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Time: 10:00 am

Event: NYC Taxi & Limo Commission Meeting

>> Did anyone else wish to sign up to speak at today's public hearing?

>> Morning. Thank you for joining us this morning. On a holiday week. And I know it's still crisp, but it's kind of -- it's one of the first sunny days we've had. So... I extra appreciate your joining us this morning. Before we move to our agenda, I have a few items to just let folks know about. First of all, the TLC has moved its Manhattan facility to 33 Beaver Street. I guess this is probably something you know already.

( laughter )

>> I hope you like the new space. I hope you will be as happy here as we are that way. Because we certainly are. I just want to commend -- I won't read the long list. Everybody in the agency worked very hard to accomplish -- people who have been through an office move, you know how disruptive it can be. This one was very little disruptive. I don't know if people were trying to reach us. The phones went down around noon, they were up by 3:00 p.m. on Friday, the computers were all working when people walked the six blocks over. And it's really... You know, I don't -- at the risk of leaving people out, our extraordinarily competent Deputy Commissioner, Mr. Floyd, and Nick Venezia, and Jeff Grunfeld deserve great credit for moving the agency so smoothly. So I just wanted to credit them for that. Some policy items. Some of you may be aware that there is a pending proposal to consolidate various administrative tribunals within the city. As you know, there's one central agency for administrative adjudication. That's the office of administrative trials and hearings, known as OATH. Two years ago, I suppose, the Environmental Control Board was merged into OATH, and so now that really is the clear central locus for administrative adjudication within New York City, but even post that, there are several tribunals that are outside of OATH, where administrative adjudication takes place. The health department, department of consumer affairs, and of course the Taxi and Limousine Commission. In November, the members of New York City approved a charter referendum, authorizing the administration to consolidate tribunals, creating a process for public review, and set up a committee to oversee those transfers. The Department of Consumer Affairs, the Department of Health, Department of Housing Preservation and Development -- all in a transfer to OATH. A public hearing on that proposal was held last Friday. So that's the legal version. But just to be clear, the upshot of that is that there's a proposal to move our tribunal, along with the

tribunals of those three agencies, either in whole or in substantial part in those cases, and in our case, in whole, over to OATH, so that the ALJ here -- the TLC summonses would be done by OATH ALJs. A hearing on that proposal was held on Friday. As I say. I think it is worth noting -- I can't help but note, at least, that the union that represents our administrative law judges spoke in opposition to the proposed transfer, and although ultimately, I disagree with the union's position, and I do believe that consolidation is a sensible policy for the administration to adopt, I was gratified, as any... As any agency head would be, that our ALJs prefer to remain here at TLC. For... If only sentimentally. I did value that. From the TLC's point of view, it is a logical extension of our own decisions over the last few years to refer a variety of hearings to OATH, including various license verification and suspension hearings, and tour evaluation hearings. The TLC team -- our general counsel, of course, Charles Fraser, along with our Deputy Commissioner for adjudications, and Deputy Commissioner Floyd have been spending a fair bit of time, I must say, with OATH and the city's administrative justice coordinator to ensure that the transfer proceeds as seamlessly as possible. We really want to make sure that this is... I should hope... An improvement for our customers and licensees, but at the minimum, is not detrimental to our customers and licensees.

OATH is planning to maintain the location of our hearings. This is very important to me. And to the agency. I do... I think... I want to make sure that our customers can maintain the essentially one-stop shopping that they have at Long Island City. There's a hearing that involves a licensing matter, people can go downstairs and deal with it, and not have to go from one office somewhere over to Long Island City to deal with it, then back to the courtroom, to have the adjudication disposed of. I think that would be detrimental. And as I say, OATH has committed to maintain hearings in their present locations. At Long Island City. And of course, many of them take place right here.

So I just want to make sure people know that that is going forward. Accessible dispatch. I just want to thank our industry partners, really, very much, for all the work and cooperation that and thought that people have put into this, into our joint effort to ensure that the taxi and livery and black car industries are accessible to people with disabilities. As a result of that work, yesterday, we released a request for proposals for dispatch services for accessible taxi cabs, that RFP builds on the experience that we gained in the two year accessible dispatch pilot program, as well as responses for the request for information we released in December. The formulation of the accessible dispatch program is a milestone in our continuing effort to provide top quality transportation services to all New Yorkers. The one we select will accept calls from passengers who need wheelchair accessible taxis for pickups in Manhattan, drivers will be compensated -- and again, I say that's Manhattan, recognizing that one, I think, defect of the pilot program, or really one -- one thing that the pilot program taught us, about how to do this most effectively, is that the taxis will be able to respond effectively within Manhattan. And that we shouldn't be overestimating the reach. Drivers would

be compensated for travel to the pick-up point. This is another lesson of the pilot program. That in order to ensure enthusiastic driver participation, the economics have to work. So drivers will be compensated for travel to the pickup point, funded by a fee that will be assessed to all medallion owners by the dispatcher. The RFP is available for download on the city records website and on the TLC's website, <http://www.nyc.gov/taxi>. And I hope... I point you there. Questions about the RFP from potential vendors are due on May 6th, and there will be a pre-proposal conference on May 12th. Proposals are due on May 26th. Our target day for kickoff of the accessible dispatch program is first quarter of 2012.

Saturday inspections. In order to maintain our short response time for FHB appointments during the peak season, we scheduled a series of Saturdays for FHB inspections in order to maintain our target of appointment availability within three to five days of the request. I am happy to report that the Saturday inspections achieved our goal. We sailed right through March Madness without the long backlog that we had last year. Gary Weiss and Pansy Mullings deserve great credit, and I really hope folks in the industry appreciate the work that they and their staffs put in. And of course, mostly, I guess, the S and E staff who worked those Saturday hours. And many in the licensing division as well. To make sure that we kept those wait times down. I'm really proud of the work that our folks did. So I commend them.

New rulebook. I want to remind everyone that our new rulebook became effective on April 1st. I know it only dawned on me really right before then that April fool's day was maybe not the best time to put out an initiative like that, but we did it, and nobody laughed. Both the new rulebook and the old rulebook are on our website, as is a guide to the new rules that includes a handy chart that gives you the new rule numbers for the most commonly used rules in the old rulebook. So we will have a quiz -- next commission meeting, I hope you will be fully prepared by then. We will be quizzing you on the rule numbers for the appropriate provisions. So please study up.

Upcoming meetings. Looking ahead to our May meeting, we're working on two proposed rules. By then, we will be ready to vote on the broadest revamping of our fine structure since at least 1998. As Deputy Commissioner Mullings discussed when she presented the concept at our January meeting, a key new feature of the rules will be that many rule the will allow the respondent to plead guilty ahead of time, eliminating the need for a hearing and reducing the fine that is assessed. This is consistent with how most adjudications are handled now. I think it will be of benefit to the HC, but more importantly, a benefit to the licensees, so Commissioners, I remind you, we had a presentation on that last month. We were not planning to repeat that now, but if you have questions about it, let me know. You know, as always, don't hesitate to pick up the phone. We have distributed to each of you and to industry folks who we knew were interested, but we can distribute to anyone else who wants one, again, a handy chart that for each provision sets forth the current fine and under the new proposal, you'll find if somebody pleads guilty before the hearing -- and then the fine that would be assessed after the hearing. So that

might be easier to digest than the rule language. If anybody wants that, just... Is that on the website? We can put it on the website, though, right? We'll get that on the website as soon as Jeff Grunfeld can do that. It is... So... We'll get that up as soon as we can.

Also in May, we have a proposed rule institutionalized the taxi group rights stand at the port authority bus terminal, the pilot program for that has been successful, and as you know, Commissioners' pilot programs must be -- we need a final rule to make them final and permanent. So we will be doing that in May. Also, for our June meeting, I want to remind folks -- I suggested this last time. We'll be trying something new, which is a -- getting outside -- I know we just got here, but we will be meeting -- this is not May, but June. We'll be trying a meeting outside lower Manhattan. We're gonna start in the Bronx and we'll be working with Commissioner Blanco to figure out a good place to do this, and of course we'll work with you as well, to make sure there is a good place to do this, so that people can have easier access to our meetings. We'll see, again... See how that works.

Last two -- somewhat painful items. Many of you know this already. But two of our most valued... Two of my most valued colleagues, our staff here at the TLC, have announced plans to move on. Deputy Commissioner Mullings will be retiring after a lengthy and extremely distinguished career in public service, in July. And I will thank her yet again for -- consistent with her dedication and conscientiousness, doing this in such an orderly way, so we can plan for what will be an extremely important transition.

And our general counsel, Charles Fraser, is moving over to DO-IT, the department of information technology and telecommunications, to be their general counsel. And in both cases, while I'm happy for each of them, well deserved... If anyone who has received Pansy's emails, starting at 4 in the morning, when she starts her work day... I guess there's only so long that one can do that. And for Chuck, you know, just a fabulous opportunity. I'm happy for them. I'm sad for us. And fortunately, these are both far enough in the future that I can save the tears for when they are more imminent. But I want to let you know that that's... That's happening.

With that... I'm sorry. We can move to the rest of the agenda. The adoption of minutes, Commissioners, you have before you the minutes -- amended minutes from the January 20th commission meeting, as well as fresh minutes from the March 10th commission meeting. Is there a motion to adopt those minutes? Thank you, Commissioner. All in favor say aye. The minutes of those meetings are adopted. We have a number of applications for new and renewed -- renewal bases. I believe assistant Commissioner Steele... Steele-Radway... This is... I won't remark that you are continuing to do double duty, because now it begins to reflect on me, I suppose, so...

