. It is public record.

17 MR. HIGGINS: The vehicle, the
18 automatic red light flash cameras send tickets to
19 the vehicle owner. They can say this vehicle was
20 going 35 miles an hour in a 30 mile an hour zone,
21 and the owner would get a ticket as well.

22 CHAIRMAN DAUS: That I am not sure
23 about, but we will talk --

24 MR. HIGGINS: You should clarify it
25 as much as possible.

1 CHAIRMAN DAUS: We will talk to the
2 DOT Commissioner. She is an expert in that area.
3 She understands how the cameras operate. I don't.

4 MR. HIGGINS: If you clarify that,
5 it goes a long way, because they are worried about
6 getting their license taken away --

7 CHAIRMAN DAUS: It has nothing to
8 do with this system. You are asking questions
9 about the red light cameras.

10 MR. HIGGINS: I am asking questions
11 about GPS technology.

12 COMM. GIANNOULIS: Red light
13 cameras take pictures of license plates, and then
14 DMV figures out who the license plate belongs to,
15 and they send them a ticket.

16 MR. HIGGINS: GPS can be used to
17 see if a guy or a car for that fact is speeding.
18 If the speed of the vehicle is 31 miles per hour,
19 it can be used against the driver, correct or not
20 correct?

21 COMM. DEAR: The law right now is
22 in order for someone to be taken up on charges, or
23 to be ticketed and summonsed, has to be the person
24 who is issuing a summons has to personally observe
25 it. It can't be a friend of his or anything like

1 that. There is nothing you can do with that right
2 now the way the law is written.

3 CHAIRMAN DAUS: Thank you very
4 much, Mr. Higgins.

5 Our last speaker, Mr. Kevin
6 Fitzpatrick.

7 MR. FITZPATRICK: Hello. How is
8 everybody doing?

9 Actually, I just have a couple of
10 questions, and it is about who is going to pay for
11 these things?

12 Now, the TLC says that the
13 medallion, the medallion owner is going to pay for
14 GPS. That seems pretty clear.

15 But I have heard talk that on DLVs
16 they are making the driver -- not the medallion
17 owner -- the driver of the car pay for the GPS
18 units.

19 Now, I would just like a
20 clarification on that.

21 You know, David -- you are a top
22 honcho in the Committee for Taxicab Safety. Are
23 guys made to sign contracts to that effect?

24 MR. POLLACK: No, not that I am
25 aware of.

1 MR. FITZPATRICK: That is all I
2 wanted to know. Everybody have a nice day.

3 CHAIRMAN DAUS: That conclude our
4 hearing.

5 MR. POLLACK: I would just like to
6 respond to that.

7 CHAIRMAN DAUS: Very briefly.

8 MR. POLLACK: \$800 is the lease cap
9 to lease a DOV medallion, and no member for the
10 Committee for Taxi Safety is charging more than
11 \$800 for the medallion lease.

12 CHAIRMAN DAUS: A little bit off
13 topic.

14 It has been a very, very long day.
15 First and foremost I want to thank our
16 Commissioners for their patience. We didn't
17 expect -- we expected a big turn out, but not as
18 big as this.

19 It has been over six hours since we
20 have been here. Some of the people on this podium
21 are not feeling well and they came here and have
22 endured this, and I thank you for that.

23 It has been rough. When you are
24 not feeling good and you have to sit for six hours
25 straight and not get paid for it, I certainly

1 appreciate that.

2 I want to thank Helene for -- it is
3 a long time to be doing this for six hours with
4 minimum break so thank you.

5 On these rules I want to open it up
6 for discussion, but I want to make a few comments.

7 I have had some discussions with
8 Commissioners and thought about some of the things
9 and comments.

10 I have three items that I think --
11 unless Commissioners have other ideas -- three
12 items that have really come up as part of the
13 discussion and deliberation and the comments we
14 received that are non-priority items in terms of
15 the timeline for getting the project done so there
16 is really not a rush for us to vote on it in terms
17 of the project.

18 The first is with regards to credit
19 cards. Drivers, you know, we hear you. I
20 understand your concerns.

21 Granted there has been an
22 incredible amount of revenue that drivers are
23 earning now compared to what they did before
24 thanks to this Commission, yet at prior Commission
25 meetings -- I need to remind people, because I

1 reviewed the transcripts myself -- the last two
2 times we voted on this, the first time when we
3 actually did this three years ago and the second
4 time when we had some other technical amendments,
5 Commissioners gave our staff specific instructions
6 to make sure they did everything they could to
7 minimize or reduce the costs that would have to be
8 paid for the drivers.

9 And they did that, and they have
10 come up with some estimates. They came up with
11 3.75 percent.

12 On the other hand, there is some
13 very interesting and valid points being raised by
14 some members of the industry about what are fair
15 estimates based upon data and standards across the
16 United States.

