



NEW YORK CITY TAXI & LIMOUSINE COMMISSION

[Home](#)[About TLC](#)[Taxi of Tomorrow](#)[TLC Rules and Local Laws](#)[Court Administration](#)[Passenger Information](#)[Licensing](#)[Safety & Emissions](#)[Industry Information](#)[Commission Meetings](#)[TLC News](#)

- [Proposed Rules](#)
- [Newly-Passed Rules](#)
- [TLC Regulatory Agenda - Fiscal Year 2011](#)
- [Average Medallion Prices](#)
- [Photo Gallery](#)
- [Industry Notices](#)
- [Press Releases](#)
- [Public Notices](#)
- [Informational Presentations](#)
- [Testimony](#)
- [Newsletters](#)
- [Sign up for official e-mail updates, news and Industry Notices from the TLC](#)

[Current Licensees](#)[Employment Opportunities](#)[FAQ](#)[Contact / Visit TLC](#)[TLC Site Map](#)

TLC NEWS | TESTIMONY

TESTIMONY BEFORE THE NYC COUNCIL TRANSPORTATION COMMITTEE

Delivered April 11, 2002 Good afternoon Chairman Liu and members of the Transportation Committee. My name is Matthew Daus and I am the Commissioner and Chair of the New York City Taxi and Limousine Commission. Thank you for inviting me to appear before you to testify today.

When I last appeared before your Committee a few weeks ago, I described the programs and policies recently adopted by the Commission that will enhance the services delivered by the TLC to our licensees. I also described initiatives that the Commission was undertaking to improve service to the public. Today, you have asked me to focus on several issues: taxicab service in areas outside of Manhattan, the provision of service to persons with disabilities, and the availability of drivers.

On the issue of taxicab service throughout the City, the Commission continues to dedicate significant resources to ensure that taxicab drivers fulfill their obligations to provide service to all New Yorkers, irrespective of their ultimate destination within the City. In 1989, the City Council enacted Administrative Code provisions setting forth mandatory minimum penalties for service refusals. TLC and NYPD enforcement officers have continued the initiative known as Operation Refusal, wherein they pose as prospective passengers and hail taxicabs for destinations throughout the City. When Operation Refusal began in 1996, enforcement personnel experienced a 21% refusal rate.

Today, as a result of law enforcement initiatives and increased public and industry awareness of the seriousness of passenger service refusals, less than 5% of those drivers tested refuse their passengers. However, service refusals are still committed by some drivers, and continued enforcement efforts are needed. In addition, it is important that passengers subjected to service refusals call our Customer Service Hotline at 311 and file a complaint.

In terms of service other than yellow taxicabs available outside Manhattan, the TLC licenses livery and black car bases to provide point-to-point, radio dispatch service throughout the city. Commuter vans, operated through 69 active commuter van authorities throughout the City, complement mass transportation providers in certain areas of the City that are designated and approved by the Department of Transportation. These vehicles fill a vital transportation need in many of the less densely populated areas of the City. The City's almost 50,000 for-hire vehicles are dispatched to the exact location of the customer's choice, at the specific time requested. These services are available through 577 licensed for-hire vehicle bases within the five boroughs, 58 of which are located in the Bronx, 266 in Brooklyn, 66 in Manhattan, 166 in Queens and 21 in Staten Island.

Still, the TLC is open to new and innovative ways to ensure that demand-responsive transportation is available at a reasonable price for all New Yorkers, irrespective of where they may live, work or shop. This openness comes with the caveat that such new concepts should and must include provisions for base and driver accountability, and adequate safeguards that provide for the protection of both driver and public safety, as does the present system. Any such plan must also take into account the viability of the bases themselves, which are an intrinsic part of the communities they serve, and which rely on sharing income with their affiliated drivers.

