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NYC TAXI AND LIMOUSINE COMMISSION
PUBLIC MEETING
held on Thursday, May 8, 2008
40 Rector Street
5th Floor
New York, New York

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1 Public Meeting convened at 11:05 a.m:

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P R E S E N T:

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4 MATTHEW W. DAUS, COMMISSIONER/CHAIR

5 ELIAS AROUT, COMMISSIONER

6 HARRY GIANNOULIS, COMMISSIONER

7 IRIS WEINSHALL, COMMISSIONER

8 EDWARD GONZALES, COMMISSIONER

9 JEFFREY KAY, COMMISSIONER

10 CHARLES FRASER, GENERAL COUNSEL

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1 CHAIRMAN DAUS: Good morning
2 everyone. We are going to get started. Could
3 everybody please take their seats. I am going
4 to proceed to item 1 on the agenda, the
5 Chairman's Report.

6 Again, this month, for the second
7 month in a row, I have very sad news. The
8 Driver of the Year of 2004, Ernesto Sopiko,
9 has passed away. If you remember, this is the
10 gentleman who returned the Micronesian black
11 pearls that were valued at over \$78,000.
12 Mayor Bloomberg presented him with the award
13 at our annual ceremony.

14 Unfortunately, he died of colon
15 cancer at the age of 51. Not many people knew
16 about it, he kind of kept it a secret from his
17 family and friends, except for his mother.
18 And he died last week in the Philippines.

19 It's a terrible tragedy, and I just
20 want to basically thank him and recognize and
21 give tribute to his life right now. He really
22 was a fantastic guy, he captured the hearts of
23 all New Yorkers, and he basically put such a
24 positive face on all of our wonderful drivers.
25 And we mourn his loss and I just want to ask

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1 everybody to take a moment of silence in his
2 memory.

3 (Moment of silence.)

4 CHAIRMAN DAUS: Thank you. We are
5 going to try to see if there is some way we
6 can continue to honor his memory at our annual
7 ceremony every year with a special award or
8 other recognition in his name.

9 Going on to other business. We have
10 completed our Medallion auction. It was very
11 successful. We anticipate that closings will
12 be taking place in the next few weeks. We did
13 have a record bid of \$1,312,000 for a mini
14 fleet. That is an all-time record. It sadly
15 comes to an end.

16 If you have been following us, this
17 is the second series of auction we have held
18 since the Great Depression. Of the various
19 lots that we have been selling over the last
20 couple of years, this is the end. So I want
21 thank all the hard-working staff. They did a
22 tremendous job. The industry, the brokers,
23 the lenders.

24 We basically got it down to clockwork
25 with the help of folks like the Department of

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1 Investigation who helped us with our integrity
2 and security practices, and just everybody.
3 It couldn't have gone smoother. Every time we
4 kept getting better at it, and the results
5 speak for themselves. They speak, I think, to
6 the health of the industry. And we thank
7 everybody who bid, because basically you are
8 helping us and the city and the disabled
9 community as well.

10 86 wheelchair accessible vehicles
11 brings us to a total of 231 fleet-wide, which
12 is more than any United States city. And as
13 we proceed to implementing a dispatch program
14 and providing better service for people with
15 disabilities, we thank you, all of the winning
16 bidders, and congratulations.

17 I was with the Mayor on Tuesday. He
18 signed a new law, it is called Intro 256, in
19 the City Council. It is too much to go into,
20 a lot of minor points, but most of them are
21 codifying some of our best practices with
22 respect to adjudication. I think the one
23 thing that stood out for me is not only
24 formalizing a lot of the reforms and ideas
25 that we have put into place over the years,

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1 which is great because now it is in the local
2 law and can't be touched except for an act of
3 legislature.

4 But also there is an interesting
5 provision in there about ways we can further
6 protect consumer and visitor rights. Right
7 now we have a process where affidavits are
8 submitted if visitors file complaints against
9 our licensees. And now we are exploring more
10 efficient ways of using technology, including
11 teleconferencing and video conferencing as
12 well, in lieu of actual live testimony. And
13 we are going to explore that also for the
14 convenience of the industry as well.

15 There may be ways that we can look
16 into where if it is inconvenient to defend
17 yourself at a hearing, and you waive your
18 rights, maybe you can, instead of coming in
19 and testifying, testify over some type of
20 video conference link, if you choose. We are
21 actually looking at a pilot program, thanks
22 to Commissioner Arout, in Staten Island. And
23 that is something we are trying to get off the
24 ground soon.

25 So congratulations to Council Member

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1 Martinez and the Speaker on the Mayor signing
2 of the bill.

3 The Technology Enhancement Project,
4 just a quick update. We have exceeded the
5 10,000 cab mark. We are now currently at
6 10,773 cabs have been equipped. As of last
7 Friday, May 2nd, that was the deadline for all
8 the taxi technology customers to have a signed
9 contract in place. We are track at this point
10 for 100 percent compliance, hopefully, by the
11 end of the summer.

12 There are a couple of things going on
13 that I would like to report on with the
14 project. First, all of our enforcement and
15 inspection numbers indicate continued high
16 level of compliance. Some interesting
17 ridership and fare numbers. In March '08
18 alone, 1.1 million credit card transactions
19 representing about 14.6 million, and close to
20 13 percent of the total number of trips.
21 Again, the average tip continues to be in the
22 18 to 20 percent range, which is more money
23 for the driver.

24 To date, the TLC has conducted over
25 14,000 system tests, and they have revealed an

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1 overall average compliance rate of 98 percent.
2 So the program is going well. I want to thank
3 everybody who is working on it. Not everybody
4 agrees with that. We had some Council
5 testimony. If you would like to read my
6 Council testimony at an oversight hearing we
7 held May 1st, it is in back. It is
8 on our website, it kind of speaks for itself.

9 On Taxi of Tomorrow some very
10 encouraging news, we have had 217 downloads
11 for our Requests For Information. We have had
12 20 responses to the RFI and we have had
13 responses from several major manufacturers who
14 have indicated an interest. So that is good
15 news. Our next steps now are going to be
16 formulated in conjunction with the Mayor's
17 Office of Operations, the consultant that we
18 hired and the stakeholder committee, who, I
19 believe, met yesterday.

20 At some point we will be bringing
21 some recommendations before the Commission on
22 how we should handle this, and I will keep you
23 posted on that.

24 Operation Secret Rider continues to
25 be a success. The numbers continue to be

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1 good. Right up in the high 90 percent range
2 for complying with all of our passenger Bill
3 of Rights. But one of the things that I think
4 was brought out at the Secret Rider, now that
5 it has been working, there seems to be another
6 issue that has been reported to me that I
7 wants to address.

8 If you remember back after 9/11,
9 there was a tremendous drop off in business
10 for all of our industry. The economy was
11 hurting and we noticed a high degree of
12 poaching and illegal operation involving
13 unlicensed illegal black cars and liveries
14 coming into the central business district. It
15 was something that we felt we needed to act
16 upon for the safety of the public, of the
17 highest import as well. These people don't
18 have criminal background checks, some of them.
19 They don't have insurance.

20 We started an operation called
21 Operation Street Hail, which has been in place
22 since then. It has been a highly successful
23 operation. Of course, times have changed, as
24 the economy got better, some of these folks,
25 especially the licensed folks, ended up

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1 getting work through their black car and
2 livery bases.

3 Even though I believe the yellow cab
4 industry is doing a little bit better than
5 some of the other transportation industries, I
6 think the black car and the livery industries,
7 I am hearing reports that some are starting to
8 get a bit of a business drop off. That is
9 similar to what happened after 9/11.

10 My staff reports also, the industry,
11 practically every major industry group has
12 reported to us that they are seeing a higher
13 incidence of poaching in the CBD by illegal
14 black cars and liveries who are engaging in
15 street hails in the central business district.
16 Of course that creates not just more
17 congestion problems, but it also creates --
18 you know, these people shouldn't really be
19 there, some of these cars. They are not only
20 creating more traffic, but they are putting
21 more harmful pollutants into the air.

22 Be that as it may, the operation has
23 worked well. But I think it is about time
24 that we put all our resources into trying to
25 stop this before it gets any worse. What we

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1 are going to do is in the near future we are
2 going to be announcing a zero tolerance
3 program where Operation Street Hail will be
4 done by every single person on our staff who
5 is able to do it.

6 In addition, we are going to partner
7 with other law enforcement. We are going to
8 be asking the police department to do some
9 more work, of course, at the Port Authority
10 and the airports.

11 Also we are thinking of new and
12 ingenious ways to deal with the hotel problem.
13 It's a little dirty secret that the doormen
14 are taking vigs and kickbacks for putting
15 people in cars that are not yellow and some of
16 the not being licensed. Not only is that a
17 tremendous liability issue for the hotel, if
18 something were to happen to one of these
19 passengers, I think they really should be
20 concerned about policing their staff.
21 However, despite some of their best efforts
22 and their diligent efforts, because we met
23 with the Hotel Association many times,
24 something else needs to be done.

25 So this zero tolerance program, which

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1 we have not done in the history of the TLC,
2 really, with the exception, of course, of
3 Secret Rider, which is a Secret Shopper type
4 program, we will be out there day-in and
5 day-out eradicating the problem before it gets
6 any worse. We will have more details on that.
7 We are taking it to the next level, and I
8 thank the industry for bringing it to our
9 attention. We were hearing it and I have seen
10 it with my own eyes, somebody tried to
11 actually get into my car once. I have a car
12 that looks like Towncar. I was like, "What
13 are you doing?"

14 Anyway, I want to talk little about
15 accessibility. A couple of things, first of
16 all, as promised the monthly report on the
17 dispatch project. I think I reported last
18 time the Comptroller has approved the
19 contract, but it now has been executed by all
20 parties. Driver training is expected to
21 commence at the beginning of June, and within
22 the next week or two my staff, Samara and
23 Andy, will have on the website a list of
24 accessible dispatch trainers.

25 COMM. KAY: Just a quick question

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1 about that, Matt. There was a lot of concern
2 about liveries having this. Has any
3 particular livery company come forward that
4 wants to participate in the program?

5 COMM. KAY: Not that I am aware of.

6 COMM. KAY: Okay. At the next
7 meeting, could we double-check and make sure,
8 because if not, we should revisit that issue.

9 CHAIRMAN DAUS: Okay, sounds like a
10 plan.

11 COMM. KAY: Thank you.

12 CHAIRMAN DAUS: I think part of the
13 plan was to have it be a voluntary thing.
14 Maybe we need to do some more heavy duty
15 asking. I think it is important. That's a
16 great point, Commissioner Kay.

17 Everyone in the city needs to be
18 served too. I think it is kind of a heavy
19 lift, even though we are asking them to do it,
20 because they paid for the Medallions and got a
21 discounted price conceivably, they were
22 supposed to. But if a cab has to go all the
23 way to Staten Island, a yellow cab, to pick up
24 somebody to bring them to another location in
25 Staten Island, I think the livery industry

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1 might be best suited to accomplish that task
2 because they might be closer by.

3 COMM. KAY: Yes, I just wanted to
4 make sure if they are not participating in the
5 program, because there were some meter issues,
6 that we address that to their benefit.
7 Because if no one is coming forward, we might
8 be able to relook at that provision.

9 CHAIRMAN DAUS: Putting the meters
10 into the liveries?

11 COMM. KAY: Or taking that provision
12 out.

13 CHAIRMAN DAUS: Okay. I would like
14 to ask staff to take a look at that and we
15 will analyze that at our next meeting.

16 Also the Easter Seals conference was
17 held. This is the first time we participated.
18 There is some type of application process, not
19 everybody is basically allowed to participate
20 in it. We applied and us and the
21 administration were accepted, including
22 Commissioner Matt Sapolin, who attended with
23 my staff. Samara Epstein and Karen Castro
24 went there and they have basically partnered
25 with a lot of disability advocates and other

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1 government folks, including the TLC
2 Commissioner from Chicago was there. And good
3 work came out of it.

4 They had planned some ideas for
5 enhancing the training and also making sure
6 that the 311 dispatch project for the
7 accessible vehicles is a success. So I am
8 very pleased that we got some good ideas out
9 of this, and I am glad to see that the broader
10 accessibility community is starting to embrace
11 this more. I think for this program to work
12 they really need to help us get the word out
13 and get people to use the cabs.

14 We will have more details on hybrids
15 later, but congratulations to the industry and
16 others for getting 1,046 on the road. We are
17 going to have a presentation in a little while
18 to talk about the future of all of this, and I
19 will save it for that time.

20 Upcoming Commission meetings, if you
21 could hold the following dates, we will back
22 on our 9:30 schedule. On June 12th, Thursday,
23 we are going to be holding a public hearing,
24 as promised at the last meeting, on the Toyota
25 Sienna rear entry ramp specifications for the

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1 wheelchair ramps. If you remember, last
2 meeting we expanded pilot so we would have
3 enough to sell for the Accessible Medallion
4 auction and we promised that we would bring it
5 to a full conclusion since Peter Schenkman had
6 indicated the program worked so well and he
7 felt that the ramps were safe and the vehicles
8 properly functioning, so why not make it
9 permanent so that the owners have a degree of
10 stability, knowing that they meet our rules
11 and meet our specs, and, then, hopefully the
12 folks who built these vehicles can continue to
13 make further improvements to them down the
14 road. So that will be a public hearing and,
15 hopefully, a vote on own that issue on
16 Thursday, June 12th.