>> Good morning. Licensing would like to present before the commission (inaudible) bases with recommendation for approval.

>> commissioners, these bases are listed in the document commission book. Is

there a motion to approve the bases? Thank you. All in favor say aye. Aye. Proposed no? The motion to approve the new and renewal bases is adopted. And Georgia... I guess we'll vote separately -- and that included the relocation? We have one base in recommendation for denial if TLC requirements are not met.

>> So we request an additional 30 days to present the outstanding items.

>> All in favor say aye. Proposed no? Thank you very much, Georgia. The motion is adopted. We have... Two rules before us. The first is a rule making on taxi vehicle specifications -- we have a presentation on that. But Mr. Fraser? You have to push the button.

>> Okay. We have a proposed rule for emergency adoption today, on vehicle specifications. I'm not gonna get into the content of it, because Pansy is gonna cover that in a presentation. What I will say is this: The way an emergency rule making works is assuming the Commissioners today approve the rule, the rule then goes to the mayor, who must sign an emergency declaration. Assuming the mayor signs that declaration, we then publish the rule in the city record, at which time it immediately takes effect. The rule remains in effect for 60 days, and if during that time, if during the 60 days, we then publish a replacement permanent rule, it can be extended, the emergency rule can be extended another 60 days, maximum of 120, by the end of which the permanent rule must take effect.

>> And before David and Commissioner Mullings gives her presentation, I've discussed this with many of you -- it's unusual for us to use this particular procedure. I thought it was appropriate, and the mayor thought it was appropriate to speed this one along. Given the fact that the Crown Victorias, as Pansy will go through, it's being taken out of production shortly. There's substantial interest -- we've had many, many questions from folks in the industry what vehicles are... Are out there. As Pansy will address. Concern that the existing list is insufficient. So given that people often have to order their vehicles in advance, we wanted to speed forward this particular rule, so we get it on the books. But of course, it will be... Followed by a permanent final rule when appropriate. Deputy Commissioner Mullings?

>> Good morning, everyone. Sorry. I'm the first one with the new technology.

>> I was gonna say... I commend you, again, consistent with having the guts to be the first to tackle the new technology here on the screens. Thank you.

>> Sorry. For many years, the only non-hybrid vehicle that was allowed in the TLC is the Crown Vic, and as many of you know, the Crown Vic ends with this model year. So with no commercially available model available that meets our specs, and under recent court rulings, TLC may be legally vulnerable, with only

having alternative fuel vehicles and accessible vehicles to meet our specs for unrestricted medallion owners, and the Taxi of Tomorrow being approximately two years away, we felt it was necessary that we come up with a new standard for Taxis and vehicle specifications.

As many of you know, hybrid vehicles under section 67-05.1 -- I believe this is the first quote of our new rules -- that there are about 4600 hybrid vehicles now in service. The first vehicle was in service in 2005. They've traveled about 400 million miles and carried about 100 million passengers. And these vehicles have proved to be safe, reliable, and comfortable taxis, equal to the rigors of New York City's taxi cab service.

It came to our attention that over the course of various times, there were several vehicles that do not comply with our current specs. The Honda Civic, for interior volume, the Lexus RX450H for horsepower, the Lexus HS250H for rear compartment headroom and legroom, the Nissan Altima for rear compartment headroom, the Toyota Highlander for horsepower, the Volkswagen Jetta for headroom and legroom, and even the Crown Vic did not meet our specs at the end. In our proposed rules, we will be changing specifications to bring vehicles into compliance, and some will be... We will discontinue the use after -- to be re-hacked up. The vehicles to be approved will be the Nissan Altima, the Toyota Highlander, the Volkswagen Jetta, and the Crown Victoria. The vehicles to be discontinued will be the

( on screen )

Four recently introduced models will comply with the proposed specifications. Which are the Ford Fusion, the Hyundai Sonata, the Lincoln MKZ, the Volkswagen Golf TDI four-door. In addition, four premium vehicles will be allowed.

( on screen )

Although the bottom four -- although none of these have been taxis before, as the change in our rules, they'll be allowed to be taxis. For at least the bottom four. We're not sure quite how many people will buy them to use them as taxis. And the last page is the list of all the vehicles which will now be... Comply with our rules. And they will also be allowed in their gas equivalent. So the Ford Escape and Fusion...

( on screen )

Again, they'll be allowed in their hybrid, clean vehicle, or in gas (inaudible).

>> Thank you, Deputy Commissioner. Any questions? From the Commissioners? If not, is there a motion to approve the rule making? All in favor say aye. Proposed no? The motion carries. The rule making is adopted. Thank you again, and both Deputy Commissioner Mullings and the head of our S and E department, Martin Grimley, who -- Commissioners, I have to say, doesn't come often to these meetings, because he's running the garage over in Woodside, but both of them put in quite a bit of work to get this done on short notice. I want to thank and commend them, and note their continued extraordinary professionalism, both Pansy's and, again, Commissioners, you don't see Martin Grimley all that often, but he's quite a treasure for the agency. Next we have

a public hearing. On proposed rules having to do with fines for FHB base stations, whose affiliated vehicles perform street hails. Our policy director Emily Gallo will present this. Let me say -- and again, we've discussed this before -- we publish these rules for notice a month or so ago. Or whatever the appropriate time was. And as Emily will take you through -- they're intended to address what is a serious, serious problem that we absolutely have to address. Since publishing them, since publishing them, the industry leadership in the FHB world has come forward with ideas about how to -- an idea for how to address this problem that is as good or perhaps better than what we had proposed. And so we want to work with them. And find, you know, on a rule that takes into account their suggestions, and proposals, and indeed, that they're enthusiastic about helping us to implement and enforce. So it's my intention, after Emily's presentation, and we'll have a public hearing -- as we should -- but not -- I will not call for a vote on this rule, even though I think that we're pretty much in agreement with the industry leadership on what the rule should be, we have not been able to reduce it to language, which just -- in the last couple of days, we've been going back and forth on the concept. So over the next month, we should be able to reduce it to language, and have something that the industry leadership and the commission staff both are enthusiastic about, so I would expect that we would vote at the May meeting. But having noticed it, we will have the public hearing, so you will be prepared to vote at that time. Director?

>> Good morning. Today I want to talk about a persistent problem, the prevalence of illegal street hails by livery cars, and to propose a new tool that will help us address it. Let's first review the current laws and regulations regarding street hails. City law specifies that only yellow taxis have the exclusive right to pick up passengers hailing a cab off the street. Liveries can only pick up passengers through prearrangement. Both livery drivers and owners who pick up illegal street hails face penalties. For drivers, it's \$350 for the first offense, \$500 for the second, and revocation for the third within a three year period. The council is considering raising these fines up to \$500 for the first offense, and we expect that the council will enact this legislation shortly. For vehicle owners, they face a \$100 penalty for the first offense, with the penalty increasing by \$100 for each subsequent violation, up to a maximum of \$10,000, during one licensing term.

Bases are required to maintain and enforce policies to prevent their affiliated drivers and vehicles from accepting street hails, but they face no penalty, unless they're found that they do not have or they do not enforce a street hail policy. Now, based on GPS data from yellow taxis, we know that 97% of all yellow taxi pickups occur in Manhattan or at the airports. This means that there's virtually no legal street hail service outside of Manhattan. But demand for street hail service does exist in the other boroughs. TLC field teams have observed high volumes of illegal street hails, primarily at transit hubs, subway stations, shopping areas, and nightlife districts. At Coney Island, for example, we've observed an average of 65 street hails an hour.

We also suspect that some bases exist primarily to affiliate drivers to do illegal street hails, rather than do dispatch work. Two months ago, we issued a directive asking bases to tell us how many dispatch calls they received for each of the last six months. About 30% of bases entirely failed to respond. 42% reported fewer than 10 calls per car per day. And 29% reported five calls per car, or fewer. Plainly not enough to support a business solely on call ahead work. This tells us that the conventional wisdom in the industry is probably true, that some livery bases exist solely or largely to serve as an affiliate for cars that are cruising for passengers. The cars pay an affiliation fee. In return, they get TLC license plates, which gives them a sense of legitimacy for passengers who are hailing them on the street. Illegal street hails are a problem in two respects. First, it presents a safety risk for passengers, who may unknowingly enter wholly unlicensed vehicles, where drivers and the vehicles themselves are not up to TLC standards, and even licensed liveries do not carry insurance for street hail work. Second, it's unfair competition to the legal operators who are following the rules. TLC has begun stepping up field enforcement against illegal street hails. This chart shows the summonses issued to drivers. We've issued 100 already this year. We're also looking at two new pieces of legislation that will increase our tools for enforcement. First, a runners bill which will deter licensees from fleeing TLC officers by enacting stiff penalties, including fines and potentially jail time for such behavior. Second, a scofflaw's bill, which would allow the TLC to seize a vehicle that was caught twice in three years and force the owner to pay fines to get the vehicle back. We will also be equipping officers with hand held devices, which will give squads more time to devote to other enforcement activities. Today we're proposing another tool that will also hold bases accountable for illegal street hails.