17 I think the answer could be
18 somewhere in between.

19 I think I would rather, since we
20 have the ability to get hard data, not necessarily
21 have to rely on those estimates.

22 Since we have time, I would like to
23 recommend we use the data testing going on right
24 now as well as some of the data we were recently
25 given by the industry.

1 I would like to use the beta
2 testing data as one mechanism for us to determine
3 what the credit card usage is and what the average
4 fares are.

5 On the other hand, look at some of
6 the new data we got and come up with a fair and
7 reasonable and appropriate percentage.

8 I guess the first item that I am
9 recommending is that we from the rules table that
10 for further research and for additional data
11 gathering.

12 Item two, there was a proposed
13 amendment that was put forward by staff and by
14 Mr. Fraser that he mentioned at the beginning when
15 there was considerable discussion about the
16 compatibility issues.

17 It is mostly my fault, quite
18 frankly, because in allowing that amendment to go
19 forward at this point, it was based upon a
20 misunderstanding that is my fault.

21 I had basically understood and
22 thought that all the vendors were in agreement on
23 it, not to say that that should be the standard,
24 but I think there has been enough debate, enough
25 issues raised that I think we should table that

1 the legalities, I would like to revisit any issues
2 that are coming up.

3 I think, most importantly, it is
4 not whether someone gets a competitive edge; it is
5 whether they get an illegal or unfair competitive
6 edge.

7 The very essence of competition is
8 they should have a competitive edge if they have
9 done things the right way as opposed to people who
10 weren't competing as well.

11 I think we have to -- I would
12 recommend that we table that and revisit this.

13 The final thing I am proposing, the
14 final non-priority thing but we could actually
15 vote on this aspect of it today, is an amendment
16 to the rules regarding the 90 day provisions.

17 Commissioner Dear, you want to
18 explain what you had in mind?

19 COMM. DEAR: In the provisions
20 right now, and it is a one-shot deal, is when this
21 plan is implemented, if a car is up for retirement
22 at a certain time, according to the rules now, the
23 proposed rules, it is 90 days.

24 If it is not within 90 days, they
25 have to go ahead and put in this equipment prior

1 to 90 days, and 90 days later when they get a new
2 car, they have to reinstall this equipment at a
3 considerable amount of money.

4 What I am proposing, and making an
5 amendment -- do we have to make a motion on this
6 too?

7 CHAIRMAN DAUS: We can make an
8 omnibus motion, I believe.

9 COMM. DEAR: Instead of 90 days, it
10 would be six months.

11 CHAIRMAN DAUS: Does anybody have
12 any issues with that?

13 I think that is fair to the driver.

14 I guess what the motion on the
15 floor is as amended by Commissioner Dear, that we
16 adopt the rules as written with the exception that
17 we table the provisions for now on the
18 3.75 percent credit card piece, that we revisit
19 the issue of any provisions that are in the rules
20 regarding the amendment that was proposed, as well
21 as the compatibility issue, and that we enact a
22 provision that would provide for six -- if you are
23 going to retire your vehicle within six months,
24 you can wait until you get your new vehicle to put
25 the system in. I think it is fair.

1 The other rules being passed would
2 ensure the project moves on and we meet other
3 deadlines.

4 These things we have some time,
5 because we don't need until the time we actually
6 come back here and set a date, which the
7 Commission will be voting on a date in the future
8 when this has to go into every cab.

9 On or before that time, obviously
10 we can come back with some of these issues.

11 That is what the motion is.

12 Do you want to make the motion?

13 COMM. DEAR: I make a motion.

14 CHAIRMAN DAUS: Second for the
15 motion?

16 All in favor?

17 (Chorus of "ayes".)

18 It is unanimous.

19 We will ask counsel to try to
20 figure that out.

21 When we publish the final rules,
22 those provisions will be taken out.

23 A couple of other things. Various
24 Commissioners have brought up some good ideas as
25 part of this proposal process. It is not part of

1 these rules, but we will consider them.

2 Number one, there are credit card
3 stickers that are on the sides of some of the cabs
4 that have this. I am not sure if it is too big,
5 too small, if it is in the right place.

6 I think there is a fair point to be
7 had that a part of this excessive credit
8 card/debit card project is people use it and there
9 is awareness.

10 Certainly at the beginning of the
11 project I think there is some value to having
12 aesthetically appropriate and functionally
13 appropriate placement of the sticker that says
14 that this cab takes these credit cards.

15 I think it is a good idea and would
16 like to ask staff to work on a proposal on how
17 big, where, and if they think it is a bad idea
18 they can come back and tell us it is a bad idea.