17 And the next meeting after that is
18 Thursday, July 10th.

19 That concludes my report. Any other
20 questions?

21 (No response.)

22 CHAIRMAN DAUS: Okay, thank you.

23 Item 2 on the agenda is the adoption
24 of the minutes from the April 17 2008 meeting.

25 COMM. AROUT: Move to adopt the

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1 minutes.

2 AUDIENCE MEMBER: Can I ask a
3 question?

4 CHAIRMAN DAUS: Can we deal with
5 that later on, please. We have to move
6 through the agenda. If you are going to
7 testify, you can ask your question when you
8 testify.

9 Do we have a second?

10 COMM. WEINSHALL: Second.

11 CHAIRMAN DAUS: All in favor?

12 (All in favor.)

13 CHAIRMAN DAUS: Okay, item 3, base
14 licensing applications.

15 Do we have a rep from Licensing?

16 MS. STEELE-RADWAY: Good morning.

17 Licensing would like to present before the
18 Commission 34 bases with a recommendation for
19 approval.

20 CHAIRMAN DAUS: Any issues?

21 (No response.)

22 CHAIRMAN DAUS: Do I have a motion
23 to approve?

24 COMM. AROUT: I make a motion to
25 approve.

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1 CHAIRMAN DAUS: Is there a second?

2 COMM. GONZALES: Second.

3 CHAIRMAN DAUS: All in favor?

4 (All in favor.)

5 CHAIRMAN DAUS: Okay, it's

6 unanimous. Thank you.

7 We have one denial?

8 MS. STEELE-RADWAY: That's correct.

9 Licensing is recommending denial for one base

10 with a request that the Commission grants an

11 additional 30 days so that they may present

12 the outstanding items.

13 CHAIRMAN DAUS: That's Blue Diamond?

14 MS. STEELE-RADWAY: Correct.

15 CHAIRMAN DAUS: Do I have a motion

16 to deny?

17 COMM. AROUT: So moved.

18 CHAIRMAN DAUS: A second?

19 COMM. GONZALES: Second.

20 CHAIRMAN DAUS: All in favor?

21 (All in favor.)

22 CHAIRMAN DAUS: It's unanimous.

23 Thank you.

24 Item 4, we have a staff presentation

25 on the 25 miles per gallon MPG taxibab rules

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1 implementation update. If you recall, this is
2 something that the Commission had promised the
3 industry and the public that we would do in
4 response to concerns at last year's meeting
5 when we promulgated the taxi hybrid/MPG rules.

6 I think there were some concerns
7 there and we promised that we look into and
8 report on not only the status of the whole
9 program, but also on vehicle availability. So
10 that is why we are here today. I apologize
11 for the late notice, but basically what
12 happened is we had gone over the minutes and
13 realized a week or two before that we needed
14 to get this done by May. That was what the
15 promised date was.

16 But this is an ongoing dialogue so
17 there is obviously no action in any way, shape
18 or form being taken, but we are just going to
19 have a public hearing and hear what the
20 experiences have been, not just from our
21 staff's standpoint, but when we start the
22 public hearing, from the industry, how these
23 vehicles are holding up and what some of the
24 issues are so we can prepare for full
25 implementation.

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1 We are going to hold the comment
2 period open, Chuck, did we decide that?

3 Yes, if there is anyone that you know
4 who couldn't make it today, I would say that
5 we should leave this open for the rest of the
6 month. We will wait until the end of the
7 month. If you want to submit written comments
8 on that, we will make sure that the
9 Commissioners, especially the ones that aren't
10 present here, will get the benefit of your
11 comments. There is really no rush on it.

12 I would like to introduce Assistant
13 Commissioner Pete Schenkman, who is going to
14 give us an update on item 4 on the agenda.

15 MR. SCHENKMAN: Good morning. We
16 are just putting it up on the monitors.

17 The first slide is a time line of
18 where we have been dating back to June 2005
19 when the City Council enacted Local Law 72,
20 followed a few months later when the
21 Commissioners approved hybrid vehicles for use
22 as taxis.

23 In November 2005, we saw the first
24 hybrid vehicles put on the road, there were 18
25 of them. In July 2006, we auctioned off 254

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1 alternative fuel Medallions. In March of last
2 year, the TLC rule, also Local Law 52,
3 extended vehicle retirements for clean
4 vehicles, super ultra low emissions and
5 partial zero emissions vehicles. In April
6 2007, on Earth Day, Mayor Bloomberg announced
7 Plan NYC. And this past October, we had 550
8 hybrid vehicles on the road.

9 In October also the Commission
10 approved the taxi minimum fuel economy
11 requirements. And in February, the Safety and
12 Emissions Division offered and provided
13 training to anyone in the industry, technical
14 training on hybrid repairs. And in April, the
15 Commission approved black car minimum fuel
16 economy standards.

17 This is a little hard to see on the
18 screen, but as of today, we have 1,041 fuel
19 efficient vehicles in the taxi fleet.
20 Including the black car luxury and limos, we
21 have 1,289 vehicles on the road.

22 Some of the lessons we have learned
23 from fuel efficient taxis is that the fleet is
24 more fuel efficient than ever. As I said,
25 1,041 hybrid vehicles are on the road, and the

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1 first 18, this coming November, will have
2 completed a full fleet cycle, and these
3 vehicles have already averaged about 240,000
4 miles each.

5 Three percent of all new hack ups
6 these days are hybrid vehicles and there have
7 been 367 voluntary hybrids put on the road
8 since January.

9 Also, as you can see, the benefits
10 are shared through fleet owners, the city,
11 residents, and the drivers, giving them clean
12 air, more money, and more customers. The
13 benefits of the 30 miles per gallon standard,
14 some of the notes and research that we have
15 done is when all 13,237 taxis and
16 approximately 11,000 black cars go from an
17 average 15 miles per gallon to an average of
18 30 miles per gallon, the benefits are great.

19 An average of \$6,000 in gas savings
20 per vehicle annually. An annual reduction of
21 approximately 900,000 barrels of oil, or about
22 35 million gallons of fuel. It will also
23 result in an annual reduction of approximately
24 390,000 tons of greenhouse gas emissions,
25 which are made up of carbon dioxide, nitrous

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1 oxide and methane.

2 What we have learned from the hybrid
3 vehicle maintenance and fuel cost is, as I
4 said, the fuel savings for a typical hybrid
5 averages now, with gas prices to \$20 to \$30
6 per shift, \$120-plus for a six-day week, and
7 about \$6,200 a year. And that is, as it
8 indicates, assuming gasoline is \$3.90 a
9 gallon.

10 Maintenance intervals for hybrids are
11 longer, resulting in an estimated savings of
12 \$500 per year per vehicle. Across a large
13 fleet, that savings is huge. Hybrid taxicabs
14 are passing the safety and emissions
15 inspections at a rate of almost twice that of
16 non-hybrids. There have been no reported
17 issues with batteries or hybrid electric
18 systems. And the hybrid secondary market
19 values are currently higher than non-hybrid
20 vehicles.

21 Parts and labor cost for typical
22 vehicle maintenance, oil changes and brake
23 jobs, are comparable to conventional vehicles.

24 The fuel efficient vehicle
25 availability. Our estimates show that

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1 approximately 200 new vehicles are hacked up
2 each month and a survey that I conducted of
3 major taxi suppliers in the tri-state area as
4 of about two weeks ago, the dealers reported
5 over 250 Escape and Mariner hybrids on their
6 lot. Ford will limit the number of painted
7 Escape taxis to 50 per month for the New York
8 City market. There will still be a limited
9 supply of retail available. And Ford has
10 indicated they are going to manufacture
11 approximately 24,000 2009 Escape hybrids.

12 Conversations with Toyota, again,
13 this is two weeks ago so the numbers are
14 probably a little lower, but there were
15 approximately 400 Camry hybrids on dealer
16 lots, 300 hybrid Highlanders on lots, and 400
17 Priuses on dealer lots. And I need to note
18 that Toyota does not have a fleet program so
19 these vehicles are for black car and retail,
20 but they are available for anyone to purchase,
21 including taxis.

22 Nissan is reporting under 50 vehicles
23 at dealers, but they do have a fleet program
24 they are developing with a minimum of 20
25 vehicles per year purchased. They have

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1 indicated to me they have no problem providing
2 200-plus vehicles per month to meet fleet
3 demand. Nissan has just jumped into the fleet
4 market and they are pretty excited.

5 Also going along the lines of fuel
6 efficient vehicles, in the next few months we
7 will see some clean diesels coming on the
8 road. Most of the folks in the automotive
9 industry know that diesels are more rugged,
10 durable, and more efficient than gasoline
11 engines, about 30 to 35 percent more efficient
12 than a similar gasoline engine. And they
13 provide more power and fuel efficiency than
14 any other alternative, including gasoline
15 compressed natural gas or liquid propane.

16 The new clean diesels are capable of
17 meeting strict su-lev or tier 2 bin 5
18 emissions levels, which is similar to many
19 hybrids. And as I indicated, the first clean
20 diesels are expected to arrive in this country
21 in the next few months.

22 As we move forward, the TLC Plan NYC
23 implementation included standards for taxis,
24 October 2008, a minimum of 25 miles per gallon
25 city rating for all new taxicabs, and a year

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1 later in October 2009, 30 miles per gallon.
2 There will be a yearly fleet status update and
3 evaluation to the Commission, as we are doing
4 right now.

5 Part of the Plan NYC implementation
6 was setting new standards for the black cars.
7 Beginning January 2009, a similar 25 miles per
8 gallon city rating for all black cars and a
9 six-year retirement. In January 2010, that
10 will also jump to 30 miles per gallon. And we
11 will also provide a yearly status update and
12 evaluation to the Commission there.

13 On our website we have vehicle
14 information, cost benefit analysis, and links
15 to city, state and federal incentives for
16 buying these fuel efficient vehicles. As I
17 mentioned, we've conducted training to the
18 industry and my staff. And part of that was
19 the informational sessions, and doing a
20 grassroots outreach is part of our plan.

21 Final is the Taxi of Tomorrow, as we
22 proactively work with stakeholders to find a
23 taxicab solution that best meets the needs of
24 the TLC.

25 And that concludes my presentation.

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1 CHAIRMAN DAUS: Any questions?

2 COMM. KAY: Yes. Thanks, Peter. I
3 appreciate it.

4 Just a few questions, and one is to
5 sort of remind my colleagues and everyone here
6 what we are doing today. If you recall, when
7 we passed these a year ago, as Chairman Daus
8 said, that we said we would do the fleet
9 status update. I know there were concerns
10 amongst many of you here in the audience and
11 that have testified that there was possible
12 new information that could be provided us
13 regarding safety. Two is the availability.
14 And three was if there were other
15 technologies. And I just want to ask Peter
16 some follow-up questions about those three
17 points, because I think that's why we asked
18 for this public hearing.

19 One is on safety, and I think you
20 have alluded to some of the information. Has
21 there been any new information in the industry
22 that you are aware of that has shown that, in
23 fact, these hybrid vehicles do not meet the
24 safety standards that we set at the TLC?

25 MR. SCHENKMAN: No, there is no

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1 indication and no further information.

2 COMM. KAY: On the availability
3 stuff, and I guess it is a question, in
4 October of '08 is when the rule said that this
5 would start. Currently projected, how many
6 cars would need to be purchased per month
7 between October '08 and October '09?

8 MR. SCHENKMAN: It's approximately
9 200. I forecast out through the end of 2008,
10 and it averages to be 200 vehicles a month.

11 COMM. KAY: 200 a month, I'm sorry?

12 MR. SCHENKMAN: Up to the end of
13 2008. On average, we are doing approximately
14 3,000 vehicles a year as an industry.

15 COMM. KAY: And does anything
16 preclude an owner or a fleet from retiring
17 their car early, prior to October '08, in
18 order to purchase a new car that doesn't meet
19 the specifications?

20 MR. SCHENKMAN: No. We are seeing
21 that actually.

22 COMMISSIONER KAY: At what rate?

23 MR. SCHENKMAN: Well, if three
24 percent of the new hack ups are hybrids, that
25 means that the rest, minus the auction of

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1 late, are still Crown Victorias and Toyota
2 Siennas.

3 COMM. KAY: Some of them were
4 presumably in your projections, just as they
5 were retiring anyway now?

6 MR. SCHENKMAN: Yes.

7 COMM. KAY: What about retiring
8 early?

9 MR. SCHENKMAN: They can do that. I
10 haven't seen that, that they are retiring
11 early.

12 COMM. KAY: But if, in fact, they
13 wanted to, they can do that --

14 MR. SCHENKMAN: Absolutely.

15 COMM. KAY: -- and, in fact, that
16 lower the amount necessary?

17 MR. SCHENKMAN: Yes. I would expect
18 that there may be an increase, as Ford
19 announces in the beginning of June, fleet
20 order cutoffs on the Crown Vic. So anyone who
21 wants to order it via fleet has about three or
22 four weeks to do so in order to get it.