The proposed rule would impose \$100 per incident fine on a base when a vehicle affiliated with that base performs an illegal street hail. We believe that this rule would serve as an incentive for bases to prevent their drivers from illegally picking up passengers off the street, and discourage bases from affiliating drivers who do not obey the law. Let me just add that we're acting here on the premise that we'll be creating a legitimate legal alternative, so that passengers will not be left without an option for street hail service. We're currently working with the city council on a proposal to provide street hail service outside of Manhattan. Whatever form that takes, there will be a need to crack down on illegal street hails by livery cars. Drivers, vehicle owners, and bases share a responsibility for what happens on the street, and this proposal would ensure that all parties have a stake in making sure the law is obeyed.

>> Thank you, Emily, for that extremely effective presentation. Let me just -- to emphasize that last point that Emily made, about -- I guess two points. One is on the enforcement. I hope, Commissioners, you see that... We have... We have made a decision here, at the agency, that even though there is no legal alternative at the moment, we just are not going to tolerate anymore the

prevalence of illegal street hails, and as you see -- enforcement has been stepped up dramatically in 2010, over 2009. And then what I would call superdramatically over the last couple of months. And second, as Emily points out, though, this enforcement of the current -- of the rule against illegal street hails is only half the answer. The other half is to provide a legal alternative. If we're out at the Coney Island subway stop handing out tickets, stopping somebody from accepting an illegal street hail, you know, now we're kind of leaving that passenger in the lurch, unless we get them a legal way to hail a cab. So we are working with that. On that.

We have had a -- as you know, the mayor proposed the Five Borough Taxi Plan in January. Since then, the industry has engaged with us quite productively, with a series of ideas, we're working with the city council leadership on a daily basis, toward some version of the Five Borough Taxi Plan. I don't know what the final version will be, but I do know that whatever it is, the enforcement has to go along with it. So that is the need for the rule, along the lines that Emily just laid out. As I said at the outset, though, our proposal was simply this \$100 fine per street hail for the affiliated base that the vehicle is affiliated with. The industry leadership has engaged on this, and I guess -- why don't we hear from the Commissioners? Tell me if you want to ask Emily questions now. I was gonna propose that she would sit down, we hear from the industry speakers, and then you could ask questions of her or them.

>> I have a quick question. On the field enforcement page here, it looks like we beefed up the enforcement last year, and particularly at the beginning of this year. These summonses -- are they primarily outside of Manhattan? Just wanted to...

>> It's some and some. Both Manhattan and outside.

>> Okay. And the ones outside Manhattan -- do you know -- this might be a... Better maybe for deputy Mullings, but is the distribution outside of the boroughs consistent with the summonses issued? Or...

>> I mean, Emily -- you probably don't know. We can get you a breakdown, borough by borough, of where the summonses have been issued. Okay. Why don't we hear from the industry speakers? First, Avik Kabessa from the livery round table. Or perhaps (inaudible). Presenting from the livery round table.

>> Or both.

>> Commissioners, I'd like to call and ask that the commission take the group of people that are scheduled to talk, if they can all come together up here, we're gonna have Dr. Avik Kabessa speak on behalf of everybody, based on the information we're presenting.

>> The first... The first version of this was so fun. Let's do it again.  
Absolutely.

>> Okay. Can we ask the rest of them? The rest of the livery round table? Anyone also -- luxury, black car, livery bases? Come on. You're up here first.

>> This is a great picture.

>> Yes. Let me get my smart phone camera.

>> Come on. Come on.

>> Good morning, commissioners. I'm standing here before you as a very proud member of the industry. This is a historical moment for me, because of the great initiative led by Commissioner David Yassky of including the industry in the rule making process. Not just as two sides of the aisle, but rather as partners looking to solve this real public safety concern of illegal street hails. The team, led by Commissioner David Yassky, including industry staff and representatives from the for hire industry, will seek solutions to weed out illegal street hails being by looking to add value to drivers by promoting proposed trips. We have arrived at a fair compromise, and we believe it will provide a safety margin for bases promoting prearranged trips, expose bases that are not promoting prearranged trips and are thus in effect encouraging street hail, and allow bases that feel they have been misjudged the ability to defend themselves. The proposed solution is as follows. The TLC will inform the base about the fact that one of its affiliated drivers has performed an illegal street hail. No summons will be issued to the base, but the TLC will keep a record of how many affiliated drivers from that base got a street hail summons in a specific month. There would be a proposed acceptable number of summonses threshold which will be as follows. One summons per each ten affiliated cars per month. Just to clarify, up to 19 affiliated vehicles will be allowed one summons, 20 will be allowed two summonses per month, 29, again, will still be allowed two summonses, and so on and so forth. If a base exceeds this acceptable threshold, the TLC will then issue a summons to the base. One summons per one illegal street hail violation, above the threshold. Bases that feel they would like the opportunity to demonstrate they are not promoting street hail will have the right to go to a hearing. The base's defense would be considered an affirmative defense. If the base is able to demonstrate to the satisfaction of the administrative law, and the base has complied with the following two requirements. A, demonstrate that it has policies and procedures in place, acting against drivers performing illegal street hails. B, demonstrate that the base promotes prearranged trips for its affiliated drivers. Such proof would be the bases ability to demonstrate that it generates a minimum number of trips per vehicle per day, in accordance to the base type it is.

And it would follow the following guidelines. A livery base would need to show a minimum of five trips per day per vehicle, a black car base will need to show a minimum of two trips per day per vehicle, and a luxury limousine base would need to show a minimum of one trip per day per vehicle. Once A and B above criteria met, the summons would be dismissed. If not, a fine will be imposed. We hope when the new language comes before a vote, you will vote in favor of the rule. I am authorized by the livery round table, comprised of the Livery coalition, New York City Federation of Taxi Drivers, the New York Independent Livery Owners Corp, New York City Fleet Livery Owners Association, United African Livery Drivers and Base Owners Association, as well as the Black Car Association Corp, LBOA, Luxury Base Owner Association, and the Limousine Association of New York to promise that we will take active part in implementation of the rules once they come into effect, as well as revisit the rule in six months to assess its effectiveness, possible adjustments to it, and provide feedback. Thank you very much for giving me the opportunity to talk to you today.

( applause )

>> Well deserved. Thank you. And Commissioners, I encourage you to ask questions, and if you would like Emily to answer as well -- I want to make explicit what is obvious to you, I'm sure, implicit. The TLC, a month or two ago, we said this is a serious problem that we need to address, and we proposed regulation of the industry.

If you're a hammer, everything looks like a nail. We proposed regulation. The industry leadership, rather than say... Don't regulate me, said -- has now said... You're right. This is a problem. Or rather, this is a problem. We're right. Because they've been saying it too. And we are proposing regulation to address it. That we think will be the most effective. I'd like to think that, you know, in a perfect world, that's of course what would happen all the time. Industry would recognize when regulation is necessary, and work cooperatively with the government to formulate it. I did not realize until today that we lived in a perfect world, in which that happens. But I just want to really thank the leadership of the industry for so responsibly taking on this challenge with us. And I do think -- and it's the opinion of the TLC staff as well -- that the concept of the -- the solution that they proposed, the safe harbor, essentially, for legitimate bases, not a fine for every single summons, because they can't control their drivers -- I mean, some violations will not be fairly attributed to the base. Plus a safe harbor based on the demonstration of a legitimate prearranged business... I think that's a very thoughtful concept. And, you know, we want to implement that with the hope that it will be successful. So again, we don't have the language to bring before you. But we will be doing that for next month's meeting. Commissioners, if you have questions?

>> Yes, my question is with respect to the existing laws. Regarding -- they say no penalty for base unless it has been proven that it does not have an

enforce... That it does not enforce the street hail policy. So currently, how is it that we arrive at that? In terms of -- how is it that it's proven? How is it that the base is brought to a hearing in order to prove whether it has a street hail or doesn't have a street hail?

>> I think the answer to that is that it's not -- the answer to that is not determined. In other words, I don't think that's been tried. The problem with the rule as it reads now is all a base has to do is have a piece of paper that says street hails are not permitted, and wink-wink-nod-nod. And obviously we know bases are doing exactly that. So having the policy is not the answer.

>> So why not have something more specific, in terms of the street hail policy? I mean, leave it the way that it is now, in terms of -- how will a base prove or disprove that it has a street hail policy, if all it requires is for them to say -- illegal street hails... Street hails are illegal, then have something more specific, and concentrate on the policy itself, and then based on that, instead of... Because, I mean, I know it's being worked on at the moment, but, I mean, the proposals are being so specific -- if you have one car that doesn't get a vehicle, next month -- because now you're relying on TLC giving notice to the base. That would be another issue, whether TLC really has sent notices, because it has happened in other areas where either the driver or the base will say -- look, we never received notice from the TLC. So we get into something else.

>> Well, you're right that we certainly don't want to make, you know, lack of notice to be an out for the fine. That's a good suggestion. But I think that what the industry leadership is proposing here really is just what you suggested, giving further definition to -- what does it mean to have an effective policy against street hails? And again, let me just be clear. Emily did it in very elegant language, but what we're trying to get at here are bases that come to us, get a license to be a livery base, or an FHB base, and don't really have a business in taking free range calls, but simply affiliate cars for \$50 a week or \$75 a week -- they never have anything to do with those cars. That affiliation enables the car to get a TLC plate, so that then they can cruise around and pick up illegal street hails. That's what we're trying to go after. And what the leadership here is proposing, and I think makes some sense, is -- say okay, what does it mean to be that? How do we define that bad practice? And we define it by saying -- you have -- your affiliated cars get street hails summonses above a threshold, and you don't have prearranged service at least up to a threshold. And I think that that's... That, I think, is defining further the anti-street hail policy, in the way that you're talking about.