19 I think it is certainly something
20 worthy of some discussion.

21 I would like to see the vendors,
22 and I think we all would like to see the vendors,
23 explore the use of the bevel on the outside of the
24 PIMs as potential, you know, use of static
25 advertising if that will, in turn, hopefully

1 benefit them so it will cost the drivers and some
2 of the owners less money.

3 I think that is something that
4 should be explored. I would love to see some
5 analysis from staff on how much they think that
6 would save in terms of the project.

7 Certainly last but not least, and
8 this is more of a comment, I mean, moving forward
9 with this project, I think, I implore the vendors
10 to work with each other and work with us on this
11 to make it happen.

12 I understand some of the attorneys
13 and some of their clients and some of the business
14 interests that may exist in any business context,
15 but this is a big project, and we thought it would
16 be in the best interests of the public to have
17 more than one vendor.

18 This way if one vendor has a
19 problem, there will be other options to choose
20 from.

21 From the good of multiple vendors
22 comes competition, which always hopefully drives
23 the price down.

24 I guess the one word of advice and
25 the one request I have is everybody kind of slap

1 some water on their face and say look, this, even
2 though it was a great public forum to discuss the
3 issue, a lot of the issues could have been
4 hammered out between the vendors and the staff,
5 and I would appreciate it if they did that,
6 because I would like to come back to the
7 Commissioners and have them say everybody is on
8 the same page.

9 If we can't do that, I think it is
10 important, and I would implore the Commissioners,
11 as they indicated they wanted to do today, to do
12 the right thing.

13 If we can't work it out when we
14 come back, we are going to do what we believe is
15 the right thing even if that means that one or two
16 of the vendors may strongly disagree and it may
17 not be in their interests.

18 I don't know if anybody feels the
19 same way, but that is how I feel.

20 Anybody have any comments?

21 COMM. AROUT: I have been in this
22 Commission probably going on 20 years in October.
23 It seems like yesterday, and I have never seen a
24 reaction as I have seen today of the drivers and
25 the owners, et cetera, that are looking to help

1 each other.

2 This Commission is helping you out
3 there, even though you might not know it.

4 Somebody said out there that this
5 gentleman up here is the best lawyer he has ever
6 met. I think he is the best chairman I ever
7 worked under. He is just fantastic, and he will
8 do a great job with all the people he is working
9 with.

10 They really go out of their way to
11 do the right job for everybody so I would give
12 them a round of applause.

13 CHAIRMAN DAUS: Thank you,
14 Commissioner Arout. Those were very kind words.

15 Any other comments or issues?

16 Commissioner Dear?

17 COMM. DEAR: We have gone through a
18 long day today and the staff has really worked
19 hard. We are trying to work this process. We
20 have come a long way since your predecessor and
21 others where there is an involvement with the
22 Commissioners, which I applaud, and I always
23 continue to work towards that and with the public
24 having real input.

25 I just wanted to clarify something.

1 This Commission now in the last four years has
2 done for drivers more than any other Commission
3 has done in the past. We have given them two
4 increases. They are doing well.

5 In fact, they are doing so well the
6 garages are telling me they have sort of a
7 shortage of drivers, because now instead of
8 working six days a week, the drivers want to work
9 five days a week.

10 So obviously something is
11 happening, and I believe when --

12 CHAIRMAN DAUS: Could we have
13 quiet, please?

14 COMM. DEAR: You give somebody
15 something and they spit it right back at you.

16 I just want to quote -- I remember
17 Mayor Ed Koch, he used to say piggy, piggy piggy.

18 This is unbelievable. They have
19 gotten something, and in return we get blamed, we
20 get criticized, we get everything.

21 The more you give them the more we
22 are going to get criticized.

23 We are going to continue doing the
24 right thing for the drivers, and that is what we
25 are here for.

1 I appreciate the work I do, and I
2 appreciate my colleagues on this Commission.

3 CHAIRMAN DAUS: Thank you,
4 Commissioner.

5 Last but not least, I want to thank
6 the members of the public and especially the
7 drivers for being here.

8 You may not always agree with us,
9 but we appreciate your patience and we appreciate
10 your input.

11 COMM. DEAR: I make a motion to
12 adjourn this meeting.

13 CHAIRMAN DAUS: All in favor?
14 (Chorus of "ayes.")

15 CHAIRMAN DAUS: Motion passes.

16 (Time noted: 3:27 p.m.)

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CERTIFICATION

I, HELENE GRUBER, a Notary Public
within and for the State of New York, do
hereby certify:

THAT the foregoing is a true and
accurate transcript of my stenographic
notes.

IN WITNESS WHEREOF, I have hereunto
set my hand this ___ day of _____, 20

Helene Gruber, CSR