The TLC has demonstrated its commitment to partner with the City Council in providing service to persons with disabilities. To that end, we are moving forward with plans to enforce the TLC's rules requiring that the for-hire vehicle industry provide wheelchair accessible service on request. As you may recall, the rule requiring this service was deferred due to the events of September 11th. However, despite the lack of usage of the funds previously made available to subsidize the purchase of accessible vehicles, we are working closely with the for-hire industry and the disability community to assist them in overcoming the issues involved in providing accessible service. These issues include the cost of vehicles and insurance, gauging demand, and identifying, testing and approving safe, reliable vehicles.

The TLC has also commenced a pilot program to test the roadworthiness and safety of a number of wheelchair accessible medallion taxicabs. While we have placed primary emphasis on the for-hire vehicle industry, we believe that it is also important for us to test a number of specially-equipped vehicles as medallion taxicabs. Medallion taxicabs are normally on the road 24 hours a day, seven days a week -- a situation that does not commonly exist in the for-hire vehicle industry. While this pilot program has not yet yielded enough information to make final determinations, I am pleased to say that preliminary reports have thus far reflected no apparent problems.

The industry has represented to the TLC as of December of last year that there is a significant shortage of taxicab drivers. Some industry estimates reflect that up to 20% of all taxicabs may be off the road at any given time. The TLC has begun its own ongoing survey, which has indicated so far that, at least during certain less lucrative shifts, only up to 10% of fleet vehicles (which represent about 20% of all available taxicabs) are not being dispatched. During more lucrative shifts, such as Thursday, Friday and Saturday nights, there does not appear to be a driver shortage. Surprisingly, a survey we conducted this Tuesday showed that an average of only 3% of fleet cabs were not getting out during the day shift, which is considered by the industry to be a slow day. Our preliminary survey of fleets last Friday showed that fewer than 4% of selected fleet taxicabs were not dispatched during the day shift, and less than 1% were not dispatched at night.

Agents, who lease vehicles by the week and represent approximately 40% of the industry, report that very few vehicles are not being leased; however, regardless of this, the lease fees charged by agents have been reduced.

As a result of data available to the TLC, it appears that any shortage of drivers is limited primarily to the taxi fleets and does not appear to be as great as originally represented to us by the industry. There certainly appears to be a shift in the choices made by drivers as to which hours they choose to work, and for which owners they choose to work. Drivers appear to be available and willing to work as long as there is sufficient business and an opportunity to earn sufficient income.

As I mentioned, our licensing data suggests that the taxicab driver pool is growing stronger by the month. One of many examples of this is the fact that we received 608 new taxicab driver license applications in the month of March 2002, as compared to 379 in March 2001, a 60.42% increase for this period. Comparing the broader period from July 1, 2001 to January 31, 2002 to the same period the prior year, new hack license applications increased by 19%, and new licenses issued increased by 26%. In the area of hack license renewals, the number of experienced taxicab drivers choosing to stay in the business and renew their licenses increased by 7.34% when comparing March 2001 with March 2002.

These statistics, when combined with the fact that at least one of our two taxi schools are operating at or beyond capacity, paint a very confident picture with respect to driver availability. The challenge for the TLC and the industry, however, remains in retaining these drivers regardless of economic cycles, which have historically played a significant role in this problem.

Despite the upswing in driver applications, the TLC has undertaken a number of initiatives since September 11th as part of our TLC Industry Recovery Plan to support the taxi and livery industries, as well as to provide employment opportunities for job seekers. Most notable among these initiatives is the TLC's Expedited Licensing Program, which has seen hundreds of applicants receive their hack licenses faster than ever before, without having to sacrifice the TLC's high licensing standards that protect the public and provide superior service.

We also extended the license renewal period from 30 days to six months, to welcome back experienced drivers who otherwise may have opted out of the taxi industry for opportunities elsewhere.

Likewise, the TLC co-sponsored the taxi industry's first-ever Job Expo, an event that hosted hundreds of expedited prospective drivers who enjoyed one-stop shopping for information and expedited licensing services. I would say that a significant number of people are motivated to become taxi drivers, especially when they are offered such incentives as expedited licensing, fee subsidies from trade organizations and scholarships from taxi schools.

Again, thank you for this opportunity to speak to you on these issues. I would now be pleased to answer any questions you may have.



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