23 COMM. KAY: And that happens in June.

24 MR. SCHENKMAN: Yes.

25 COMM. KAY: And after June there

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1 will be --

2 MR. SCHENKMAN: They will not sell
3 Crown Victorias into the New York taxi market.

4 CHAIRMAN DAUS: June of what year?

5 MR. SCHENKMAN: June, in a couple of
6 weeks.

7 COMM. KAY: And you have written it
8 here, so given that analysis, over the next
9 year you don't see any problems with having
10 availability in the market to meet?

11 MR. SCHENKMAN: No. There is a
12 availability. It may change the way some
13 fleets do business. Currently, Ford is the
14 only company that paints the Escape yellow.
15 It has been a standard on the Crown Vic for
16 years. They do charge \$1,500 to paint the
17 Escape yellow, which is approximately what it
18 would cost to paint a vehicle on the outside.

19 COMM. KAY: So if an individual
20 owner wanted to either paint it themselves
21 professionally or go somewhere else, it would
22 pretty much the same amount?

23 MR. SCHENKMAN: Correct.

24 COMM. KAY: Is that readily
25 available?

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1 MR. SCHENKMAN: Sure, any body shop.
2 With reference to one of the
3 manufacturers, Toyota, as I indicated, they do
4 not support in fleet sales vehicles into taxi
5 market. They support warranties fully but
6 they are concerned about taxi use with their
7 vehicles. But that wouldn't preclude someone
8 from buying a retail vehicle and painting it
9 yellow.

10 COMM. KAY: And we haven't had any
11 information that the Toyota is either
12 unsafe --

13 MR. SCHENKMAN: The Toyotas are
14 performing. Their failure rates when they
15 come to me is less than 10 percent.

16 COMM. KAY: And my last question
17 relates to I think the third piece we are
18 looking at. Any other new technologies, and
19 this may be a question for Chuck in the rules.
20 We have the equivalent or is it just 25 MPGs?

21 Is there an equivalency there?

22 MR. FRASER: On the black car rules,
23 I know we wrote an equivalent provision. I
24 don't think we did for the taxis.

25 COMM. KAY: Is there any technology

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1 that, in fact, whether it be natural gas or
2 something else, that we need to look at?

3 MR. SCHENKMAN: Currently the bright
4 light at the end of the tunnel are diesels.
5 And it is expected in the next few years there
6 will be some pilots.

7 The City of New York is actually
8 piloting some hydrogen Chevys, but right now,
9 for our environment and our industry, it is
10 currently hybrids or diesels that will meet
11 the minimum.

12 COMM. KAY: Thank you.

13 CHAIRMAN DAUS: But even though the
14 rule is different, the norm and the practice
15 has always been when new vehicles that don't
16 meet the specs come along, we have authority
17 under the Charter to do pilots. That is how
18 we basically got here with the hybrids, so we
19 can do that for diesel and other forms.

20 COMM. KAY: But right now it is not
21 something that is available in the market. Is
22 it something that is coming in the next
23 several months?

24 MR. SCHENKMAN: Volkswagon has
25 announced that they will be releasing a Jetta

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1 diesel, which are estimated 40 miles per
2 gallon city is some of the numbers I have
3 seen. I have seen it as high as 48. And
4 those should be here during the summer.

5 And Chrysler will be releasing some
6 large SUVs in diesel, and Mercedes has their
7 SUVs in diesel. None of those vehicles will
8 meet 25, though.

9 COMM. WEINSHALL: On the fleets, what
10 other cities are we competing against?

11 MR. SCHENKMAN: We don't.

12 Ford is production constrained on the
13 Escape, and due to whatever reasons, they have
14 done strict allocations. There are some
15 creative folks that are grabbing them from all
16 over the country.

17 CHAIRMAN DAUS: Also I don't think
18 there is a major city, Commissioner, that has
19 a new vehicle retirement policy like us. Most
20 of them are buying used vehicles, so I am not
21 sure if there is any competition.

22 MR. SCHENKMAN: Which will increase
23 the secondary value.

24 COMM. WEINSHALL: When you say
25 strict allocation, you mean strict allocation

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1 in terms of the production, right?

2 MR. SCHENKMAN: Yes. Well, Ford has
3 indicated they are limiting the New York City
4 taxi market to 50 yellow Escape hybrids a
5 month for model year 2009, which is 600 a
6 year.

7 COMM. KAY: Your projection was
8 about 200 a month in the retirements. Do you
9 have a projection how much of those are fleet
10 owned versus individually owned?

11 MR. SCHENKMAN: Of approximately
12 1,000 or 1,200 over the next six months, I
13 would say a little less than half of those
14 will be fleet, just based on the break up of
15 the industry.

16 COMM. KAY: And the fleets would
17 that ability to retire cars early, so, in
18 fact, it could go lower than that?

19 MR. SCHENKMAN: Absolutely.

20 CHAIRMAN DAUS: Do you have any idea
21 whether they have staggered retirements?
22 Many of the fleets -- do all their retirement
23 dates come up in the same month or are they
24 spaced out?

25 MR. SCHENKMAN: No, they are spaced

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1 out. Just as we accommodated them by spacing
2 out their inspections, so they don't take 20
3 cars off the road at a time per day.

4 CHAIRMAN DAUS: Commissioner
5 Gonzales?

6 COMM. GONZALES: With respect to the
7 failure rate, what is the most common item
8 that fails inspection?

9 MR. SCHENKMAN: On the hybrids,
10 lights. Not checking your headlights, not
11 checking your brake lights before you come in
12 for inspection. We have had one or two that
13 had a brake problem. But no major components.
14 Silly little failures, I call them.

15 CHAIRMAN DAUS: And no battery
16 replacements?

17 MR. SCHENKMAN: None, to my
18 knowledge.

19 I have done some research and neither
20 Ford nor Toyota have sold any new replacement
21 batteries.

22 COMM. WEINSHALL: Can I ask a
23 question? On the Escape hybrids, do you have
24 that are already reaching 240,000 miles?

25 MR. SCHENKMAN: Yes. The first 18

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1 are pretty much there. They range from about
2 210 up to 250. A couple of them had been in
3 some accidents so they weren't on the road as
4 often, but they will complete the full fleet
5 cycle.

6 CHAIRMAN DAUS: Commissioner
7 Giannoulis?

8 COMM. GIANNOULIS: A few questions.
9 Peter, on your chart, in terms of
10 which vehicles have been purchased, the
11 current vehicles, why is everybody buying Ford
12 Escapes? Is it they were approved first?

13 MR. SCHENKMAN: They were the first
14 vehicle to market after the Prius and the
15 Prius is a polarizing vehicle. The Prius has
16 more leg room than an Escape, but nonetheless
17 polarizing, either you love it or you hate it,
18 and the industry has chosen to hate it.

19 COMM. GIANNOULIS: So everybody is
20 buying the Escapes fundamentally?

21 MR. SCHENKMAN: Yes. And that is
22 probably also based on their ongoing
23 relationship with Ford via the Crown Vic.

24 COMM. GIANNOULIS: A few more
25 questions. So when you say that the hybrids

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1 are passing the safety and emission
2 inspections at a rate of twice that of the
3 non-hybrids, why is that --

4 MR. SCHENKMAN: I think you are
5 talking about new technology as opposed to
6 1979 technology. You are talking about owners
7 who are taking a little better care of their
8 vehicles, and dare I say, they are built
9 better.

10 COMM. GIANNOULIS: They are also
11 newer, though, right?

12 MR. SCHENKMAN: No.

13 COMM. GIANNOULIS: By definition,
14 hybrids have only been on the streets for how
15 long?

16 MR. SCHENKMAN: Since November '05.
17 My inspection numbers only reflect the last
18 year.

19 COMM. GIANNOULIS: And the thing
20 that I hear from people who have concerns, is
21 less about the kind of things you might find
22 at the emission inspections as opposed to the
23 notion of the vehicles are not safer in terms
24 of crashes and accidents, and this whole
25 notion of a bigger car is better, et cetera.

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1 That wouldn't come up at the inspection.

2 MR. SCHENKMAN: No, it would not.

3 But from a safety standpoint, what you would
4 see is safety components not failing, air bags
5 not having been deployed, stuff like that.

6 COMM. GIANNOULIS: So do we have
7 specific information in terms of actual
8 accidents?

9 MR. SCHENKMAN: We do. Obviously it
10 is skewed because of the newness of the
11 vehicles. I have glanced at the NYPD numbers
12 and they are so low for the hybrids. Some of
13 the fleets report that the drivers aren't
14 hustling as much to make that extra fuel
15 money. Getting report that drivers are
16 actually taking a day off during the week
17 because they are picking up an extra 120
18 bucks.

19 Also from our Taxi of Tomorrow
20 vehicle technical spec, we know that these
21 vehicles vibrate at idle 50 percent less than
22 a Crow Victoria, so you they are not coming
23 out all beaten up.

24 COMM. GIANNOULIS: And there wouldn't
25 be any, other than standard crash testing,

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1 there wouldn't be any national data on
2 noncommercial use of the vehicles which would
3 address people's concerns?

4 MR. SCHENKMAN: The only thing I
5 would say in regards to that is most insurance
6 companies actually give discounts now for
7 hybrids now for hybrids. Travelers was the
8 first company to offer discounts with the
9 explanation that people that are buying more
10 fuel efficient and environmental cars are more
11 responsible. That was their rationale.

12 COMM. GIANNOULIS: When you say that
13 the secondary market values are higher, why is
14 that?

15 MR. SCHENKMAN: Because the vehicles
16 are saving money. And, for example, I did
17 research on a 2007 private retail Escape, and
18 it is selling used about \$7,000 more than a
19 gasoline version. They are in demand. You
20 will probably pay as much for a used Toyota
21 hybrid these days as you would for a new one.

22 COMM. GIANNOULIS: When you say parts
23 and labor cost are comparable, what is that
24 based on?

25 MR. SCHENKMAN: In speaking to

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1 dealers and service managers, an oil change is
2 an oil change. It is not special oil. It is
3 not a special filter. Brake pads are brake
4 pads.

5 Yes, when you get into hybrid
6 components and specialized electronics, the
7 cost may be more. And there have been a run
8 of some problems with the Ford Escapes out of
9 factory. Apples to apples, brake jobs to oil
10 changes, you are saving money.

11 An average fleet-run Crown Vic will
12 do brake jobs every two weeks, and you figure
13 it is about a hundred bucks cost, labor and
14 everything internally. Hybrids, due to
15 regenerative braking, because it is actually
16 the engine and transmission that is slowing it
17 down, are doing brakes twice a year.

18 Oil changes, since the vehicle is
19 running on electricity much more, the oil will
20 last two to three thousand miles longer, based
21 on the manufacturer specs.

22 COMM. GIANNOULIS: Is there any way
23 to flesh that out? I understand the issue of
24 brakes and oil, but I don't have a sense of
25 how many more major activities occur on a

00041

1 typical Crown Vic.

2 MR. SCHENKMAN: On a typical Crown
3 Vic, probably a couple of times a year you are
4 putting in some kind of suspension component.
5 Usually the rear trailing arms, lower control
6 arm bushings, body bushings will probably go
7 once a year. These being Unibody
8 construction, are not having a lot of these
9 issues.

10 CHAIRMAN DAUS: I'm sorry, you had
11 mentioned in response to the Commissioner's
12 question that there was a problem with the
13 Ford Escapes coming out --

14 MR. SCHENKMAN: Yes.

15 CHAIRMAN DAUS: What was that?

16 MR. SCHENKMAN: Well, the first 30
17 that were sold to San Francisco had a water
18 pump problem, and we are starting to see the
19 battery cooling pumps fail on these vehicles.
20 Fords acknowledged the issue, but the, dare I
21 say, scary part is when this pump fails, the
22 vehicle, you get a warning light, pull over to
23 a safe location and shut the vehicle down.
24 And I would call this quality, Ford quality.

25 CHAIRMAN DAUS: But that has been

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1 fixed?

2 MR. SCHENKMAN: They get fixed, yes.

3 Right now there is an issue with the Ford

4 Escape over climate control.

5 CHAIRMAN DAUS: There is no recall

6 on that?

7 MR. SCHENKMAN: No. Ford will not

8 issue a recall on a hybrid. Not real good.

9 COMM. GIANNOULIS: Everything you are

10 saying is counter to everything people in the

11 industry are saying, so maybe there is a

12 little confusion.