>> So if we have, for example, 30% of the bases that are not complying with the directive right now, in terms of indicating the number of trip calls that they received, why not concentrate on that, and then those bases that we find

that clearly do not receive any phone calls at all, let's get rid of those bases.

>> this rule would give us the tool to do that. Right now we don't have a legal tool to do that. You can get a base license from us, not operate a base business, but if your cars are doing street hails, even if you prove that's the case, you have not violated any TLC rules. In order to go after those bases, we need a rule that gives us the tool to go after them. Further questions? Commissioner?

>> industries working with the TLC, discussion of the law -- the regulation of it -- there was no mention of a suggested (inaudible) in discussions with the industry. Any idea of what those may be?

>> Let us bring a proposal before the commission. I think we both agree that the TLC and the industry leadership -- that this now defines a... The type of base that we want to penalize with sufficient clarity that the fine can be a significant enough fine to have a deterrent effect.

>> I just wanted to compliment the gentleman out there in the organizations -- I think this is a great idea. Putting something forth so that we can go forward, hopefully coming up with the solution. As we know, there are bases out there, they go out and get a license, and they're not affiliated with any base. So your proposition sounds good, I think we ought to look it over, and possibly next meeting, we can come up with a solution. I don't know how you feel about that, Mr. Chairman.

>> Absolutely.

>> One thing I do want to state -- that our primary goal is we share the concern about the street hail, but our primary goal is to educate some of those providers.

>> Can't hear you. Speaker's off.

>> Push the button. There you go.

>> Our primary goal is to identify those violators, but also educate. We believe there's a lack of understanding of how to generate the business, how to do the prearranged, how to promote it. So as an industry, we're set to identify those, and then policing ourselves -- the TLC will do what it needs to do as far as summonses -- try to educate them in the other way of doing business legally. We're also doing outreach to all the community boards, and identify the licensed legal bases within their community. We've been working intensively with the community boards, and we're gonna share with them that important information about why an illegal street hail is dangerous for them,

and identify and ask them to circulate the names and numbers of the legal bases. So we're gonna attack it from education. Those that will not want to adopt, those that will refuse to comply, those that will refuse to take the steps of becoming bona fide and legit, we will then know that we've taken all the measures before we put them out of business.

>> I've got a quick question. As we discussed about policies and procedures, what are the two things that you think -- two items in particular that you think would be standard or necessary across the board of all bases within the policies and procedures to eliminate street hails?

>> Just more awareness of their availability, together with us, and enforcement. If you reduce -- I think the Commissioner stated correctly -- I think that if you look at the map of where illegal street hails are taking place, you will see it's usually where yellows do not go. But your question, the division between boroughs, will be very important to study. Again, you allow -- I call them money for nothing bases. Because they exist just because your law exists that says they have to be affiliated. You allow people easy money, they'll do easy picking. You have them work harder, they will. Advertisement doesn't cost that much for their area. We'll help them, we'll guide them. We are working on some other things as a livery round table, a handheld device that will identify the next legal base, which will be a donation of Carmel to the industry. We believe that illegal street hail hurts us in the long run, and everyone you see here understands it. So get your community to know you. It doesn't cost that much. We'll educate the community as to why it's important to do prearranged, and you take the violators out.

>> Commissioner Marino?

>> Okay. First of all...

>> It's kind of a test, you know. To... Like the SAT test.

>> I do want to preface my comment with -- I'm very impressed with what I'm seeing here, that the industry has come together to present this to us. It really exceeds my expectations and I'm very impressed. This is democracy at its best. With respect to what you're saying about the educating the newer licensees as to how to grow a prearranged business, how do you think -- just the nature of competition is going to affect that? Within the industry? I'm just saying maybe it may not be -- to one other base's advantage if another base comes in. Everyone needs to survive. I understand and respect that. So I'm just wondering how that might play out.

>> First of all, we'll come and... We're trying to develop a model that you compete by complying. And that's the number one. So not newcomers. We're talking about newly identified violators. They have existed for many years.

But they just need to add value by putting their name, their representation, their customer service out there, and slowly we see year after year more and more bases convert to what we call a good way. So you should not -- you're not allowed to do a prearranged, therefore there's no benefit. It's not your domain to profit from. So to do street hail -- I'm sorry. And it doesn't cost that much. That's what we're trying to show. We'll help from our end, the livery round table, and the for hire industry and the education phase -- we'll help to put their numbers out there. All they have to do is be legit.

>> Street hails actually probably cut into your business even worse.

>> You know, we are very much diverse. To say that kind of a statement, cuts into our business... It's illegal. It's just illegal. And then confused -- even in the presentation that was given right now, the word unlicensed vehicle was thrown as the reason. But people confuse the two. A vehicle with a private plate is not us. Okay? And we are often -- this term is being used interchangeable, calling us gypsy. A gypsy is not a licensed livery or licensed luxuries or licensed black car. We need to distinguish who we are from the rest. We are not entitled to do street hails. I own a company who live in Manhattan, coexist with not doing street hails beautifully. We believe all other bases can do the same.

>> Thank you.

>> If you don't mind, I don't know if the other representatives want to say anything. The luxury and limousine, the black car, and we have the...

>> Yeah, I see the Commissioner has a question, but I think that would be certainly -- the leadership of the other major trade associations if they want to add their words, I think that would be nice.

>> Hi, Commissioners. (inaudible) from the black car corporation, I'm very proud of what we see today, obviously. I know you're proud. This is a historic moment for us to sit and agree on something -- it's amazing. It's just amazing. But I just want to reiterate -- I can speak, I think, on behalf of everyone. At least of legitimate bases, the larger bases, especially from the black car industry, we had rules in place for years. I believe our rules are tougher than the TLC's. If one of my drivers gets a street hail ticket, we give him a \$500 fine. Not a \$100 fine. \$500 fine. Second offense, he's out. So... The problem is the smaller bases, like Avik said, that they come and go. They just open up. People are affiliated to those bases just to do street pickups. Street hails. I believe that's what's happening. The larger bases, we have no incentive for our drivers to do street hails. We do strictly corporate. If my driver picks up in the street, during rush hour, I don't have -- either that driver is not picking up my corporate clients. So I have no incentive for him to do street hails. Thank you.

>> Thank you. And if I can just elaborate, please, but -- you're right. And I want to make clear, when the TLC speaks about the illegal street hail problem, there's a risk that we're kind of tarring the whole industry with this broad brush. Absolutely true, Commissioners. I fully agree that the legitimate serious bases are as eager to eliminate the illegal street hail problem as we at the TLC are. And, you know, maybe it's almost inescapable, when we're saying -- here's the problem, that it sounds as if everybody's being tarred with that brush. Not all the cases. I want to be very explicit about that.

The problem is that our rules do -- and when Dr. Kabessa talks about money for nothing bases -- our rules almost makes suckers of the people playing by the rules, because it's so easy for people who don't play the rules to -- play by the rules to profit from that. And that's why we need tools that will let us enforce against the people that are not playing by the rules, where they're supposed to, so that the legitimate businesses don't face that kind of unfair competition. Yes, please.

>> Hi, my name is Jeff Rosen, I'm representing the Limousine Association of New York. We also operate in a slightly different model than the liveries and black cars, in that the vast majority of our drivers own their vehicles. And we have a huge stake. As we own the vehicles, our liability, in the case of God forbid an accident, or any other situation -- our liability and our interest in fighting hustlers is possibly even greater than that of the others. So the point that we're all here to make today is that the base groups that are operating legitimately have an even higher stake, all of us, in eliminating hustlers, because in the case of the black cars and the livery groups, it takes away from guys who can actually take real work that they have. The same is also true with the luxury bases, but in that we own most of our vehicles, our risk is that much higher.

So what we're looking at is a way to make this work, while at the same time understanding that when you send a driver out, this is not like a restaurant, where a manager can watch his waiters and waitstaff work. We send a guy out sometimes with a \$50,000 to \$100,000 piece of equipment. We have a tremendous stake in promulgating an effective policy that will wipe out hustling to the greatest extent possible. Which is what makes this all historic. We're realizing that the legitimate operators pretty much have the same incentives as the Taxi and Limousine Commission. We want to foster economic development while keeping the riding public safe and giving them the best possible service. So we are not at odds here, and that's one of the things that, while this is a great initiative, what it signals for the larger impact is how we can work together, because we really do have the same goals.

The money for nothing bases are sometimes -- I call them base farms. They don't exist to operate. But when you give an operator who is inclined to hustle a diamond, it gives them a patina of legitimacy that makes it that much easier for them. So we want to work together to wipe out the hustlers, and I

think this is historic, in that we're now pulling in the same direction. Thank you for the opportunity to speak.

>> I'm sorry. Commissioner (inaudible), you have a question, I believe?

>> I'm just interested in your industry, and how they perceive legalizing, coming up with an alternative for legal street hails. Your views. In this historic moment, you're all together...

>> Commissioner, the one historic thing I do know is to learn from previous experiences. The reason Commissioner David Yassky said (inaudible) is because we encountered a question we did not previously agree on answering. So I would rather not give you an answer on that. We are working very closely with the Commissioner on the issue of street hails. We have our own thoughts, but since the new proposed rule -- law -- affects the yellow taxis and liveries only, do not include the black car and the luxury, as a rule, as a general guideline, we believe the street hail is the domain of the taxis. How you call it, how you paint it, is something that needs to be discussed. But with your permission, I'm not prepared to give you a statement on that.

