Transcript of the Meeting of the
NYC TAXI AND LIMOUSINE COMMISSION
Held on Thursday, September 8, 2005
40 Rector Street - 5th Floor
Borough of Manhattan
Meeting convened at 9:41 a.m.

PRESENT

MATTHEW W. DAUS, Chairman

HARRY GIANNOULIS Commissioner

ELLIOT SANDER Commissioner

NOACH DEAR Commissioner

IRIS WEINSHALL Commissioner

ELIAS AROUT Commissioner

HARRY RUBINSTEIN Commissioner

CHARLES FRASER General Counsel
CHAIRMAN DAUS: All right, good morning, everyone.

We have a revised agenda, which was revised on September 6, 2005. We distributed it to the Commissioners, it's out front.

The first item on the agenda is the Chairman's report, which I'm ready to give. First of all, I'd like to start the meeting with expressing all of our concerns for what's going on in Louisiana and to give our support and our prayers to the victims of Hurricane Katrina and I'd like to ask that we have a moment of silence in remembrance of the victims and give our prayers and thoughts to them.

(Moment of silence.)

CHAIRMAN DAUS: Thank you. In the aftermath of the hurricane, I'm sure many of you have been watching the rising price of fuel, which I'm sure was unexpected by everyone and very much unforeseeable. I think it has not only had an impact on all America and people of this city, but it's also had a tremendous
impact on the drivers in our industry. I think that
goes without saying.

I think it's a little disturbing what's
happened over the last week or two with the price of gas
going up in the tri-state area, and I think it's very,
very important for us to take a look at this issue.

We have received three rule-making petitions
for which there's a process for us to take a look at
potential proposals to put anything from a fuel
surcharge into place and other types of systems and
matters that are being raised in these proposals. The
first one was announced early last week by Fernando
Mateo, the Federation of Taxi Drivers, and since then
we've received a petition from LOMTO, the League of
Mutual Taxi Owners, as well as the Taxi Workers
Alliance. We just got them and are making copies for
the Commissioners.

As you know, there's a process and I've
asked staff to look into it, to analyze them and to give
us an analysis so that I can decide what we need to do
next.

As a Commission I think it's important to
recognize that the drivers are hurting a little bit now
and as much as we gave a pretty decent-sized fare
increase last year, I think it's undeniable that over
the last two weeks that the price went up. So we have
to watch it. I think that it's important to be prudent
and careful. There's a process in place and what we'll
basically do is analyze these petitions and make the

public aware of our next steps.

The driver recognition ceremony date has
been changed. We have a new date, it's going to be on
Halloween, October 31st, it's going to be at the Jacob
Javitz Center and we're going to be disclosing some more
details as we move forward. I know the industry is
anxious to participate. New York City & Company will be
co-sponsoring the event with us again this year and it
promises to be lots of fun. I wanted to make everybody
aware of that and we'll be sending out some more
information to you as we get closer.

Next item is Livescan. I want to let you
know we now have Livescan at the Staten Island facility.
I wanted to thank Commissioner Arout for not only his
persistence but patience. In particular, I want to
thank Lou Tazzi, Deputy Commissioner for Administration,
who was faced with a couple of MIS hurdles to overcome to make it happen, so I want to commend you and I want to thank you, Elias, for being persistent.

What that means, you can go to Staten Island and get a license processed just like our Long Island facility. You don't have to go get fingerprinted manually. You have one-stop shopping available to you in Staten Island. As many of you know, you need an appointment to get in there, but things run a lot more smoothly and we will get a quicker turnaround on the fingerprint checks. That's what the Livescan is, a digital fingerprinting system to speed up the process by which our prospective license applicants get their fingerprint checks turned around by Albany. So that's good news.

A couple of other things. We have a new Deputy Commissioner for Enforcement. She's not here with us today, but her name is Pansy Mullins, she has a wealth of management, legal and enforcement experience. She has labor relations experience on both sides of the aisle, significant experience, and she also not only being a lawyer, has overseen some pretty significant enforcement at different agencies. She worked for the
Department of Housing Preservation & Development, she oversaw over five hundred sanitation police at the Department of Sanitation, and her most recent position was General Counsel of the Department of Consumer Affairs. So she joins our staff. I'm sure you'll be meeting her and seeing a lot more of her as we move forward, and tackle some of the issues of enforcement throughout the city.