13 How do you make those determinations,

14 especially on this last point, it seems

15 counterintuitive, but how are you able to make

16 that claim in terms of comparable cost for

17 vehicle maintenance? Are you getting specific

18 data from fleets that are opening up their

19 books and saying well a door came off on this

20 car and it cost me 2000 bucks to fix it. And

21 then you are going to the fleet where the

22 Crown Vic is.

23 How are you doing this?

24 MR. SCHENKMAN: With regards to the

25 hybrids, I have been following and monitoring

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1 the fleets, making sure that these vehicles
2 aren't having problems.

3 With the Crown Vics, they have been
4 around enough, we know in my conversations
5 when they do brake jobs, when they do oil
6 exchange.

7 CHAIRMAN DAUS: How did you get the
8 data about the cost?

9 MR. SCHENKMAN: I called up service
10 managers at taxi specific dealers and said how
11 much is a brake job for a Ford Escape? \$95.

12 COMM. GIANNOULIS: And the notion
13 that specifically fleets would not be able to
14 service these vehicles as easily as Crown
15 Vics, have the fleets that have these cars
16 transitioned or are they taking them to
17 dealerships?

18 MR. SCHENKMAN: No. They are
19 repairing them themselves. There is the
20 special equipment you need to buy for major
21 repairs but it is no different than when OBD-2
22 came out, you had to go buy a new scanner.
23 And when New York State decided to go
24 dynamometer testing, everyone had to go out
25 and spend \$30,000 on an inspection machine.

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1 COMM. GIANNOULIS: Finally, I want to
2 talk a little about the availability issue.
3 You keep on referring to a fleet program. Can
4 you flesh out what that mean exactly?

5 MR. SCHENKMAN: Fleet drives
6 production, so if you want to get a car, you
7 can order it special but you couldn't order 20
8 of the same.

9 With a fleet program, you are allowed
10 to forecast out. I know I am going to replace
11 20 cars over the next 45 to 60 days, preorder
12 them the way you want with reduced options.
13 You don't need sun roofs. And that will
14 increase production at the factory. Whereas,
15 if everyone in here wanted to buy a Prius or
16 an Escape, Ford or Toyota would not increase
17 production for us.

18 COMM. GIANNOULIS: So in terms of
19 the Escape vehicle, they are participating in
20 fleet programs?

21 MR. SCHENKMAN: The Ford Escape is
22 part of a fleet program, and that is where
23 they are limiting it to 50 vehicles for this
24 market.

25 COMM. GIANNOULIS: 50 vehicles?

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1 MR. SCHENKMAN: A month.

2 COMM. GIANNOULIS: For everybody?

3 MR. SCHENKMAN: Ford is only
4 allowing 600 yellow taxi fleet Escapes for
5 this market.

6 COMM. GIANNOULIS: I am certainly
7 not an expert on this, but, let's say, for
8 example, if a few fleet owners are going in
9 and asking for 10, 15 cars a pop, for that
10 month --

11 MR. SCHENKMAN: If it exceeds Ford's
12 allocation, they will be rejected and they
13 will be forced to buy them retail, even though
14 it is \$1,500 for Ford to paint it yellow, they
15 would have to paint it yellow.

16 COMM. GIANNOULIS: That car may be
17 available, may not be available --

18 MR. SCHENKMAN: Only 2000 Ford
19 hybrids will be produced. Ford can't produce
20 them.

21 COMM. GIANNOULIS: Do people have
22 agreements with fleets? If New Jersey decides
23 to pass similar laws and everybody from New
24 Jersey is driving over to pick up these
25 vehicles as well, does the entire thing

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1 disappear?

2 MR. SCHENKMAN: The New York City
3 taxi market has a unique fleet identification
4 number. Every fleet in this room and in our
5 industry has a number that ties itself back to
6 us. So Ford is able to control that. But
7 fleets are going to secondary markets where
8 they either own other companies or just being
9 creative, and have been doing it for the
10 better part of three years. Grabbing vehicles
11 out of other markets, painting them yellow,
12 because Ford only started painting them yellow
13 six months ago, and buying them that way.

14 COMM. GIANNOULIS: And the other
15 folks are staying out of the market?

16 MR. SCHENKMAN: Toyota is fully
17 supporting the black car initiative and that
18 is their chance to get their feet wet in the
19 for-hire market in this country. They will
20 not support as fleet, a yellow cab.

21 COMM. GIANNOULIS: And they make
22 that decision because -- why would they make
23 that decision?

24 MR. SCHENKMAN: We don't know. It
25 could be an image issue that Toyota doesn't

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1 feel that having taxis does any benefit for
2 their brand. It's a question I have been
3 asking them for a couple of years now and they
4 haven't really given me a definitive answer.

5 Whereas, Nissan is jumping into this
6 market head first.

7 COMM. GIANNOULIS: And the folks who
8 produce the Escape have not let anybody know
9 that they are going to increase their
10 allotment because?

11 MR. SCHENKMAN: They can't.

12 COMM. GIANNOULIS: They can't
13 because they can't produce the vehicles?

14 MR. SCHENKMAN: Battery limitations,
15 they license the technology. There are
16 construction constraints is the official term.

17 COMM. GIANNOULIS: So they can't get
18 them out?

19 MR. SCHENKMAN: They would love to
20 sell 50,000, they just can't.

21 COMM. GIANNOULIS: That was my
22 question. They can't turn it around?

23 MR. SCHENKMAN: Right.

24 CHAIRMAN DAUS: Have any of the
25 manufacturers made some very detailed

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1 pronouncements about future production in
2 terms of just general manufacturing for
3 converting to hybrids?

4 I think I remember at some point
5 Toyota may have said at a point in the future
6 every car they manufacture will be a hybrid.

7 MR. SCHENKMAN: I don't think
8 everything will be a hybrid, because even
9 Toyota, up until recently, has been losing
10 money on hybrids because it is a new
11 technology. The initial battery technology
12 was expensive.

13 Toyota is introducing next year a
14 spinoff of the Prius as a separate
15 manufacturer, similar to what they did with
16 the Lexus, so there will be three different
17 Prius models. There will be the current
18 vehicle, the new model, there will be a
19 station wagon, and then there will be an even
20 smaller one.

21 CHAIRMAN DAUS: So they are all in
22 their future production plans but there is no
23 manufacturer that has said that at some point
24 it is going to become all hybrid?

25 MR. SCHENKMAN: Correct. Hybrids,

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1 for the most part are a transitional
2 technology until we get to the next step.

3 COMM. GIANNOULIS: Thank you, Peter.

4 CHAIRMAN DAUS: Thank you.

5 Any other questions before we go to
6 public hearing?

7 I have one quick question, Peter: Do
8 you have any evidence that the fleets that are
9 running more hybrids are getting more drivers
10 than those who don't?

11 MR. SCHENKMAN: Lines out the door.
12 Well, in Manhattan gas is \$4 a gallon, if I
13 have my choice of driving a car that is going
14 to get me 11 to 12, or I can go wait on line
15 and hope for a hybrid, I am there.

16 CHAIRMAN DAUS: All right, thank
17 you. That answers a lot of questions. We
18 appreciate it.

19 COMM. AROUT: Thank you very much,
20 Peter. You did a good job.

21 CHAIRMAN DAUS: Excellent, thank
22 you. And I want to thank the Commissioners
23 for asking some very good questions.

24 The next item is the public hearing
25 on this matter. The first preregistered

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1 speaker -- we will have three minutes per
2 speaker -- is Jason Rosenweig from Liden
3 Maintenance Corp.

4 MR. ROSENWEIG: Good morning. My name
5 is Jason Rosenweig, an owner of Liden
6 Maintenance fleet located in the heart of
7 Flushing. We have been operating double shift
8 taxicabs since 1944 and currently operate 152
9 Medallions.

10 I stood before you on December 11th
11 and asked this Commission to proceed with
12 caution, to allow the industry to test these
13 vehicles through a full three-year taxicab
14 cycle. There were, and still are, many
15 unanswered questions regarding durability,
16 reliability, comfort, and most importantly,
17 safety. This summer will shed some light on
18 the battery life and the durability of the
19 hybrid system as the heat will surely test the
20 air conditioning and electrical systems of
21 these vehicles, as well as give us some
22 clearer numbers on fuel economy during the
23 summer months.

24 I still have many concerns regarding
25 passengers and driver safety in these

00051

1 vehicles. There have been some minor
2 accidents that caused major damage in these
3 vehicles, as they are not built with taxicab
4 packages or heavy duty anything. As one of
5 your enforcement chiefs has always said, we
6 are transporting precious human cargo. Are we
7 willing to sacrifice passenger and driver
8 injuries for gas mileage?

9 It was my 2007 Crown Victoria taxicab
10 that was hit head on on 34th Street a couple
11 of weeks ago. It was hit by a Lexus that was
12 reportedly going over 80 miles an hour. He
13 hit us head on and we spun around and hit
14 another vehicle. In my 19 years in this
15 business, I have never seen a car in this
16 condition. The only part of the car that was
17 not damaged was the left rear door. I am
18 happy to report that the driver and the two
19 passengers were treated and released from the
20 hospital.

21 This is real world stuff. It is not
22 graphs or spreadsheets or statistical studies.
23 This is about finding vehicles that can
24 withstand 24/7 duty in a reliable, durable,
25 comfortable and safe way.

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1 I have a 2007 Ford Escape hybrid that
2 has been on roads since July '07. It has
3 69,000 miles on it. It has spent 26 days at
4 the dealer with various electrical issues,
5 costing us \$3,117 in repairs that we could not
6 fix at our garage. This is only one car.
7 What if we had a whole fleet of these?

8 Once again, I am urging this
9 Commission to delay this initiative until
10 further development and testing of vehicles is
11 done. To that end, I have ordered ten
12 Chevrolet Malibu hybrids that are coming out
13 in July. These passenger cars that have
14 received five star frontal and side impact
15 crash test ratings, as well as awards from all
16 the major automotive news.

17 This hybrid vehicle gets 24 miles per
18 gallon city and 32 miles per gallon highway.
19 May I finish?

20 CHAIRMAN DAUS: Yes.

21 MR. ROSENWEIG: It is a true
22 passenger car that can be equipped with a
23 commercial taxi package with adequate seating
24 space and driver comfort. I have been told
25 that I would be able to use these vehicles but

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1 only for this one cycle, as they do not meet
2 the 25/30 requirement going forward. Does it
3 not seem foolish that a hybrid vehicle that
4 gets 24 miles per gallon, which by the way is
5 a 50 percent increase over a Crown Victoria,
6 would be not be approved? Why are we subject
7 to only using city miles per gallon?

8 With the new technology improvements
9 and credit card acceptance, they are using
10 more highways than ever before. Airport and
11 out of town trips are at their highest level.
12 If this vehicle gets 32 miles per gallon on
13 the highway, why can we not at least use the
14 combined number of 28 miles per gallon? This
15 would allow vehicles such as this to be
16 approved and tested.

17 I am not certain that even this
18 vehicle is the answer we are looking for, but
19 it is quite clear that the current list of
20 vehicles all fall short of the Taxicab of
21 Tomorrow.

22 In summary, we are in the same place
23 we were in December. We have very little time
24 left, no clear vehicle that can take over. I
25 am, therefore, requesting again an extension

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1 of this mandate. Thank you.

2 CHAIRMAN DAUS: Thank you. Any
3 questions?

4 COMM. KAY: Besides the Chevy Malibu
5 hybrid, are there any other cars that you have
6 seen that meet the 24 MPG that you think would
7 meet where your other requirements?

8 MR. ROSENWEIG: The Malibu is the
9 only one I see coming out, and that is 24/32.

10 COMM. GONZALES: I have a quick
11 question. What is your estimate as far as the
12 average vehicle driving city versus highway,
13 as you mentioned? What percent of the shift
14 is running up and down here in Manhattan,
15 versus running back and forth to the airports?

16 MR. ROSENWEIG: I think we can
17 certainly do a study on that. Our location,
18 being in Flushing, I am doing a lot of
19 airports, always have, as well as traveling to
20 and from Manhattan that the drivers do. But
21 out of town trips are off the charts, they
22 have increased like over 50 percent.

23 CHAIRMAN DAUS: I am not sure if
24 there is a way for us to do that, but I will
25 check with staff to see if we can use some of

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1 the new GPS data to look into that.

2 Thank you.

3 MR. SCHENKMAN: If I could just add,
4 as part of the Taxi of Tomorrow, we wired up
5 two vehicles for four shifts, and the vehicles
6 spent 40 percent of the time idling, stopped,
7 not moving. So that's one of the reasons we
8 would go city over a combined.

9 CHAIRMAN DAUS: And the rules say
10 city.

11 MR. SCHENKMAN: Yes.

12 CHAIRMAN DAUS: Okay.

13 Mr. Ron Sherman.

14 MR. SHERMAN: Good morning,
15 Commissioners. My name is Ron Sherman. I am
16 president of MTBOT, a 55 years old trade
17 association comprised of 28 yellow medallion
18 taxicabs. We represent 3,300 yellow medallion
19 taxis, approximately 25 percent of the
20 industry.