>> Yeah, sure.

>> I just want to say one thing. I'm very excited to see all you men and women out there, finally, after all these years about for hire vehicles, gypsies on the streets of New York, Staten Island, all the other boroughs -- I for one, on Staten Island, always trying to do something to the illegal, to no avail. They must have money, because they're fined \$500, \$1,500. I don't know where they get the money from. It's great to see you out there. With the new Chairman on board, his staff, we'll take care of it in our own way, and you're helping us. We appreciate it very much to keep up what you said today. And thank you very, very much.

>> I do now want to speak... I was asked to speak, actually, on behalf of a different organization, which I'm the Chairman of. It's the New York State Independent Livery Benefit Fund, the Worker's Compensation fund. We talked about protecting the public, and we talked about -- as far as riding in illegal street hail -- we're actually protect those drivers also. A driver that performs a street hail and runs into an accident is not covered for Worker's Compensation by the Livery Worker's Compensation Fund. So I think those bases do double crime. They are offering a tempting proposition of very little dues per week, to go out there and perform something illegal. And then if they run into an accident, they're not covered by the fund. And I think that this is an added reason for why we should go after those violators.

>> On the topic of insurance, from what I saw in the presentation, the passenger is also not covered under the liability insurance. Is that correct?

>> I'd have to disagree with my colleague from the TLC -- this is wrong. Insurance-wise, the passenger is covered. The driver stands a risk of two things: A, definitely not covered for worker's comp, but also the base is liable for the negligence. So the passenger, I hate to admit it -- actually, I looked into this. The passenger, it's a very big question if they're covered or not, but it tends to be that they are.

>> And my instinct, as an attorney, tends to tell me that they are as well. So –

>> That was shorthand, I suppose, for the fact that livery cars don't carry as high insurance as taxis do. So there's somewhat greater protection for a passenger in a yellow taxi, than in a livery.

>> And, again, if they use private plates, of course, they're not covered.

>> Then they have to just –

>> Private plates.

>> If they're straight plates, if they're straight plates, they almost certainly did not declare to their insurer that they were doing for hire work, and therefore the insurer will not cover for hire passengers.

>> They would have to get a court ruling.

>> It comes up a lot. It's actually a well established pattern of insurance fraud that the attorney general, in fact, regularly -- and continuously investigates.

>> It doesn't mean the passenger wouldn't be able to get some relief, but what's almost certainly true is that their insurance coverage will be way, way less than what we would expect for a car carrying passengers for hire. So even if they were covered, the limit would be -- whatever DMV minimum is.

>> \$2,550. I think for yellow cabs, it's \$100, \$300, if I'm not mistaken? And \$2,550 for the...

>> I have one question. Regarding the directive of basically notifying -- or basically requesting the livery bases to inform, notify TLC, how many trip calls -- is that something that is for compliance? Is that something that is practical for the industry? Or is it something that we could keep up every month or every... I don't know. Six months, and then we use that as a basis...

>> It was a one-time directive. I think it certainly is useful information

to the TLC. Like with everything, we want to balance the utility to the regulator against the burden of compliance on the industry. And we have not, at this point, moved to make that a permanent, ongoing reporting requirement. It's a one time -- it was a one-time directive.

>> Okay.

>> Okay. Thank you again. I know there's a long list of speakers. If there are people who -- is there anyone who signed up to speak, who... Okay. Yes, Mr. Thayler? Mr. Thayler, please proceed. And while he's speaking, is there anyone else on the list of people who testified? Just raise your hand. Sir, and that'll be it. Yes.

>> I would ask you, Commissioners...

>> Press the button.

>> I'm on... I'm all set. What I just heard was obviously well-intentioned, but I don't believe in any way it can accomplish your objectives in a -- proactively preventing street hail and enforcing prearrangement. So I'd like to summarize my comments. The basis and purpose of the proposed rule, 59B25 is vague, unsupported, and incorrectly refers to vehicle base owners, which is not a defined term in chapter 51 definitions. While a livery base station can state that the livery base station prohibits street hails, unlike the commission's ability to prevent grade 4 violations in the taxis by setting operating specifications, the incentive of the statement of purpose does not provide the livery base station with the ability... Oh, I'm sorry. With the ability to exercise direct control over an affiliated driver to prevent a street hail violation by the affiliated driver. Until the claimed incentive can at least be defined in terms of operational viability within the livery base station's ability to prevent street hail violations under a base station's license under article 6G of the New York State Executive Law, this rule should be tabled or amended. Therefore, in place of the proposed accountability rule, 59B25, unlikely to overcome the TLC's ability to enforce prearrangement compliance, two alternative amendments are proposed. Instead of the vague undefined livery base station incentive of 59b25, livery base station prearrangement monitoring is proposed in order to detect the street hail violations committed by the affiliated drivers. For this, it's proposed that for all affiliated drivers and vehicles authenticated and approved by livery base stations, the operations management system to accept dispatched job offers, it is now feasible for a livery base station to monitor, detect, record, and report illegal street hail violations to the TLC and immediately de-affiliate a driver committing the violation. Each passenger entry and exit time monitoring and recorded in the driver's shift trip file without a corresponding prearranged trip record for the trip time interval to be examined immediately upon the vehicle's departure with a passenger from the trip's

pickup location statutes an illegal street hail. The proposal is a new requirement for a livery base station licensing, requiring monitoring, detection, recording and reporting of illegal street hails. Livery base station compliance with its first alternative rule amendment would exempt licensed livery base stations from the FHB accountability rule, fines. A second proposal to the rule amendment permits... One more minute? Yeah, sorry. It's short. Permits a livery base station to optionally monitor, detect, and report illegal street hail violations in order to be exempt from the fines in the proposed accountability rule... I think you have it in front of you, so that concludes my presentation. Thank you.

>> Thank you very much. Okay. So Commissioners... I'm sorry. Are you... You must be Mr. Lambert-Lewis?

>> No, I'm Rafael.

>> Yes, go ahead. Mr. Rosario and Lambert-Lewis. And that will conclude our hearing. I'm sorry, and Mr. Lindauer.

>> Yes, my name is Rafael Rosario. I work for Dominicana Car Service located in Corona, Queens. TLC has been discriminating for years against poor communities of New York by forbidding these people the right to hail for a taxi while the people in the city have the right to do so. As Mayor Bloomberg said on the anniversary state of the city address he says why should someone in the Bronx, Brooklyn, or Queens be able to hail an illegal cab in the street? And the TLC is trying to make it even harder for these people and more illegal to get such an important service. TLC does not understand how important their mission is. TLC is supposed to provide taxi service to New Yorkers in an equal way without discriminating poor people as they do. It doesn't make any sense to fine bases owners, because they don't have the power to change reality. And the reality is that this is a service required and needed by the poor people, and livery cars have been and will be willing to provide. Besides, bases owners have no control whatsoever about what drivers do out there. Fining a base owner for this would be like fining the NYPD because one officer was caught doing something illegal, or fining a whole baseball team because one player did something illegal. If it is true that the livery car is affiliated to a specific base, it is also true that they are affiliated to the TLC. Because the TLC is the institution that gives livery cars permission to work. They do drug tests on drivers. And so much more. So if we are trying to blame bases owners for not having control on what drivers do out there, then we should blame and fine TLC for the same reason. TLC called it a problem. Like, everybody talked about this as a problem. This is not a problem. This is a reality. Accepting a hail is as illegal as riding a red light or failing to stop on a stop sign. If we let TLC to get away with this, one day the bases owners will be getting ticket for traffic violations from their drivers. If accepting a hail is illegal, then hailing a taxi should be illegal too, so if

we have to inform commuters from the poor neighborhoods of New York that they don't have the right to hail for a taxi, that this is a privilege reserved by TLC to the people in the city... And to end, I recommend to the Taxi and Limousine Commission to just think what would be the next fine and just penalize the drivers to concentrate in their mission to provide equal and excellent taxi service to New Yorkers and protect us drivers by implementing like a 10,000 (inaudible) program to anybody giving information leading to the arrest of anybody shooting a taxi driver and make it a felony to assault a focus driver in New York City.

>> Thank you so much, Mr. Rosario. I want to say that is a powerful and true statement. It is disgraceful that communities throughout New York, from Corona to Woodlawn to Bay Ridge, to the North Shore of Staten Island have no access to street hail or what I would just call plain old taxi service. I don't believe that the answer is to turn a blind eye to a whole market that exists outside the rules. The answer is to change the rules so that we can offer a legitimate street hail service every single place in New York City. And I think that your powerful statement about the need for that -- I hope that it will be heard not just here, but in -- over at City Hall as well, and that the city council -- it's up to the city council to change the rules, to allow for legal street hail service outside Manhattan. Mayor Bloomberg put forward, I think, a terrific proposal for that. We at the TLC are working with the council to get the rules changed, to permit legal street hail service outside Manhattan. But until those rules are changed, the answer isn't just to allow widespread rulebreaking. The answer is to bring people within the rules -- is what I believe. Mr. Rosario, I thank you for your statement. Do the Commissioners have other questions?