Next I'd like to actually bring up Joe Eckstein, our Deputy Commissioner for Adjudications. We periodically hire Administrative Law Judges who go through a rigorous training process, and one of the things that we do to make them official is that we swear them in. I'm pleased to announce that we have not only many judges coming from various government agencies, but also coming from all sorts of other positions in the private sector. I know we have agencies such as the Administration for Children's Services, people coming from the court system, the Appellate Division, the Law Department, Corporation Counsel's Department, DA's office, the Legal Aid Society, as well as the Department of Finance.
I was looking at some of their resumes and I shared some of the details with some of the Commissioners. We also have some professors, some attorneys from private practice, some ALJ's who served elsewhere before coming here, some arbitrators and some law secretaries and law clerks. We congratulate all of you. I'd like to ask Joe Eckstein to come up and introduce you and we'll get the swearing in process underway.

DEP. COMM. ECKSTEIN: Good morning, Commissioners. My name is Joseph Eckstein. I'm head of the Adjudications Division.

This morning we have seven new ALJ's who have all gone through a long process to get here. For those of us who have gone through the process of becoming an attorney, we know that that's already quite an accomplishment, and each of these ALJ's has been admitted for at least three years, has gone through a panel that included ALJ's, as well as managers, some managers from other divisions, so the interview process is quite rigorous, and then they have to go through a training class. It's a five-day training that includes some field work and some time in the courtroom.
So without many more words, I'd like to invite you up, Commissioner, so that we can call them up, give them each a certificate and then we're going to have them sworn in by our Chief Judge, Elizabeth Bonina, who I've also asked to join me.

I'm going to try to speak nice and loud so I can face all of you.

Our first Judge is Mark Jaffe. I'm not going to give any bio. Matt I think already gave a nice detail about the fact that each of our judges has quite a background in public service.

CHAIRMAN DAUS: Congratulations.

DEP. COMM. ECKSTEIN: Our next judge is Daniel Kuzyk.

CHAIRMAN DAUS: How are you?

Congratulations.

DEP. COMM. ECKSTEIN: Susan Landis.

CHAIRMAN DAUS: Congratulations.

DEP. COMM. ECKSTEIN: David Lee.

CHAIRMAN DAUS: Congratulations. Welcome.

DEP. COMM. ECKSTEIN: Leana Schwartz.

CHAIRMAN DAUS: Congratulations.
DEP. COMM. ECKSTEIN: Linda Sideri.

CHAIRMAN DAUS: Congratulations.

DEP. COMM. ECKSTEIN: And Rhonda Tomlinson.

CHAIRMAN DAUS: Congratulations.

DEP. COMM. ECKSTEIN: And now I'd like to introduce, this is our Chief Judge, Elizabeth Bonina, who will administer the oath and before I hand it over, I'd just like to say congratulations to all of you.

(Applause.)

CHIEF ALJ BONINA: Please raise your right hand. I -- state your name -- do solemnly swear to uphold the rules and regulations of the New York City Taxi and Limousine Commission, the laws of the City of New York, the Constitution of the State of New York and the Constitution of the United States of America.

(Judges take oath.)

CHIEF ALJ BONINA: Congratulations.

DEP. COMM. ECKSTEIN: They're leaving.

They're going to work. Go.

CHAIRMAN DAUS: Thank you. Congratulations and lots of luck to you.

That concludes my report. Any questions?

Okay, I'd like to proceed to item two, the
adoption of the minutes from the July 26, 2005 Commission meeting. The Commission minutes were distributed to the Commissioners for review. Any comments, changes?

COMM. AROUT: Make a motion to adopt.

CHAIRMAN DAUS: We have a motion from Commissioner Arout to adopt.

COMM. SANDER: Second.

CHAIRMAN DAUS: Aye?

(Chorus of "ayes.")

CHAIRMAN DAUS: Item three, presentations.

Before we go to the public hearing on the hybrid electric specifications, we'd like to have a presentation from the staff and this is in response to some of the questions that were asked by I think Commissioner Weinshall, Sander at the last meeting about what incentives exist for hybrid electric. Staff, including Andy and Peter, spent a lot of time on it, and Peter Schenkman is going to make the presentation.

Peter Schenkman, I'd like to call you up to the podium and this is a cost benefit overview of hybrid electric vehicles and then we'll go to the public
MR. SCHENKMAN: Good morning. What we've basically done is we've worked with a lot of numbers in trying to compare gas consumption for Crown Vics, the current taxi of choice, to the variety of hybrid vehicles that we hope to approve as taxis and we found quite a bit of savings in fuel alone with the minimum being the Lexus or the Highlander, which is over a $3,000 a year savings and that's based on approximately 44,000 miles a year.

As you can see -- well, maybe you can't see on the chart, so I'll read it out to you. The current Crown Victoria, the EPA miles per gallon is estimated at 18 miles per gallon and that's approximately $7,258 a year based on 342 tanks of gas.