21 Most of our taxis are double shifted
22 and run 24 hours a day, 7 days a week. Our
23 fleet operates 174 hybrids, approximately 17
24 percent of the hybrid taxicabs citywide. Due
25 to a recent surge in customer demand, there is

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1 a national supply shortage of hybrids and they
2 are becoming increasingly more expensive.

3 On April 1, 2008 a Wire Magazine
4 article was titled, "Hybrids Are All The Rage
5 But Try Buying One." Ford representatives
6 have told MTBOT that it will only make
7 available 50 Escape hybrids per month for the
8 entire taxi industry. That is 600 taxis a
9 year. We estimate that 2,800 new medallion
10 taxicabs must be purchased this year.

11 That doesn't factors in the tens of
12 thousands of spare parts that must also be
13 purchased. We are also told that 2009 Ford
14 Escape will now go up to \$30,000, a \$3,000
15 increase. The current vehicle is about 1,000
16 than the Crown Vic, and they say it will go up
17 another three next year.

18 And while drivers see the fuel
19 savings, we are unable to charge any more for
20 an expensive, and soon to be mandated, hybrid
21 than any other vehicle. The Ford Escape
22 accounts for 83 percent of all New York City
23 taxi hybrids. Toyota, which accounts for 14
24 percent of these hybrids, has sounded the same
25 alarms about the dwindling availability of its

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1 hybrids.

2 More notably, on April 27, 2008, in
3 responding to a question about its confidence
4 in the Toyota Prius hybrid taxicab in New York
5 City, a Toyota spokesman told The New York
6 Times, quote, "Our engineers are nervous about
7 it because they were not designed for
8 commercial use." All of the cars that are
9 built by Toyota, all three, the Prius, the
10 Camry and the Highlander, are all passenger
11 cars.

12 No car in the taxi fleet today is a
13 purpose built car except the Ford Crown
14 Victoria. Toyota has since confirmed to MTBOT
15 that Toyota will not support any of its
16 hybrids, including the Prius, Camry and the
17 Highlander, for use as taxicabs. Toyota want
18 nothings to do with the TLC's hybrid taxi
19 program. A shocking position from a major
20 player that the city is relying on for its
21 mandate. With no taxi package and no fleet
22 discount pricing, taxi fleets will compete for
23 dealer stock in the passengers and black car
24 market for an already limited supply of
25 vehicles.

00058

1 May I continue?

2 CHAIRMAN DAUS: Yes.

3 MR. SHERMAN: Thank you.

4 Furthermore, the high expense of
5 parts, along with the expensive repairs and
6 maintenance, has already been a problem.
7 Mechanics are largely unfamiliar with hybrids,
8 which means these cabs are off the road
9 longer, resulting in less fares, less service
10 and more industry expenses. And there is no
11 significant after-market for hybrid parts,
12 unlike Crown Vics, leaving owners to pay top
13 dollar for every part.

14 The mandate is tremendously expensive
15 for the taxi industry, particularly for the
16 fleets, who purchase the largest number of
17 vehicles over the shortest amount of time, and
18 have to store parts, train mechanics, and as
19 large 24/7 operators, absorb the highest risk
20 regarding vehicle durability.

21 While San Francisco acknowledged
22 these costs with a lease cap increase for
23 owners and a more reasonable 2012 mandate, the
24 TLC not taken these expense into account at
25 all.

00059

1 Placing aside worries about owners'
2 expenses and availability, we are deeply
3 concerned about what I like to call the
4 incredible shrinking taxicab. Everything is
5 much smaller in a hybrid, which any passengers
6 or driver immediately sees and feels. As far
7 as safety and comfort is concerned, it's
8 simple, bigger is better. Bigger and more
9 fuel efficient is even better.

10 The good news is that the auto
11 industry is making great progress. Ford's
12 purpose built transit connect taxi is due out
13 in the summer of 2009. Just nine months after
14 the '08 mandate. It is a big, commercial
15 fleet vehicle, that is clean-burning, fuel
16 efficient and wheelchair accessible. It may
17 be the iconic taxi everybody is looking for.
18 Many promising taxis are on the way. Why
19 then, in the light of serious availability
20 issues, comfort and safety concerns, would we
21 avoid purchasing what the TLC call bridge
22 vehicles and wait until the potential iconic
23 taxicab roll out next year?

24 Why won't the TLC spend this offering
25 owners incentive to test more vehicles in

00060

1 their own fleet?

2 New evidence about dwindling
3 availability and other serious issues have
4 presented itself since the rules passage in
5 December. More is sure to come. A one-year
6 postponement may be all that is necessary.
7 Considering the risk of moving forward with an
8 unsustainable mandate, it is not a lot to ask.

9 We urge the Commission to revisit the
10 rule and postpone. Thank you.

11 CHAIRMAN DAUS: Any questions?

12 (No response.)

13 CHAIRMAN DAUS: Thank you, Mr.
14 Sherman.

15 Ted Straul From Team Systems.

16 MR. STRAUL: Good morning, Mr.
17 Chairman, Commissioners, members of the TLC
18 staff. My name is Theodore Straul, I am the
19 vice president of Team Systems Corporation.

20 Currently we operate a total 320
21 Medallions offering double shift weekly and
22 driver-owned vehicles. We have been operating
23 a fleet yellow cabs continuously since the
24 1920s. Our fleet is currently running ten
25 2008 Ford Escape hybrids, as well as an

00061

1 additional eight hybrids operating as driver
2 owned vehicles. For the past 22 years, I have
3 participated in many pilot programs with the
4 TLC. I have overseen the operation and
5 maintenance of our fleet.

6 I am here today to offer you a better
7 understanding of the everyday issues we face
8 in running the aforementioned hybrid vehicles.
9 The implementation of hybrid vehicles by this
10 October poses significant issues. Primarily
11 the operating cost of these vehicles threatens
12 the livelihood of our industry.

13 At the outset, the 2009 Ford Escape
14 at \$30,000, cost upwards of 30 percent more
15 than the current vehicle, the Crown Victoria.
16 Further are the maintenance cost issues we
17 have come across in our first year of hybrid
18 operation. Our fleet of Crown Victorias
19 average 85,000 miles annually and are
20 mechanically operable at a rate of 96 percent.
21 Out of our 18 hybrid vehicles, which have only
22 averaged 60,000 miles in the past year, we
23 have had more than half suffer major
24 mechanical failures.

25 These hybrid cars have not been able

00062

1 to sustain the required mileage per year
2 demanded by our industry, resulting in a loss
3 of service and revenue. For example, two cars
4 have spend upwards of four months in the past
5 year, or 33 percent of their life, undergoing
6 mechanical repairs by both our in-house garage
7 and at the dealer. Time that is forever lost
8 from the TLC limited life of the vehicle.

9 We have never in the past turned to
10 the dealer network to keep our cars running.
11 Dealer repairs and delays do not interface
12 well with the rapid pace of the taxi industry.
13 Drivers simply do not want to hear that their
14 steady car will be out of service for weeks at
15 a time. Owner operators can be financially
16 destroyed in this way.

17 Although we have been assured by Ford
18 that hybrid batteries will last the life of
19 the car, we will definitely suffer battery
20 losses due to rear-end collisions, driving up
21 repair costs \$6,900 per incident. We have, in
22 fact, changed in our ten-car fleet, one
23 engine, one battery, and one ECVT unit. Not a
24 very good average for the first year of these
25 vehicles. We can provide you with

00063

1 documentation indicating a significant
2 stalling malfunction which is directly
3 attributed to a water pump, which has to be
4 replaced about every 50,000 miles at a cost of
5 \$237, versus 40 for a Crown Victoria.

6 More importantly, this poses a major
7 safety risk to occupants of the vehicle as it
8 has been known to shut down while in motion.
9 Recently one of our Ford Escapes spent more
10 than six weeks at the dealer, attempting to
11 repair a brake light malfunction that took it
12 off the road. Our Escapes in the past year
13 have, in fact, had a 74 percent TLC pass rate.

14 In addition to the tremendous
15 expenses we have incurred by running these
16 vehicles, we have been bombarded with requests
17 from DOV drivers to buy them out of their car
18 financing because they cannot meet the
19 financial demands of maintaining and operating
20 their cars. One driver stood in my shop
21 literally crying because a minor bottom out of
22 his Toyota hybrid resulted in a small crack to
23 an aluminum plate that was not available. He
24 was forced to increase his Visa card limit and
25 purchase a \$6,000 ECVT unit just to stay in

00064

1 business, or be indebted to Toyota credit with
2 a dead car.

3 As it stands, the overheard costs in
4 our industry are difficult to overcome. With
5 the addition of the mechanical failures of the
6 hybrids, which we have illustrated are ongoing
7 and extraordinarily expensive, we have become
8 increasingly concerned with how we can pass
9 the necessary amount of income to replace cars
10 and provide our drivers and the riding public
11 with safe vehicles.

12 Secondly, the implementation of the
13 hybrid vehicles requires a massive retraining
14 effort of all mechanics. Further, the size of
15 these vehicles makes it extremely difficult
16 for both passengers and drivers to be both
17 comfortable and safe during operation.

18 The crown Victoria has been the best
19 fit vehicle for the tough nitty-gritty
20 commercial needs of our industry, has
21 exhibited a superb driver and passenger safety
22 record directly attributed to the size,
23 versatility and safety features of the Crown
24 Victoria. Painting a soccer mom vehicle
25 yellow --

00065

1 MR. FRASER: Mr. Sherman, I have to
2 ask you to sum up. We have a lot of speakers.

3 MR. SHERMAN: I am about to sum up.
4 I am a member of the environmental
5 group RiverKeeper, and clearly understand the
6 current gas price crisis and clean area
7 concerns this country is facing. Our ultimate
8 goal is to find, test, and eventually operate
9 a vehicle that provides the fleet operator,
10 passengers and the driver with the best
11 emissions and gas standards, without
12 relinquishing the present safety
13 specifications and degree of comfort we have
14 today.

15 Given the expected cost of the 2009
16 Escape hybrid reported over \$30,000, I believe
17 the only way to attain this goal is if we are
18 granted a logical phase-in period that is
19 sensitive to OEM production levels, uses a
20 blended MPG figure, and applies necessary cost
21 adjustment to the lease cap. However, the
22 current rules and hybrid options on the market
23 fall short of these goals.

24 It is our full intention to do all we
25 can to operate a car that is better for the

00066

1 environment, effectively ruining a green
2 operation. However, we cannot neglect to
3 recognize the risks these vehicles pose.

4 Thank you for the extra time.

5 CHAIRMAN DAUS: Any questions?

6 (No response.)

7 CHAIRMAN DAUS: Mr. Straul, thank
8 you very much. Next speaker is Bob Muldoon
9 from the Sierra Club.

10 MR. MULDOON: I am Bob Muldoon from
11 the Sierra Club. We are national
12 environmental group with membership across the
13 country and about 14,000 members in New York
14 City.

15 We have worked on this issue for
16 several years with the Taxi and Limousine
17 Commission and the taxi industry. I just want
18 to make a brief statement in support of what
19 you are doing here today, or what you had
20 passed. It really is a great accomplishment
21 to create the standard and to green this
22 fleet. It will result in real reductions in
23 air pollution and global warming emissions and
24 translate into real savings as the price of
25 gas continues to sky rocket.

00067

1 We want to thank the Taxi and
2 Limousine Commission, the taxi industry, and
3 especially the Mayor, for showing real
4 leadership on global warming and
5 transportation at this critical time. As you
6 know, the global warming issue continues to
7 grow in importance, and we greatly appreciate
8 what you have done here with hybrid taxis,
9 with fuel efficiency standards for the taxi
10 fleet as well as for the black car fleet.

11 And we also greatly appreciate the
12 Mayor's leadership on congestion pricing. So,
13 again, just a brief statement in support. Our
14 only real comment, we just want to note, as
15 your staff has testified, these vehicles have
16 held up and they are cheaper in terms of
17 maintenance and in terms of fuel cost. But
18 they have also proven popular with drivers
19 from the drivers we have spoken to.

20 Our only comment at this point is
21 that we feel we need a clear visible label for
22 these vehicles. We miss a big opportunity if
23 we keep this a secret from the average person
24 on the street. A clear decal that is easily
25 recognizable from a distance is important

00068

1 branding for New York City for the clean air
2 taxi program. It will help millions of riders
3 choose a less polluting vehicle and will also
4 advertise to the public that New York City is
5 committed to greening its fleet and fighting
6 global warming and reducing air pollution.

7 It will also educate the public that
8 there are cleaner mainstream vehicles
9 available that can handle the demands of the
10 New York City yellow taxi. And it
11 demonstrates that the Mayor's commitment is
12 very real in terms of quickly moving towards
13 his Plan NYC and his goal to reduce global
14 warming emissions by 30 percent by 2030.

15 So we would like to see New York City
16 trumpet this success and we hope you will
17 embrace a bold and easily visible label for
18 clean air taxis so that the public can witness
19 and participate in the transition of the
20 13,000 yellow taxis to cleaner air vehicles.