>> I want to say -- I agree with the Chairman that it is an extremely powerful statement, as to... This very important position, and I take your thoughts and opinions very seriously, and I really look forward to working as a Commissioner, and with... The taxis themselves, and the liveries, cars, to find a viable solution that really protects the people, the neighborhoods, and the drivers and bases as well. I'm looking forward to reaching that conclusion.

>> All right. In answer to that, I just want to say that... These big bases that they have -- what you call it? They pick up in the airports. They have big money to make promotions and everything. And it's not about bases, yellow cabs, livery cabs. It's about poor communities. I would like to know -- what would be the answer for a mother that is in need of a yellow cab in a 103rd Street and Roosevelt Avenue, for instance, and she doesn't have a car company's service number right there, and she needs a taxi to go to Amherst Hospital, she have to wait five days for a yellow cab to show up? It's an emergency. We have to let these people know. The TLC is working. But until then, if you need a taxi, you go to the city, take a train, and from there you can take it. I've been here in the city for two hours, and I feel like I have a privilege to

go out there and get a taxi. But once I cross the border, I don't have the same right. And that is unfair.

>> You've got it. Thank you, Mr. Rosario, and I really hope that you will take your message -- this is an appropriate place. The TLC is, and so is the city council, and I really urge you to talk not just with the council member that represents you and your base, but really with every single member of the city council transportation committee, so that they understand the imperative, so that communities, poor and every community throughout all five boroughs, has access to decent taxi service. I really thank you for your statement, Mr. Rosario.

>> Thank you.

>> Mr. Lambert-Lewis, and then we'll have Mr. Lindauer.

>> Commissioner, the previous statement was the more honest statement I heard today. This is a fact. I would like to congratulate TLC for today's meeting. I'm in business 25 years. This is the first time somebody ask car opinion. I hope something to be good. As an partial owner of a limo, I would like to express my opposition to the proposal of TLC to hold bases responsible for those affiliated drivers who make street pickups. I'm not saying they should... I agree with the rule as far as a driver's concerning, but not as far as the bases being responsible. For the excess. We try to eliminate street pickups with no success. So... Please explain to us how it's possible to control each driver that does it. We are a small service. 25 affiliate cars. We make taxi return 800,000 a year. How can I control a driver who, on the way to his house, make a pickup from the street? And of course, if somebody stop him, ask how much cost to Queens Mall, the drivers, they have instruction to ask the base. How much cost? So to give them the pickups to the base. Some drivers, they don't do. They say the price... \$20. The pass (inaudible) passengers is a TLC officer. Thank you for the opportunity for this meeting. It allows me to say some of my thoughts that perhaps will help our relationship, as bases and TLC to improve, it makes things smoother between us. I believe that this is the way to help our field, and we can... With good ideas, that I'm sure all of us will have a good propositions. In the last two years, there is a decrease of 30% of car service business. The decrease exists because most of the owners operate the drivers who fail to go on the streets. So they don't want to pay the base fee. The pass (inaudible) sometimes more than the bases do. I have an example. One of my drivers -- work in nighttime -- make \$70 book. Because the business are down. Pick up one of my customers. Is charged \$8. When my customer ask -- why you charge me \$8? The base of the car service charge me \$7. The answer goes -- this is a different business. Base is different. I'm a different business. He's affiliated with me. A lot of bases with a lot of amount of affiliate cars charge I believe \$500 to register car at the base. And they don't give any call. They let them to work

from the streets. In Astoria -- I live in Astoria... I'm a business. Can I...

>> Sure. Here's my question. What you just said about bases that exist and don't take calls, like you just said, and just let their affiliated drivers -- and indeed, expect that their affiliated drivers and cars will be cruising the streets... How do we go after that?

>> TLC gets -- we send statements for the last two years for dispatching calls. TLC has to check. Who is doing business, who is not doing business.

>> So you say we should have a rule that if you have fewer than a certain number of calls --

>> I don't say that. I don't say that.

>> I'm being sincere.

>> I say that they collect money. For registered cars. If they don't give to the drivers any business... Or give few business... So the driver needs to make pickup from the street for living... In additional... We charge the drivers for the Worker's Compensation. For what? The Worker's Compensation is only if you are victim of a crime. Only this.

>> No, it isn't.

>> We said to the drivers to put partitions. To put cameras, to protect themselves. For what? For the rearranged calls from bases? No, from customer problem.

>> Please do sum up. Thank you very much. Thank you. Mr. Lindauer?

>> Hello. Is it on? Hello?

>> No light on. No light.

>> Welcome to your new home.

>> Okay.

>> Our new home.

>> First of all, I want to correct the last gentleman. Worker's Compensation is for any injury on the job, whether an accident or a crime. I want to say the gentlemen from the livery industry, I hope they're sincere, but I have my doubts as to their sincerity. I think the TLC is a bit delusional, because they see this great market out there in the boroughs. The bowels of the Bronx.

The quagmires of Queens. Believe me, for 30 years, when I took people to the outpost of Queens or Sheepshead Bay, or whatever, to cruise back was futile. There's just no business. It's very sporadic business. So that's why yellow cabs aren't there. And all those black cars and the liveries and private cars and gypsy cars are in Manhattan, digging up our street hails. Which we have exclusive right to.

This threatens to destroy our business. I know you picked up the enforcement. But it still is not enough. They're all in here. The mayor's plan to allow liveries to pick up hails in Manhattan, when they bring up to pick somebody here -- it's ridiculous. They're gonna ask six people? Six people are probably all going to other parts of Manhattan. They're not gonna take them? Come on. You know that's not true. Because they act with impunity now. The very survival of the yellow cab industry is at stake.

Now, the metropolitan taxi board of trades proposal -- that's a real laugher. It is just a paeon to greed. The drivers be damned, they say. You work a shift in the outer boroughs? You won't make any money. And the alliance, the taxi alliance is proving it, by having people work an out of borough in the yellow cab. There's just not enough money. Our expenses are much greater than that of any livery service. These gentlemen from the garages charge an exorbitant amount. Even though they cry they make no money. They're all millionaires. So... We cannot make any money. It'll be a loss. We cannot... We're not Wal-Mart. We cannot afford to have a loss leader. And it's a punitive measure. And shouldn't even be considered. It should be laughed out. Thrown away for the ridiculous methods.

>> I just want to make sure that the Commissioners are clear on your testimony. I understand that you've been speaking just in the last minute or so about the five borough taxi idea, and I heard that. You're here testifying today, I guess, on behalf of the Taxi Workers' Alliance about the proposed rule to penalize bases for illegal street hails. Do you have a position on that?

>> Well, I think the livery round table's proposal is self-serving, and I think the penalty should be exorbitant to penalize these people. Now, Mr. Sela's plan to really monitor these bases? I don't know. It should be considered, I think.

>> I don't want to put words in your mouth. Does the taxi worker's alliance support the concept of penalizing bases, but think it should be a higher fine than we're talking about?

>> That's correct. I would like Mr. (inaudible) Simmons to say a few words. He's signed up too.

>> That is the case. Mr. Simmons, why don't you close it down? Clean-up.

>> Congratulations on your new place here.

>> Thank you.

>> It looks very comfortable.

>> Thank you.

>> As a present driver and a driver who's been driving for 38 years in this industry, I'm talking about gas prices -- we're crying. Whether you're hybrid or not. You know, I drive a wheelchair accessible car. \$90 on the day shift is ridiculous. And then there are pickups in Manhattan. I agree with Mr. Lambert-Lewis now. I think you should increase the fine. Because these livery car services are actually cutting off the yellow cabs in the city for a job. We have lost the hotels, we have lost the airports, and my testimony is short, sweet, and to the point. We, the yellow cab drivers, need help. Thank you very much.

>> Thank you. Thank you, Mr. Simmons, and again, the topic of the hearing is the proposed rule on fining bases. But I can't really begrudge you raising the topic of gas prices, given what's going on out there. The commission is certainly cognizant of the impact that the price -- these price shocks are having on drivers who, as you point out, bear the cost of gasoline, and so when it goes up to \$4 a gallon...

>> It's over \$4.

>> That means that a driver's gonna have a hard time paying rent. And I will say... The government doesn't always move with the speed that, you know, it perhaps ought to. We are taking a hard look at the impact of the prices -- of gas price on drivers. I don't know, you know, if and when we'll be ready to have a policy response to that, but I do want to tell you that we're looking very hard at it, and I appreciate your statement here today, Mr. Simmons. Thank you.

>> Thank you so much.

>> Thank you. Okay, Commissioners, it's 11:56. You know, I think that this was -- I hope that you feel it was time well spent. I try and keep our meetings, you know, moving along, but we've got a lot of important stuff on the agenda. I guess I should say -- I think our next few meetings, probably, will also be on the meaty side, so, you know, forewarned is forearmed. I thank you for your attendance here today. Oh my goodness. You are so right. Our Commissioners, we do have staff presentations that we need to hear. All right? So let's do it. The owner must drive presentation. Is that Deputy Commissioner Chaborn? It is. Now, Commissioners, these are items that we are bringing before the commission for a vote. They're in May or in June. So as

is our practice here, rather than kind of just sending it to you on paper, I think it's good to have the staff present the material, and then you have a month or two months to digest it, along with the printed material, so you're prepared to vote when it comes up for a vote. Deputy Commissioner? Important topic.