The Ford Escape and the Mercury Mariner, we're looking at 36 miles per gallon, again, EPA estimates, and we're looking for a savings compared to the Crown Vic of $3,629.

The Toyota Highlander has a cost savings compared to the Crown Vic of $3,299. The Prius has a savings in comparison of $5,081. The Honda Accord, $2,753, the Honda Civic, $4,478 and the Lexus $3,043 and that's all based on mileage of exactly 43,992 and if you
had the chart in front of you, you would see that the
number of tanks -- excuse me, the miles per tank is
quite differing from 342 miles per tank on the Crown Vic
to 714 on the Prius, and it should also be noted that
the hybrids tend to have much smaller gas tanks. The
Honda Civic and the Prius have just under 12 gallons per
tank.

On the next screen, we've done a little
research on incentives that are available, and it's
pretty complicated, but obviously there's no State or
Federal tax incentive for the Crown Vic, and it's
varying from the Ford Escape and the Mariner, which is a
potential of $2,600 for a tax incentive. The Toyota
Highlander has 1,950 potential incentive; the Prius,
6,150; the Honda Accord 650, and the Civic $1700 and the
Lexus $2,200. And these are based on a I guess recently
passed federal transportation bill, that the full tax
credit is available until the manufacture has sold
60,000 units and then a one-year phase-out will begin,
so it doesn't necessarily favor the Prius or the Toyota
or the Honda, since they are the largest producers of
hybrids.

COMM. WEINSHALL: Peter, why is there only a
State tax break on the Prius? Did they only specify
that model in their bill?
MR. SCHENKMAN: Actually, I don't know.

COMM. WEINSHALL: Can you find out?

MR. SCHENKMAN: I can.

MR. FRASER: I think the answer has to do with the footnote there, it has to do with the fuel economy and vehicle weight rating and my guess would be that the Prius is the only one that qualified.

MR. SCHENKMAN: Okay.

COMM. RUBINSTEIN: I'm sorry, could you clarify the potential aspect of whether or not -- I was a little fuzzy on the aspect of whether or not a car qualifies or not for the Federal incentive.

MR. SCHENKMAN: Well, the Federal incentive is under the Comprehensive Energy Bill and it is condition-based and the full credit is available, as I indicated, only until the manufacturer has sold 60,000 vehicles. So with the Prius it's expected that by the first quarter the incentive is gone. First quarter of production, which would probably end, make the assumption of January.

COMM. RUBINSTEIN: So that means the Prius would not qualify.

MR. SCHENKMAN: Correct, it gets phased out. And as more Priuses are built -- this isn't just the Prius, it just happens the Prius is the most popular.
It gets phased out.

COMM. RUBINSTEIN: Isn't that kind of a reversal? I would think the Government would want more cars --

MR. SCHENKMAN: Absolutely. But this is a Federal bill.

COMM. RUBINSTEIN: So the less cars made the more the incentive?

COMM. GIANNELIS: And if you lose the Federal incentive, you lose the State one as well?

MR. SCHENKMAN: No. The State incentive is set to expire December 31, 2006 and the incentives are only applicable to the Prius and the Honda Insight at this point, which is a two-door vehicle and the incentive allows for a tax credit of up to $3,000, depending on the fuel economy and the gross vehicle weight, so they're not dependent on each other.

COMM. GIANNELIS: Thank you.

CHAIRMAN DAVIS: Okay?

MR. SCHENKMAN: If we go to the yearly operational cost comparison, we did some numbers based including insurance, loan payments and gas costs on the
vehicles, and it's expected that on a Crown Victoria the yearly expense will be approximately $25,296 with 7,258 of that being in gas; $6,500 in loan payments, $10,000 in insurance, approximately $1,500 in maintenance and an MSRP, manufacturer's suggested retail price of $27,570.

And then we compared all of the vehicles to the Crown Victoria, and as I mentioned before, there is significant gas savings and with the incentives and savings on the loan for the Ford Escape, the savings are approximately $3,667. The Highlander would be a $2,151 savings in comparison to the Crown Vic. The Prius would be an $8,134 annual savings factoring in all costs to operate a vehicle. The Honda Accord savings would be 2,129; the Civic, 6,659 and the Lexus would actually be negative 2,089 so it would not have any savings at all in comparison to the Crown Vic.

Those are the numbers that we've worked with. We've gone to manufacturers' websites, spoken with representatives from the manufacturers and we feel that these numbers do show that there is significant savings to be had with any of -- almost all of the hybrid vehicles.