21 We submitted a letter last year
22 stating this and also giving you examples.
23 When this was announced with the Mayor last
24 year during the summer, he stood next to a
25 taxi with a Yahoo wrapper on it that was a

00069

1 green taxi. And that was taken off the
2 streets afterwards. So we want to see that
3 bold labeling brought back.

4 CHAIRMAN DAUS: You mean the logo
5 was taken off the streets, not the cabs?

6 MR. MULDOON: Yes.

7 CHAIRMAN DAUS: The gentleman who
8 just testified against the hybrids, has them.

9 MR. MULDOON: They have the taxis,
10 right but the labeling --

11 COMM. KAY: Can I ask, Mr. Chairman,
12 while I certainly appreciate the words of
13 confidence on behalf of the Mayor, to limit
14 the testimony to what this hearing was called
15 for and not to discuss, frankly, the benefits
16 of -- although I appreciate the concerns about
17 the merits of whether or not we should do this
18 or not, except to try to keep this to the
19 reasons articulated in the public hearing,
20 which is availability as well as some other
21 concerns about updated safety data, so that we
22 can move this along.

23 CHAIRMAN DAUS: I think the only
24 thing was availability that we committed to.

25 MR. MULDOON: I appreciate it.

00070

1 Thank you.

2 CHAIRMAN DAUS: Thank you. You have
3 been a helpful partner. But that was the one
4 thing that was the big issue and the big
5 concern, and I don't want to start losing
6 Commissioners.

7 So let's try to move it along.
8 Malcolm Rattner, and I will call the next
9 speaker as well, so you could be ready, Kate
10 Singding from NRDC.

11 MR. RATTNER: Good morning, Chairman
12 Daus and Commissioners. My name is Malcom
13 Rattner, I operate 166 cars in Brooklyn. I am
14 proud to say I have been in the taxi business
15 for over 45 years. I know the taxi industry
16 pretty well. I operate a garage that is open
17 24 hours a day, seven days a week. I don't
18 even know where the front door key is.

19 I consider myself someone who is up
20 on things, particularly cars. I am worried
21 about how well I will operate my taxi business
22 after October of this year. I applaud the
23 Mayor and the city for the push to go green.
24 I don't know whether or not the city has done
25 their homework yet. We can all be homeless if

00071

1 we don't do our homework.

2 I think it is too soon to completely
3 turn over a fleet of taxicabs just so we can
4 get 25 miles per gallon. Where are these
5 taxicabs going to come from and how am I going
6 to buy enough of them when I need to replace
7 the cars in my fleet?

8 I speak to the auto dealers, I am
9 very friendly with them. They are worried
10 also. There will not be enough 25 miles per
11 gallon cars to go around. What will I do
12 then? I know a lot of individuals who have
13 bought these cars. They are having major
14 troubles with them, major troubles. The
15 transmissions are \$5,000 for these things. As
16 you hear, some of the electrical parts are
17 \$7,000 for these.

18 It will cost everyone a lot of money
19 for parts, and I am even told that so many of
20 them are on back order, and I mean back order.
21 They have to wait almost two to three weeks to
22 get some of these things. The batteries will
23 not hold up for the life of the cars and I
24 worry whether they will hold up during the
25 summertime in the summer months. I wonder if

00072

1 these cars will even get 25 miles a gallon per
2 mile when you flip on the switch to get the
3 air conditioning.

4 I need to tell you that it is
5 expensive to run for 24 hours, seven days a
6 week, a 166 taxicab fleet operation.
7 Especially mixing and match apples and oranges
8 together. The mechanics will not know what to
9 do. Toyota will not guarantee these cars.
10 They said they will never guarantee a taxicab.

11 What is the rush? Ford had promised
12 the industry that the transit connect would be
13 ready in 2009. What ever happened to the
14 standard taxicabs? I have read that there
15 are some diesel model vehicles coming out this
16 fall. Can't we wait to see if one of those
17 options is better?

18 There is something else that is
19 bothering me. I read The New York Times every
20 Sunday, and I am sure a lot of the
21 Commissioners do too. It has been reported in
22 The New York Times that research has proven
23 that people who drive for longer periods
24 period of time -- please let me finish -- have
25 an increased risk of developing cancer and

00073

1 leukemia by sitting over the generator, which
2 is really a magnetic field, which is proving
3 not to be good for the people.

4 Our drivers are out in the street no
5 less than ten hours a day and passengers are
6 in the vehicles no more than an average of 15
7 minutes. Does this means our drivers will run
8 the risk of developing a life threatening
9 illness? I hope not. Did any Commissioner
10 read this? This was in The New York Times two
11 weeks ago, it was almost a quarter page ad on
12 it?

13 It is no secret that the Crown
14 Victoria has proven to be the taxicab of
15 choice. It has never let us down. It is a
16 safe, comfortable, reliable taxicab, and we
17 can fix them easy. They will stay on the
18 road. And I would like to add one other thing
19 to this. The Crown Victoria, even though Mr.
20 Schenkman doesn't like them -- and I love Mr.
21 Schenkman, he is a friend of mine. The Crown
22 Victoria is work hors, it is taxi tough.

23 I have cars in my garage that have
24 close to 300,000 miles on it. You are more
25 than welcome to come in and look at any one of

00074

1 them. They look like the day we bought them.
2 Thank you very much, Commissioners.

3 COMM. KAY: Can I ask you a question
4 regarding availability? You mentioned the
5 Crown Vic.

6 MR. MULDOON: One thing about Ford,
7 and I have to say this, I keep \$75,000 in
8 parts in stock for my fleet. When I call
9 them, I need something, it is there the next
10 day.

11 COMM. KAY: Has Ford told you that
12 they will continue selling the Crown Vics
13 beyond this year?

14 MR. MULDOON: Not if we don't buy
15 them. Ford has bent over backwards to help
16 everybody here. We are all partners in this.
17 You, you, you, we are all doing taxicab
18 business.

19 COMM. KAY: Ford has said that if
20 you were to continue buying these things, that
21 they will continue producing the Crown
22 Victoria?

23 MR. MULDOON: I really hope so. I
24 pray for that.

25 AUDIENCE MEMBER: The answer is yes.

00075

1 COMM. KAY: Because I haven't heard
2 that from Ford.

3 AUDIENCE MEMBER: You are not in the
4 business.

5 COMM. KAY: I'm sorry, but when the
6 president of Ford comes to talk to me and the
7 Mayor, I hope those conversations are
8 truthful.

9 MR. RATTNER: You tell the president
10 of Ford when he comes, that Malcolm Rattner
11 says he has the greatest product out there.

12 Has any Commissioner here tried to
13 take their children or grandchildren into one
14 of the hybrids? You can't get into back of
15 them.

16 COMM. WEINSHALL: Yes.

17 MR. RATTNER: Have you really tied to
18 sit in them?

19 COMM. WEINSHALL: Yes.

20 MR. RATTNER: And how do you feel?

21 COMM. WEINSHALL: I love it.

22 CHAIRMAN DAUS: I have one and my
23 staff loves it. It is fantastic.

24 You have well exceeded your time.

25 You made your points. Thank you.

00076

1 MR. RATTNER. Thank you,
2 Commissioners.

3 CHAIRMAN DAUS: The next speaker is
4 Ms. Kate Singding.

5 MS. SINGDING: Good afternoon. I am
6 Kate Singding. I am a senior attorney with
7 the Natural Resources Defense Council. NRDC
8 is a national environmental group which was
9 founded and remains headquartered here in New
10 York City.

11 I want to begin by congratulating the
12 Commission on the success of this initiative.
13 The Mayor and TLC had set a goal of having
14 1,000 hybrid taxis on the road by October of
15 this year, that's already been surpassed five
16 months before that. And it shows that the
17 program is not only workable, but that it
18 provides real benefit to the industry and to
19 drivers in particular.

20 Particularly with today's high gas
21 prices, like other kinds of drivers across the
22 country, taxi drivers are seeing the
23 advantages of purchasing and operating hybrid
24 vehicles as taxicabs. As testified to by
25 Peter Schenkman, this translates into real

00077

1 environmental and other public benefits in the
2 form of reduced air pollution, reduced
3 emissions of global warming gases, and reduced
4 usage of petroleum.

5 The success of the program can be
6 further demonstrated to the extent in which it
7 has been replicated in other cities, including
8 Seattle, San Francisco, Toronto, Vancouver,
9 and, hopefully, Los Angeles will shortly join
10 that list. Once again, this demonstrates New
11 York's role as a national environmental
12 leader. And for this reason, and to ensure
13 that the significant benefits being realized
14 by the drivers and the public are preserved,
15 it's critical that the Commission not
16 backslide from strict adherence to the
17 regulatorily mandated emission standards that
18 were promulgated in December.

19 Simply put, any delay in implementing
20 the rules will set back the environmental
21 benefit for all New Yorkers and the economic
22 benefits being realized by drivers. While
23 better models of hybrid cars for cab use are
24 surely on the way, and incidentally, the
25 transit connect which we have heard so much

00078

1 about today is not one of them. It's only
2 predicted to get about 19 miles per gallon
3 when it is rolled out next year.

4 The evidence that was presented by
5 the Commission staff clearly demonstrates that
6 these vehicles are available now, and,
7 therefore, the TLC's landmark and
8 record-setting regulation should remain in
9 tact.

10 CHAIRMAN DAUS: Do you have any
11 information to add on vehicle availability?

12 MS. SINGDING: I would just make the
13 point that whereas I understand that Ford is
14 only making 50 yellow painted vehicles
15 available on a monthly basis, A, there are
16 other models that are available and that are
17 eligible to be hacked up as New York City
18 cabs.

19 And, B, I think Mr. Schenkman
20 testified that it is \$1,500 on top of the
21 purchase price of the vehicle to paint a
22 regular hybrid yellow. So I think the
23 evidence is pretty clear as presented by Mr.
24 Schenkman that these vehicles are available
25 and that the availability will only continue

00079

1 in the future.

2 CHAIRMAN DAUS: Thank you.

3 The next two speakers are Steve
4 Newman and then Steve Statharos, followed by
5 Mr. Mateo.

6 MR. NEWMAN: Good afternoon. My
7 name is Steve Newman, I am the owner and
8 operator of Wailing Management Inc. I am
9 responsible for the management of
10 approximately 200 taxis, most of which are
11 double shifted.

12 Implementing an accelerated program
13 for the 25 miles per gallon standards by
14 October '08 will effectively eliminate every
15 other potential vehicle except hybrids. The
16 hybrids contain more parts, sub systems,
17 components, than any conventional vehicle.

18 As reported by CNW Marketing
19 Research, a company worth having a look at, an
20 independent company in Oregon, most of these
21 components literally travel around the world
22 before being assembled into a vehicle.
23 Thereby, increasing the carbon footprint for
24 each vehicle. This report titled, "Dust to
25 Dust," defines the energy costs of building,

00080

1 owning, operating and disposing of many
2 different vehicles throughout their entire
3 life cycle.

4 According to this report, the carbon
5 footprint of Toyota Prius is more than one
6 third greater than a Hummer age 3. To put
7 this into perspective, the report states that
8 a Toyota Sion XB non-hybrid gas car is about
9 25 percent the carbon footprint of the Hummer.
10 I have for sometime questioned the greenness
11 of hybrids.

12 Don't fool yourselves that hybrids,
13 and all the marketing hype that goes along
14 with them, are the absolute environmentally
15 friendly choice. Many fuel conservationists
16 worldwide have not embraced the hybrid. They
17 choose and constantly improve small diesel.
18 They are cheaper, much less complex, and get
19 better fuel mileage than hybrids. A more
20 viable option than hybrids is on the horizon.
21 In fact, they exist worldwide right now.

22 These are new generation clean diesel
23 cars, powered by new generation ultra low
24 sulfur or biodiesel fuel soon to be on our
25 shores. Vehicles that obtain approximately 40

00081

1 miles per gallon in the city and are
2 environmentally friendly. These vehicles will
3 be legal in 50 states, with a carbon footprint
4 similar to the Sion I just mentioned. Why do
5 you suppose it is that Honda, who produces the
6 most fuel efficient cars on the planet has
7 abandoned the hybrid Honda Accord in favor of
8 their newest 2.2 liter highly acclaimed new
9 generation diesel, the IDTEC?

10 Clearly, at present, Honda and other
11 auto makers have recognized that a new
12 generation diesel results in a more efficient
13 vehicle and is vastly superior to the hybrid.
14 It is a fact that new generation diesel cars
15 will be available in the near future -- I am
16 almost done.

17 CHAIRMAN DAUS: If you could sum up.

18 MR. NEWMAN: In conclusion, I urge
19 the Commission to consider a plan that would
20 incrementally take us towards the 30 miles per
21 gallon goal and allow testing of additional
22 vehicles soon to be diesel powered. Thank
23 you.

24 CHAIRMAN DAUS: Any questions?

25 (No response.)