>> Good morning, Commissioners. I see three minutes on my clock. I will try to stay... Or maybe three hours. I'll try to keep my comments brief. I come before you to discuss proposed revisions to our current rules relating to our owner must drive provisions. These are rules that were passed in 1990, which in effect require owners of independent medallions, which are transferred on or after January 7, 1990, to drive 210 nine-hour shifts per year. The rationale behind this, which our experience has borne out, is that requiring owners to drive, or requiring long-term drivers to drive, does provide better service, and these do tend to be safer drivers, and the data on accidents and other incidents have borne that out. Prior to 1990, there was no requirement for medallion owners to drive. The vehicles associated with medallions, and in that 1990 -- the commission thought that this was an effective way to ensure better service and safer service. Currently, approximately 43% of the taxi fleet are independent medallion owner... Independent owner medallions, and this will -- these will over time become subject to this requirement. Again, this only applies to independent medallions, upon transfer, post January 7, 1990.

Looking at the extent of compliance that we see today, examining TPEP data, the TLC has found that there's a significant amount of noncompliance with this provision, and in 2009, those charged with noncompliance who pled guilty were offered a minimum penalty of \$100. A settlement agreement has been reached in 2010 that accords to the fine schedule that you see in front of you, for drivers who drive fewer than 50 shifts of their 210 required shifts, there's a penalty of \$2,500. For those who drive between 51 and 100 shifts, they're required to pay a penalty of \$1,500, and for those drivers who are driving over 100 shifts, up to their 210 shift requirement, they're subject to a \$500 fine requirement.

So in response to an industry petition, we've looked closer at the owner must drive rules, and we've heard from many in the industry who say that the current requirement is often too difficult to comply with for drivers, especially for some of our longer serving drivers. And so we thought that this was an appropriate time to revisit those rules, and look closely at what we're hoping to accomplish, and whether the rules as currently written could be amended to continue to accomplish that, as well as to accommodate the needs of our driver base.

What we have found... And again, this is -- the data bears this out -- is that not only owner-drivers, but long-term drivers do tend to have safer performance and better safety records. And because of this, that's the reason that the petition is before us, and that's -- that was the impetus for our review, and we have engaged with many of the industry stakeholders in formulating our suggested rules. And we now anticipate rule making to make the

changes that reflect this industry output.

So I'll turn to the specifics of the rule. Examining what the current rule states, and what our proposed rules are. Looking first at the ownership requirements -- the current requirement is that an owner of a medallion, it can be any owner, if there are multiple owners, must fulfill this requirement, the 210 nine-hour shifts. What we would propose -- and this is a nod to the reality of medallion ownership today -- is that up to four owners together must fulfill the service requirement. Each of the owners must own at least 25% of the medallion, and drivers who own less than 25% of the medallion have a year to come into compliance with that. The minimum driving requirements, again, the 210 nine-hour shifts, would not be reducible for multiple owners. Next we'll get into what those requirements are. So the current requirement is 210 nine-hour shift, but we would propose a reduction to 180 nine-hour shifts for most of the owners, and for some of our owners who have served for a long time and have owned their medallions, we would propose, if you have reached the age of 62, and you have driven that medallion for at least 10 years, that the requirement be reduced to 150 seven-hour shifts for the single owner. Again, each of these requirements would be prorated by month, for each month of ownership. So if you own the medallion, and you own it for 10 months out of the year, that 150 or that 180 shift requirement would be prorated accordingly.

Turning next to the penalties, the current rule provides for a penalty -- arranged penalty between 100 and \$350, and/or suspension for up to 30 days. There's some ambiguity in the rules as to whether this is per occurrence or not, and that is sufficient reason to revisit the rule, but we think that actually is a better way to approach this, and the table you see before you is a way to summarize that. What we're providing here is that for drivers who own these owner must drive medallions who miss more than 50 shifts of their... Now 180 shift requirement -- there would be a fine of \$10,000. For those who miss between 25 and 50 of those shifts, \$7,500, and so forth, as you can see on the table. The one nod, again, in acknowledgment, that long-term drivers, be they owner-drivers or not, are as safe and as solid drivers as the owner-drivers, is an option for the owner-drivers to pay a \$5,000 penalty if they are able to secure a long-term driver to drive their shifts for them, up to two long-term drivers. Let me simplify this.

So an owner-driver would not necessarily need to drive those 180 shifts, if they're able to agree with two long-term drivers, up to two long-term drivers, to take on that shift requirement for them. In which event they would only be subject to a \$5,000 penalty. And I can explain what I mean by long-term driver next. This requirement would be waived for any inheriting spouses for 180 days after the date of death of a driver, and those shift requirements would also be prorated for the years of labor. And those penalties can also include a discretionary ramification for falling below the annual total. Turning now to the specifics for the long-term drive option. Medallion owners -- in order to qualify for the owners -- current owners would need to own it for at least two years, going forward, owners would need to have owned and met their owner must

drive requirements for ten years. Owner-drivers would need to notify the TLC that they are -- that they wish to avail themselves of the long-term driver option, and this is limited to two drivers in any calendar year. The long-term driver is a driver who drives an average of 120 hours per month, and is the title owner of the vehicle or a lessee with a conditional purchase agreement.

And you can only be a long-term driver on one cab at any given time. Turning next to the requirement of a hack license, owner-drivers currently are required to have a hack license. Obviously, if you're availing yourselves of a long-term driver option, that requirement may not be necessary. And what we're proposing is that... For current owners of the independent medallions, if you have had a hack license, and you met your owner must drive requirements for at least two years, and you do opt for the long-term driver option, you do not have to maintain your hack license. Future purchasers of these independent medallions must have and maintain their hack license in order to buy their medallion, and they must fulfill owner must drive requirement for ten years before they can elect that long-term driver option, and at that time, would no longer need to maintain their hack license. The current rule, as I mentioned, only applies to transfers of medallions after January 7, 1990. That would remain unchanged. The -- these requirements, as amended, also would only apply to transfers going forward. Turning to our requirements regarding waivers, the current rule provides that owner-drivers can receive a waiver for a limited time if they show good cause. We think that providing more specificity here and more predictability for the drivers is a good thing. What we're proposing is up to six months, a waiver which can then be extendible for another six months, if you can demonstrate documented medical reasoning, non-vacation travel, or US and military service. And again, these waivers would also result in a reduction of the pro rata requirements. The current rule provides for, in most cases, a new vehicle to be purchased and hacked up once the medallion is transferred. We would propose that a used car that's not at its retirement deadline could continue to be used by the buyer of the medallion if they get from the seller who is using that medallion on that vehicle. And currently the rules are silent (inaudible). We would propose a further obligation placed on agents who manage medallions who are subject to this obligation, and that penalty is ranging between \$1,000 and \$10,000 per medallion, be imposed -- and that they would be agency directives, directing the termination of noncomplying medallions. This is dependent on agents having clear information as to what the owner must drive status is, of the various owner-driver medallions, and that's something we would put on, prior to this requirement. And that's the proposal. Again, we think this is a rule that balances the need for long-term drivers, owner-drivers, who tend to provide safer service, as well as an acknowledgment of the needs of that driver population, one, as it ages, and two, as it sort of enters a new age. So that's our proposal. I can take any questions.

>> Thank you very much for that excellent presentation. First I want to just point out -- the extremely large amount of work and excellent work that went --

that has gone into preparing this proposal, both by Deputy Commissioner Chaborn and his staff and our general counsel Chuck Fraser and his staff. We don't have rule language before you. We will have it over the next few weeks, ready for publication. Meaning that we will be voting on it in the June meeting. Don't think we'll be ready for public notice in time for the May meeting. Since that would be now, essentially. But it'll be noticed over the next few weeks, published, voted on at the June meeting. I wanted to get it before you now, so you can see and digest the material. It's an important topic. You know, the history of the industry from decades ago was that it was an industry of individual entrepreneurs, and I think one of the great things about this industry has been that people could come here from all over the world, and if they're willing to work hard, make a living. And I can't -- since I've been in this job, you know, I routinely meet people who tell me, you know, their dad drove a cab, and put their three or four kids through college, and now they're lawyers and doctors, and engineers, or drivers themselves. Honorable profession that that is. And that was true historically, as the fleet grew, 20 years ago. The commission responded by saying that something that just had been a matter of practice needed -- that it was appropriate to have a rule to try and keep that as part of the industry. And the owner must drive rule was put in effect 20 years ago. As those 21 years, I guess, have elapsed, two things -- one, there's further changes in the industry, and two, some of those folks, you know, have really aged out, and just don't comply. And I do think that what the staff has put together very nicely balances the desire to maintain our commitment to a significant owner-driver portion of this industry, while at the same time, not forcing somebody who's -- who drove for years, is essentially retired now, to part with their medallion, before they otherwise would want to, by giving them the option to have a long-term driver fill their -- fulfill their role. That's the essence of it. Anyway, that's -- Commissioners, if you have questions for our Deputy Commissioner? Wow. We have tired them out. Yes? Commissioner Gjonaj.

>> I understand that this regulation has come to pass 20 years ago. I think it undermines what the industry stands for. It doesn't allow -- it puts another restriction on the value of independent medallions versus free medallions. 750,000 (inaudible) it's a considerable amount. And the restriction on owner must drive... Putting that investment, and putting further rules on the investment of that sum is diminishing the industry.