00082

1 CHAIRMAN DAUS: Thank you, Mr.
2 Newman. Next speaker is Steve Statharos.

3 MR. STATHAROS: My name is Steve
4 Statharos with City Transport in Woodside. I
5 would like to start by saying I fully concur
6 with my colleagues in the industry on the
7 safety, durability and mechanical issues and
8 the need to extended the test program.
9 However, I would like to focus on one of the
10 myriad of issues that I feel will crop up and
11 flow from the full and immediate
12 implementation of hybrids.

13 From my own experience, for the last
14 six months I have been trying to hire a
15 mechanic and a mechanic's assistant with no
16 success, despite advertising in several papers
17 as well as on the Internet. The few calls I
18 have received are from people with little or
19 no experience. I simply have not received any
20 calls from any experienced mechanics, despite
21 advertising in multiple forms of media, the
22 newspaper and the Internet.

23 When the hybrid medallions were first
24 issued a few years ago, one of my mechanics
25 was extremely eager for me to send him for

00083

1 hybrid training, even though I had none of
2 these hybrid medallions in my garage. He went
3 a step further and asked that I buy the Ford
4 hybrid manuals for him to study, and actually
5 offered to reimburse me for their cost. I can
6 clearly see what his intention was. He wanted
7 me to train him so that he could go on and
8 work for Nissan or Toyota and then I would be
9 in a situation where I would have to replace
10 him as a mechanic after having trained him.

11 My point is, if I can't find a
12 regular mechanic now, I don't know how I will
13 replace a hybrid mechanic a year into this
14 program. The demand for skilled hybrid
15 mechanics is very high and I see a real
16 problem in terms of our ability to retain such
17 skilled labor in this industry. I am not anti
18 hybrid. I actually own a hybrid myself, but
19 for the many reasons we have discussed here
20 today, I feel the timing is not right for full
21 scale, industrywide implementation.

22 There are a litany of real issues
23 that you have heard about, ranging from safety
24 and mechanical issues to the training and
25 retooling of garages, all which work against

00084

1 immediate industrywide transition. I would
2 urge a carefully tailored limited test program
3 over an extended period, to both allow time
4 for this technology to properly mature and for
5 us further identify and address safety and
6 mechanical concerns.

7 Thank you.

8 CHAIRMAN DAUS: Thank you. Any
9 questions?

10 (No response.)

11 CHAIRMAN DAUS: Okay, Mr. Mateo,
12 Vincent Sapone and then Dave Pollack.

13 MR. MATEO: Good afternoon,
14 Commissioners. My name is Fernando Mateo, I
15 am the spokesperson for the Federation of New
16 York State Taxi Drivers. We represent about
17 7,000 owners operators, drivers who lease
18 Medallions as well as drivers who work for
19 fleet owners.

20 One of the concerns that the owner
21 operators have that we represent is that they
22 have developed over the course of the years, a
23 working relationship with Ford. And they are
24 very concerned that that relationship is going
25 to go down the tubes because of the high

00085

1 demand that Ford has and the little production
2 that they are currently giving us.

3 Unlike the fleet owners who have
4 their garage and have their parts and all of
5 the things in place to service their Crown
6 Vics as we speak, these drivers usually go to
7 shops. Shops that are able to provide them
8 with the parts that they need whenever they
9 need it.

10 Switching over to hybrids is
11 something we are all very happy to do. We
12 all want clean area, we all want a better
13 city, we all want everything that is good for
14 the environment. But the big problem is that
15 we are forgetting about the people that are
16 driving these vehicles. They don't have the
17 comfort they had in the larger cars. The
18 passengers don't have the comfort that they
19 had in the larger cars. The safety isn't the
20 same.

21 We are all for a better New York and
22 for better air quality and for all those
23 things. But we need to make that we have the
24 drivers that are going to drive these vehicles
25 and drive them for extended periods of time

00086

1 without wearing themselves down physically.

2 I think that waiting -- Plan NYC

3 basically formed a committee, which we are a

4 part of, and we are looking for that

5 excellent, that perfect taxicab for New York

6 City. The taxi of the future. I don't think

7 we are giving that enough time. I don't think

8 you are giving this committee and that vehicle

9 to be develop enough time. Why have this

10 committee if we are rushing into a hybrid

11 situation, that then will have to change

12 again?

13 It is like we are changing the face

14 of the yellow industry rapidly. Yellow cars

15 are an icon in this city. They are in movies.

16 They represent New York. And people around

17 the world have seen what these vehicles look

18 like. Now you don't recognize them anymore.

19 You recognize them because they are yellow,

20 but now they are all shapes, form and sizes.

21 It is not what it used to be. I think if we

22 can give this committee and the people that

23 are developing the taxi of the future a few

24 more months to finish, and then as you said

25 before, you have a lot of people that were

00087

1 interested in manufacturing this car, I think
2 we can hit a home run.

3 But right now, we bunting, bunting,
4 trying to steal a base. We are not getting
5 there. I think we can accomplish a lot more
6 if you give us the time that the city
7 initially said they would give us to develop
8 this wonderful vehicle.

9 But, once again, comfort for the
10 driver, comfort for the passengers, and safety
11 should be the most important things. I think
12 everything else should come after that. I
13 think clean air is great, but I prefer to see
14 a healthy driver than to see an industry with
15 just sick people trying to provide a service.
16 Thank you.

17 CHAIRMAN DAUS: Thank you, Mr.
18 Mateo. Mr. Sapone, then Mr. Pollack, and then
19 Victor Chiofolo.

20 MR. CHIOFOLO: Mr. Chairman, Victor
21 Chiofolo. Can I sede my spot to Warren
22 Prosky?

23 CHAIRMAN DAUS: Sure. I feel like
24 we are in Congress. No problem.

25 MR. SAPONE: Good afternoon,

00088

1 Commissioners, Mr. Chairman. I want to talk
2 about what you said about 40 minutes ago --
3 are you listening?

4 CHAIRMAN DAUS: Yes.

5 MR. SAPONE: -- about illegal street
6 hails. I have to tell you, it is the first
7 time in many years that I feel really
8 confident with the words you used. You know,
9 the first time I feel that the TLC is really
10 going to do something about the illegal street
11 hails, because it became above the cancer. It
12 became leukemia. And I want to congratulate
13 Pansy Mullins on the excellent job she is
14 doing. Anyway, thank you for doing that.

15 CHAIRMAN DAUS: Thank us after we do
16 it.

17 MR. SAPONE: Are you telling us it
18 is going to be maybe.

19 CHAIRMAN DAUS: No, we will report
20 back at every meeting.

21 MR. SAPONE: In this room, I don't
22 think anyone from the industry is saying not
23 to save a life, don't go green, help the
24 atmosphere, let's be the best city in the
25 world. Everyone I think is saying that. But

00089

1 you know what, when people make decisions and
2 say this is what is going to be, when I make a
3 decision in my place, I run an association of
4 almost 3,400 members. It's going up, thank
5 God, it is owner drivers, 95 percent owner
6 drivers, the other 5 percent are lease
7 drivers. I ask them, when the TLC or the
8 wonderful Mayor, which I would have voted for
9 if he ran for president, thought about going
10 green, did he call in any of these guys here,
11 or maybe even me, together with you, just say
12 let's do it?

13 You know what, as far as I am
14 concerned, there is not a right car out there.
15 I think we should go green. I think we should
16 go diesel, but there is not a right car out
17 there. Mr. Giannoulis asked why are people
18 still buying Fords. I will give you my
19 answer, if I may, I have a few guys that just
20 recently purchased a Crown Victoria again. He
21 looked at the Ford Escape, he always uses a
22 partition. These couple of guys always use a
23 partition. They have been driving 40 years.
24 And they were like in a tomb. It was like
25 being in Houdini's box. It is impossible to

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1 sit in there.

2 And if you get hit, my friends, you
3 are not getting out. I suggest bring a few
4 hybrids here, okay, the Ford Escapes with the
5 partition and show you what it is all about.
6 Listen, let's go green. But should we change
7 the law where I have to start work at four
8 o'clock in the morning to make people happy?

9 Let's go green at the right time.

10 Now, this Ford connect, maybe it gets 19, 20,
11 miles per gallon, I don't know. But I have
12 seen it. And if we can work on them to work
13 on this car, that's the car for everybody.
14 What is the difference if a car gets 23 miles
15 per gallon or 25, as long as it is burning
16 clean oil? What is the difference? What
17 are we doing here?

18 Like the last speaker said, Mateo, we
19 are an industry with all Fords. People see a
20 movie, they know it is New York City. What
21 are we going to have, 15 different cars out
22 there? No good. We need more time, we have
23 to get a better car.

24 Thank you, sir, and let's bring some
25 hybrids outside and let the Commissioners sit

00091

1 in there. Bring your families, see how much
2 room there is. Thank you.

3 CHAIRMAN DAUS: Thank you.

4 Mr. Pollak?

5 MR. POLLACK: Good morning,
6 Commissioners. My name is David Pollack, and
7 I am the executive director of the Committee
8 for Taxi Safety. An association of licensed
9 leasing agents representing approximately
10 2,000 Medallion taxis and the thousands of men
11 and women who work with our association.

12 Although the committee is not opposed
13 to the MPG requirements, we do have concerns
14 regarding the implementation of the
15 regulations. One of our concerns is when the
16 Ford Crown Victoria is eliminated and there is
17 an approved TLC vehicle, will there be an
18 adequate supply of street-tested 25 MPG
19 vehicles. Although the TLC approved 25 MPG
20 vehicles, these vehicles may have had no
21 history of problems for consumers, but as we
22 all know, taxi driving in New York City is
23 totally different. Yet, only one 25 MPG
24 vehicle has been truly taxi tested, the Ford
25 Escape hybrid.

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1 We believe all other approved 25 MPG
2 taxis must be taxi road tested also. It is
3 our understanding that Ford will increase its
4 production of the Escape hybrid and has
5 recently committed, at least verbally, to at
6 least 2000 vehicles for 2008. The taxi
7 industry purchases approximately double that
8 number annually. Accordingly, the anticipated
9 high demand for this vehicle as a safe,
10 reliable and taxi tested vehicle, assuredly
11 will result in delivery delays, potentially
12 compelling New York City Medallion owners to
13 purchase vehicles that have not been tested or
14 piloted for road worthiness, as all New York
15 City taxis should. And vehicles which are not
16 their first choice of vehicle.

17 This will have a rippling effect on
18 cost. Not only may the vehicle need to be
19 replaced sooner if it is not able to stand up
20 to the rigors of New York City taxi driving,
21 as we have seen and experienced, but rather
22 than having all the same cars, now the agent
23 may well have to stock different
24 manufacturers' parts, losing the efficiency of
25 scale and train its mechanics to repair and

00093

1 maintain different vehicles it had not wanted
2 in the first place.

3 Therefore, the TLC should not mandate
4 a vehicle purchase if it is not the vehicle
5 choice for that purchaser. An example, an
6 owner purchases a Prius instead of an Escape
7 due to delivery delays. The increased cost of
8 taxi vehicles directly adds to a DOV drivers
9 monthly or weekly payments. If a taxi fails
10 prematurely, the DOV driver lose the benefit
11 of his purchase and must buy another vehicle.
12 Once again, the owners, agents, DOVs and owner
13 drivers should not be compelled to purchase a
14 vehicle that is not their choice. It is
15 simply not fair to the drivers and the owners
16 to purchase any qualifying vehicle if a Ford
17 Escape is wanted but is not available.

18 We respectfully suggest that perhaps
19 the TLC could work with Ford in an attempt to
20 have the Ford Crown Victoria modified to
21 reduce their engine power, increase gas
22 mileage and lower emissions. A lower powered
23 Crown Victoria would also directly be
24 accountable for smarter driving habits.

25 Finally we ask, where is the

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1 scientific technology assessment that provided
2 the basis for a 25 MPG taxi?

3 In summary, we believe implementation
4 may well be premature as to vehicles other
5 than the Ford Escape. We urge patience and
6 testing. We would also like the Ford Crown
7 Victoria allowed as a New York City taxi for
8 one more year, giving Ford the time needed to
9 perhaps modify the Crown Victoria so that it
10 can remain as a TLC qualified taxi vehicle.
11 This additional time would also allow for
12 hybrids other than the Ford Escape to be
13 tested as taxis and potentially save our
14 drivers possible unnecessary and needless
15 additional expense.

16 Thank you.

17 CHAIRMAN DAUS: Thank you.

18 Warren Prosky and then Michael
19 Wanderman, and the last speaker after that
20 will be Bill Lindauer.

21 MR. PROSKY: Good afternoon,
22 Chairman, Commissioners. I apologize, I
23 didn't plan to testify today, but I am a third
24 generation taxi. As Commissioner Daus knows,
25 he was nice enough to visit me and spend a

00095

1 great deal of time. He has seen how I operate
2 my garage. I have been coming here for 20
3 years now listening to testimony, and
4 appreciating what both sides have to do to
5 make the safest possible environment for the
6 New York City riding public.

7 As an owner, I've also felt the pain
8 that is brought upon me by my drivers, who are
9 my customers, as well as the city's need to
10 properly provide a vehicle for the riding
11 public. Over ten years ago, I sat here and I
12 listened to a similar meeting. Unfortunately,
13 nobody sitting up here attended that meeting.
14 And somebody, it could have been Jen
15 Applebaum, I don't remember, sat there and
16 gave all types of statistics and they were
17 terrific. It talked about something called
18 CNG.

19 We listened, and the Commissioners
20 listened, and at one point, more forcing it on
21 us, they asked us to commit to a CNG product
22 because it was better for the environment. I
23 tell you, irregardless of what feel personally
24 about people who operate taxicabs, we are all
25 concerned about the environment. We live here

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1 in New York City. We live here in the region,
2 so we are concerned about the environment.

3 So many of us, myself included,
4 committed to buy a more expensive car, based
5 on literature and testimony that we received
6 from the City of New York. The literature,
7 and I have it if you want to see it because I
8 keep a folder on CNG, was a beautifully
9 prepared document by the city. It showed a
10 picture of the car with three or four
11 different drivers standing in front of it.
12 And it talked about the 22 fueling stations
13 that we would be able to use seven days a
14 week, 24 hours.

15 It talked about how the dealerships,
16 in conjunction with the city, in conjunction
17 with the TLC, would provide us technical help,
18 support, blah, blah, blah. I bought eight
19 vehicles. Those eight vehicles were the only
20 business mistake I've made in 20 years and my
21 family did in over 70 years of being in
22 business. So I want to paint a small picture
23 if I have a few moments.

24 Number one, we did everything
25 according to what the TLC asked. We purchased

00097

1 the vehicles, we went for whatever training
2 they suggested. I am still waiting for
3 Brooklyn Union Gas to give me my rebates. I
4 never received them. Not an issue.

5 The issue was my customers, the
6 driver. My driver comes in at three or four
7 o'clock in the morning. He is tired. He is
8 waiting for his vehicle. I can't send him out
9 because the fuel fill is leaking. I can't
10 send my customer out because I am in Brooklyn
11 on Bergen between Third and Fourth. On
12 Flatbush and Bergen there was a Mobil station,
13 it is now a part of Rattners project, but they
14 provided CNG. So I was the ideal candidate.

15 The only problem is their equipment
16 didn't work, or they did not have CNG.
17 Unfortunately, the dealer who sold me the cars
18 is not here today. He could not support the
19 product I bought from him. He apologized. It
20 took months for me to realize, and I am not a
21 stupid business person, that my car was being
22 sent to a retrofitter in Staten Island, so I
23 went weeks at a time sending two men home
24 every day, not providing him a means to make
25 and feed his family, nor for me to provide

00098

1 income for myself. It was a tragedy and a
2 business mistake that I made, but I was
3 committed to what the city's program was.

4 Sitting here listening to the TLC
5 testify, to other people testify. There is
6 going to be issues. People want the
7 environment, we should be protecting the
8 environment, we should be having a good car.
9 The reality is, this is exactly the same
10 scenario.

11 So number one, I beg the
12 Commissioners, because I know you do care, and
13 you are all accomplished people, to go back
14 over ten years and look what the city did.
15 They did it wrong. It wasn't their fault.
16 They tried to provide the best available
17 technology and provide it to the people of the
18 City of New York. The reality is, it was a
19 failure. It was mistake, okay.

20 What we are doing now is the right
21 track. We understand the Crown Vics is going
22 to be retired. We are not arguing that point.

23 CHAIRMAN DAUS: You are way over your
24 time. Could you sum up on the issue of
25 vehicle availability. We got your point on

00099

1 CNG.

2 MR. PROSKY: Right now, it is pretty
3 clear to me, and I think it is clear to the
4 Commissioners, that the vehicles are limited.
5 The reality is that a family of four, they
6 don't fit comfortably in any of the cars
7 available.

8 All I am saying is, if you mandate
9 something, we will comply. It will be an
10 embarrassment to the City of New York and it
11 will be a failure to our industry. And I
12 think if we are given a bit more time, I am
13 not telling you how much time to give us, some
14 car manufacturer will get it. Remember, we
15 are the smallest market that any car
16 manufacturer services. Yet, certain car
17 manufacturers are willing to service us.

18 Thank you.

19 CHAIRMAN DAUS: Thank you very much.
20 Michael Wanderman?

21 MR. WANDERMAN: Good afternoon
22 Commissioners. My name is Michael Wanderman.
23 I operate cabs at Gotham Yellow in the Bronx.
24 We run about 238 taxis, and actually over 50
25 percent of our fleet are hybrids. We

00100

1 originally got into the hybrid taxi in 2006
2 based on winning 38 in an auction, but have
3 continued to buy voluntarily since that point.
4 And based on the numbers Mr. Schenkman showed,
5 we represent 25 percent of the voluntary
6 industry that has purchased these new taxis.

7 We made the business decision to
8 overhaul our fleet and keep going hybrid as
9 more of a service campaign to the drivers who
10 save 60 percent on gas when they fill up
11 daily. It speeds up our shift change while
12 helping the environment, which everyone agrees
13 is important.

14 So far we have been happy with the
15 hybrids, but I think it is still too soon to
16 tell. Our oldest hybrids right now have
17 125,000 miles on them and they are not at the
18 point yet where we will see if they last as a
19 three year car or a five year car.

20 In terms of availability, we have had
21 issues with availability since we started
22 purchasing them. We were originally supposed
23 to get our first delivery of 35 back in
24 October 2006, those ended up getting delayed a
25 month to a month and a half. We continued to

00101

1 buy more, we needed another 60 the following
2 January when brought in another group of
3 medallions to our fleet on a voluntary basis
4 to buy the hybrid. Those ended up being three
5 months late, and during that time we made a
6 commitment to stay with the hybrid and were
7 promised by Ford, it is coming. And,
8 therefore, we decided not do the easy thing
9 for our business and put a Crown Vic on the
10 road.

11 The problem is every day we lose 200
12 to \$225 in shift revenue and drivers not going
13 out on the road because our Medallions are
14 sitting without a car to be driven. We still
15 have availability issues, and what we did
16 recently was, since we are knew we were going
17 to continue to buy the hybrids, I ordered a
18 large volume and made a deal with one of our
19 vendors that they were holding them for us.
20 And that allows me now to maintain some
21 turnover. But that will come to an end soon,
22 and, again, if 85 percent of the industry is
23 using the Ford Escape, which, but the way, we
24 stay with Ford due to our business
25 relationship with them, and it has been

00102

1 referenced in terms of apples and oranges, the
2 different cars. By having two sets of cars,
3 the Crown Vic and the hybrid, we are
4 maintaining two sets of parts, two sets of
5 inventory, to types of training. And we are
6 not a regular auto body store where we can
7 wait a few days to get a car fixed or for a
8 part to come in. Our cars, we want them back
9 on the road the next shift because it affects
10 our bottom line and it affects the driver's
11 ability to go out as well.

12 In terms of availability, I am
13 hearing the 50 available, and, obviously, it
14 is a simply supply and demands issue. If the
15 mandate goes through in October and we are
16 talking about 200 a month, there is no way
17 Ford or the other dealers are meeting the
18 supply.

19 The support we have had has been
20 great, but there has only been one Ford vendor
21 proven to service us, and even for my own
22 sake, I think the turn around time is too
23 slow. We have gotten Ford engineers with some
24 of our problems with the hybrids, which I will
25 go into quickly, but, again, it is sending

00103

1 parts back to Detroit, then looking at it.
2 And Ford corporate, not understanding the taxi
3 industry in terms of the turn around time we
4 need.

5 With our hybrids we have 43 2007 Ford
6 Escape hybrids and over 82 2008 hybrids. Some
7 of the major issues we have had, especially
8 with the 2008s, and one thing that concerned
9 us is in this industry we like consistency.
10 And they talk about the Crown Vic being a
11 consistent car year after year. There are
12 many differences between the 2008 hybrid and
13 the 2007 Ford Escape hybrid with body work and
14 some internal stuff, which obviously creates
15 new parts and things like that.

16 The 2009, I am hearing will also have
17 a different braking system. I am not sure if
18 that is correct, but more changes. We have
19 had issues with our 120 hybrids, where we have
20 had to change over 40 steering shaft and
21 knuckles. This is where the steering gets
22 locked up on the car and makes the car not
23 safe to drive. We have changed over 40
24 throttle bodies, which have caused the car to
25 cut off. Some people have testified to cars

00104

1 cutting off, it is limp mode, when certain
2 components go. To protect the hybrid
3 technology in the car, it tells the driver to
4 slow down and stop, but it is actually putting
5 the car into neutral and forcing the driver to
6 step. And if you are going down the highway
7 at 60 miles per gallon with cars around, that
8 could potentially create an issue. Thank God
9 we haven't had one so far.

10 We have changed over 150 pumps, which
11 are the coolants to cool down, also causing
12 limp mode. We were told the pump was
13 reengineered. We continue to have failures in
14 them. Most recently they have asked us to try
15 out three years with the new version of it
16 where we have to take the cars to the dealer
17 because the dealer has to do them in order for
18 them to be considered certified for our test.
19 We have changed over axle tubs and bearings.
20 And on the 2007s, there have been issues with
21 95 percent of the chassises when they reach
22 100,000 miles.

23 In terms of accidents, I don't think
24 -- the Crown Vic is obviously a much better
25 built car and a sturdier car. When we have

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1 accidents with our hybrids, there is a lot
2 more damage that occurs because the car is
3 softer and it not as well structured as the
4 Crown Vic. The Crown Vic is built more like a
5 tank, built to handle that type of demand and
6 driving. Repairs are much longer and much
7 more expensive to repair, which increases lost
8 shifts for us.

9 CHAIRMAN DAUS: I'm sorry, Mr.
10 Wanderman your time ran out a while ago.
11 Could you sum up, please?

12 MR. WANDERMAN: Basically I think it
13 is an issue of needing more time. If anyone
14 could speak to the expertise of how these
15 hybrids are working, I think it is our fleet
16 because we are running more of them than most
17 other fleets.

18 CHAIRMAN DAUS: We would love to get
19 more of this information. I did keep public
20 comment period open until May 31st. I would
21 be happy to meet with you to get some more of
22 this information directly into Peter's hands.

23 MR. WANDERMAN: Sure. One last
24 point I want to make is that parts are more
25 expensive because there is no after market

00106

1 yet. On average we are paying a markup of 100
2 to 700 percent based on the type of parts that
3 we have to put into these vehicles.

4 CHAIRMAN DAUS: Great, thank you.

5 Next speaker is Bill Lindauer.

6 MR. LINDAUER: I am Bill Lindauer.

7 This has been a very interesting hearing, but
8 I must admit last Thursday's transportation
9 committee hearing was much more fun.

10 There are some legitimate concerns
11 expressed here, but I am worried that these
12 multi millionaire brokers and garage owners
13 will put the economic burden on drivers.
14 Drivers, despite whatever you say, are paying
15 for this cockamamie technology you have in the
16 cabs that passengers hate and drivers hate.
17 And now the economic burdens of the added
18 costs of the hybrids -- and we believe in
19 clean air, don't get me wrong -- will be
20 passed onto the drivers.

21 Even now, in some instances, brokers
22 and garages, I say in some instances, are
23 passing the cost onto drivers. They say you
24 save money on gas, okay, give me \$20 more a
25 day. So the drivers don't save a penny. And

00107

1 they are eking out a living now barely.
2 Paying a ridiculous rate on the charge cards,
3 which the system fails completely. It is just
4 awful. And I don't want the burden passed
5 onto drivers.

6 As one gentleman said, they said in
7 The New York Times, the Toyota, they are not
8 designed for commercial use. If the auto
9 manufacturer says that, you can believe that.

10 I have a question: With the city
11 mileage, I drove a Crown Vic, I know it
12 doesn't meet the standards but you got more
13 mileage per gallon at night because there is
14 less traffic. During the day you would get
15 maybe six to eight miles per gallon. At night
16 maybe you get 10 to 12. So I don't know what
17 standards you are going to be using for
18 judging these hybrid vehicles. That's just a
19 question. I will let you think about that.

20 But, remember, keep in mind the
21 drivers. They are barely making a living now.
22 Thank you.

23 CHAIRMAN DAUS: Thank you.

24 That concludes our public hearing. I
25 want to thank everybody for taking the time to

00108

1 testify.

2 A lot of information to sift through
3 but we are going to continue to take
4 information, so if you would like to
5 supplement some of your testimony with written
6 comments, you have until May 31st to do so.
7 And in addition to that, if you would like to
8 request a meeting with some staff to present
9 information, Peter Schenkman will make himself
10 available.

11 I want to thank everybody.

12 Do we have motion to close?

13 COMM. AROUT: So moved.

14 COMM. WEINSHALL: Second.

15 CHAIRMAN DAUS: We are closed.

16 (Time noted: 1:15 p.m.)

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

I, MARGARET EUSTACE, a Shorthand Reporter and a Notary Public, do hereby certify that the foregoing is a true and accurate transcription of my stenographic notes.

I further certify that I am not employed by nor related to any party to this action.

MARGARET EUSTACE,
Shorthand Reporter