>> Okay. So let me... Just to... Let me step back for a second. What this proposal -- maybe should have framed it this way from the beginning -- what this proposal really is is a relaxing of rules that are now in effect. In other words, this makes the owner must drive rules less strict and less rigid than they are today. Today, everyone who owns, unless they are grandfathered in, but everyone who owns an owner must drive medallion is required to drive 210 shifts a year. If you are 70 years of age, and you've been driving for 30 years, that's a serious requirement. And maybe more than we should reasonably

ask of people. So what we are doing here is creating some options for the owners of those owner must drive medallions, not to have to drive 210 shifts a year themselves. In fact, I think it will maintain the value, as opposed to if we were to strictly enforce the rules that exist today, we would be taking hundreds of folks, as we've done over the last year, you know, this is -- the fines in that second or third slide -- now that we have TPAP, and we see the extent of noncompliance, we -- and this is, again, part of the way Deputy Commissioner Mullings, thanks to the technology that we now have -- we can start to clean up areas where there has been nonenforcement for years. This is one of those areas. Over time, the level of noncompliance with the owner must drive requirement has grown. So now we're in the position of... Well, we can take -- we can suspend those people, take their license away, period. We can fine them extremely heavily. Or we can create a more flexible rule that allows them to keep the medallion, and have a long-term driver drive in their place. I think that's the most sensible approach before us. I suppose another alternative would be to... We could eliminate the requirement altogether. And that is a policy decision that, you know, each of you should weigh. I would say two things about it: One is, it is a real part of the history. And I think that we -- and not just history, but the present day. And I think we would be losing something if we shifted entirely to a fleet model of operation. And took the owner-drivers out of the business altogether. And that surely is what would happen. If you got rid of the requirement, because the fleet operation model is more efficient -- somebody can squeeze more value out of a medallion, if it's double operated by a shift, by a fleet with its economies of scale, and double shifted, if you were an owner-driver, you would be crazy to hold on to that medallion yourself. You would sell it to a fleet. So we would get rid of the owner-drivers, period. I personally think that would be a shame. And maybe -- that's something, again, each of you would have to -- you can weigh that.

And further, the reason -- and further, I would point out that people who bought the owner must drive medallions bought them at a significant discount. Anybody who bought them in the last 20 years bought them knowing they were required to drive, so lifting that requirement, saying you can now just treat it like a fleet medallion, double shift it, put it in the hands of the fleet -- I don't think it's economically unfair for people who bought it, subject to that requirement, to continue to insist on a form of that requirement, particularly since it's a relaxed form of that requirement. A strictly free market approach would say there's no reason to have owner-drivers. Get rid of that requirement. Make them all fleets. That's the best way to squeeze out of medallions. I do think something would be lost in that shift. Sorry, Commissioner. Thank you, Deputy Commissioner. We have at least one more presentation. We have two more presentations. Again, I appreciate -- but this is stuff that's been simmering for a long -- we've got to deal with these issues. So I appreciate the time. Thank you. You know what? That's one of my... Thank you. Thank you. Thank you.

Deputy Commissioner Weiss is here. Saved the best for next to last.

>> Thank you. But I doubt that. Okay. My presentation this morning is on the finance protocol and the licensing process. As the Commissioner mentioned earlier, the recent voter referendum that changed the charter in 2009 is requiring an agency tribunal from the TLC to OATH. As a result of that, we need to take a look at how the licensing finance requirements are being handled. As a result of that review, it was determined that number one, the finance hearings are not necessarily an adjudication. They therefore did not need an ALJ to actually conduct the fitness hearing. We approached OATH. They agreed with us, and we're working out a transition process to move the fitness hearings into the licensing sphere. Okay? But as a result of that, that particular review, we also came across a variety of other items that we felt needed to be addressed, which was the purpose for these tribunals. In place of the fitness hearing, we're going to have an informal TLC interview process. During the application process, we're either going to request additional information from the applicant, conduct an interview, and make a decision as to whether or not the applicant is fit to be issued a TLC license. This will decrease processing time and result in quicker application decision times. What we're hoping is that the outreach from us to the licensee will occur immediately after the application is filed, it opens up a more robust dialogue between the agency and the applicant and will allow us to come to a decision faster. Excuse me. Enhanced customer service. What we're hoping is that this process actually provides a more efficient, consistent, and transparent process. For resolutions about questions about applicant fitness. It gives the applicant ability in the licensing sphere the ability to talk -- and if there are questions with respect to what we have -- what we're questioning in their background, they will have the opportunity to question us about what we're seeing. They will provide us with information. It will open a more open dialogue between the two of us. It should reduce the wait time for an interview by half of what it is today for a fitness hearing, and the applicant, as a result of a reduced process, will receive their decisions about their applications sooner. Current wait time is a 6 to 8 week process to get to a hearing, let alone get to an actual decision. We're hoping to cut this process down to approximately three to four weeks. Clear and consistent standards. Okay? There should be a benefit to both the licensing staff here at TLC and to the applicants themselves. The proposed rules have clear, consistent standards, it will allow people to know -- outline certain actions that they may have in their background that make it highly unlikely that their application would be accepted and a license would ultimately be issued. The idea is that these extensive review applications -- someone with a failed drug test from a month ago -- is not going to get a license. It puts out in front of the licensee -- this is a criterion you have to meet. Don't apply if you fall into one of these categories. It saves time and money for the licensee and for us, and allows us to focus limited resources on reviewing and moving applications forward when we need to.

Greater transparency. One of the issues, one of the more common, frequent

questions that has come up over the last five or six years, applicants approach and ask you -- I recently failed the drug test, I was recently convicted of an illegal operation. Of a motor vehicle. Should I apply for a license? What should I do? My license was revoked six months ago. Can I reapply now? Up until these new rules, basically because we didn't want to appear as though we were prejudging the application process, we couldn't tell someone -- no, your license was revoked last month. Don't reapply. You're not gonna get a license until a certain amount of time has elapsed. These rules do. They apply a new consistent standard that's applied to everybody. It makes it easier for the applicant. The applicant can make a proactive decision as to whether or not they want to file their application, because they know what the expectations are ahead of time. In summary, okay, the idea behind these rules, this provides a clear and consistent standard, it will let people know when they can or should apply. It is increased contact with TLC licensing, the individuals who are actually going to be making the recommendation as to whether or not that person should get a license, so the people they'll be dealing with on a day-to-day basis with respect to thinking open on that license, provides greater transparency, and is a more efficient, less time-consuming and less costly process. I.e., if someone comes in with an application, we can identify that they have an item which is a criterion for denial, we won't accept their application. We'll say flat out you won't be accepted. As a result, we won't accept the application. It doesn't make sense to take their money and review an application when we know ahead of time -- where we're aware of a situation that we're going to deny their application. Makes more sense to give them back their application and tell them the time period they have to wait in order to file. I tried to do that as quickly as possible.

>> Yes, please, Commissioner.

>> Gary, I just want to thank you very much for all the help you've given me. Any time I've called you in regard to applications, and I thank you. You've been doing a very, very good job. Thanks.

>> Thank you very much.

>> Yes, I basically want to thank TLC for tackling this, I know it's been an issue, and I thank you, Gary. And so I suppose later on, we'll be seeing more specific in terms of the rules?

>> Yes. Again, this too -- we should have language ready for publication in the next couple weeks, enabling a vote in June. And yes, Commissioner Polanco, you're right. Not only is it that the consolidation kind of forces the issue, but apart from that, it's crazy that we have essentially a standardless decision that Gary is required to make now. So -- fitness. So somebody who has, who was revoked a month ago, applies, frankly, and they pay their fee... And when it's a certainty that their application is gonna be denied. Whereas

somebody who... You know, may have an issue from 20 years ago, they should know on the other side, that they can apply and get their license. And it can be a decision they can make up front. So I think that Gary and his team really have done a superb job here of formulating a policy that provides consistency and clarity, and in answer to your actual question, you'll have the rule in writing in time for a June meeting.

>> Thank you.

>> Thank you, Gary. And we have our final presentation. This is director Gallo again. No, it isn't. Apparently not. This... What a treat. Commissioners. You know, you don't... You see Deputy Commissioners Mullings and Weiss, and I think you all know (inaudible), and now Chaborn, and you see what a superb job they do. I honestly believe that we've got the best staff of any government agency around. And I guess now (inaudible) is gonna give us a run for our money, but you don't often see some of the younger folks who are rising up rapidly here, and doing terrific work, so I see now you're gonna have the opportunity to do that, and what a terrific treat it is.

>> Good morning. Or afternoon, I guess it is. I'm an urban fellow in the policy and external affairs office. I have a quick presentation about a decal that MTBOT has requested to post in the rear window of cabs. Near the handle and door lock. It's a clear 3.5x4-inch label, basically saying please exit curb side and watch for cyclists. The label is here. I'll pass this around. This is meant to improve consumer awareness when they're exiting the cab to make sure they're exiting curb side to protect the consumer, but also reduce dooring, which we've heard is a common problem with bicyclists and other road users. So owners will be permitted but not required to post this in all cabs.

>> So this suggestion came from metropolitan taxi board of trade, I thank them for bringing this idea forward. To restate what Mr. (inaudible) said, what the proposal is -- is that taxi owners would be permitted, and given the extensive regulation of the vehicle, I guess every part of it but fuel efficiency, we must approve the posting of this decal. So the proposal we're going to vote on is to permit the decal, but not require it. Commissioner? Okay. If there are no questions, all in favor of approving this? Aye. Aye. Propose no? The motion is approved. Thank you. And with that, the -- today's commission meeting is adjourned. Thank you, Commissioners. And thank you.