CHAIRMAN DAUS: Thank you, Peter, great job.
COMM. SANDER: A question, Peter. Two things: One, any sense of how you think the industry will react to these numbers in terms of projections? If not exact numbers, a generalized sense and, number two, presume by virtue of this presentation or any other outreach, we will have this information distributed to the industry so there will be no secret about the potential benefits of this, and I guess tied to that is, are we concerned that there may not be enough production of these vehicles to meet demand?

MR. SCHENKMAN: Well, that's always a concern. The one area that we didn't have concrete data on was the maintenance, because a lot of these vehicles haven't even been out for a year. Some of the data was taken from the citywide fleet management system because the City has owned the Priuses and the Civics for quite a while.

It's based on also the fact that for the Crown Victoria there are a lot of aftermarket parts available where you could literally shop until you got the right price, whereas the newer vehicles there was not.
CHAIRMAN DAUS: Peter, I think Commissioner Sander has a great point. You and your staff threw this together and if the Commission acts on this, I think it's great information for the public and the consumers in our industry, the cab owners, so we'll put it on our website today, and make it available through an industry notice as well.

COMM. SANDER: As per our discussion, we had a discussion about whether there's anything more we should do to incentivize, this is a question I asked, I think Commissioner Weinshall appropriately said let's wait to see what the numbers are before changing replacement schedules for hybrid vehicles. I think this is very compelling, so I would hope that we get it out there so we create -- so there appears to be a Commission incentive, let's get it out there.

CHAIRMAN DAUS: Yes, it's exciting. Hopefully the Federal government will put more incentives in place as opposed to taking them away.

Okay, any other questions for Peter?

COMM. RUBINSTEIN: I just have a brief question. As we all know, the Crown Vics are beefed up Crown Vics, they're not a standard that a person would
purchase. Has there been any information that was arrived at on any of these vehicles through their manufacturers, where we could have, if you could call it a taxi package or beefed up package?

MR. SCHENKMAN: It's commonly referred to as the fleet package. In my conversations with some of the manufacturers, I don't know if it's interest or feeling the need to actually beef up the suspensions. It's just not something that they're looking to do.

For example, with the Prius, they can't keep them in the showroom, so they certainly don't need to build a custom vehicle, and I think that these vehicles will hold up better than expected. We're thinking about it completely different, we're comparing apples and oranges, but I think they will hold up. I hope to come back in a year and update this comparison with real life numbers that will reflect that.

CHAIRMAN DAUS: Just so you all know as well, we sent Peter and Andrew Salkin, our First Deputy, to Detroit, I believe, about three weeks ago, and basically we've started the dialogue not only about future designs of cabs, but in particular about some of
these issues, and I think if you read some of the
literature that's out there and some of the news
reports, it looks like all of the major automobile
manufacturers are now gearing up to put more and more
hybrids on the market.

In particular, I know Toyota in 2008 is
going to increase its market share and all the companies
are pretty much responding to I think all the issues
that are out there in terms of the rising price of fuel.

So I think there's a great opportunity,
Commissioner Rubinstein, for us to share our thoughts
right now with these manufacturers, to let them know we
would like to get some taxi package hybrid electrics on

the road, like to see them be a little bit bigger,
hopefully, and there are other characteristics that we
should look at.

We started that dialogue, Peter and Andy are
going to continue meeting with them, we're going to
continue to meet with them. That's pretty important
now. This is in the developmental stage now, money is
being put into research by the manufacturers now.

COMM. AROUT: Commissioner, are we going to
see vehicles like the Crown Victoria, or are we going to
see hybrids where you can't sit in the back seat? I think it's very uncomfortable for passengers to sit back there. We fought to get these large vehicles. Are we going to see them in the future?

This is my personal opinion. I'll vote for them, but I've got to know today if the Commission is going to look forward to having larger vehicles like the Crown. The people are paying good money to sit behind the cab, they're entitled to have room in their vehicles. I know we have to start the hybrid now and they're all small.

So do you have any indication that we're going to see larger vehicles?

MR. SCHENKMAN: Ford has indicated that the current Crown Vic will stay in its current configuration until model year 2008. They have no intention of changing it. They have pretty much 90 percent of the share for fleet vehicles, police vehicles and taxis. Ford and General Motors indicated that they will be expanding the hybrid. Next year Ford will be introducing a Hybrid 500, which is considerably larger than a Taurus. It's actually got almost as much room as
a Crown Victoria, that will be for model year 2007. For
model year 2007, General Motors is rolling out the
Tahoe, which is a large SUV as a hybrid, as well as the
Saturn View, which is a smaller SUV.

So the bigger cars are starting to come.

Toyota is going to bring out the Sienna hybrid minivan,
which we have almost 700 of them as taxis right now.

So the move is on to build bigger cars, it's
just a matter of how fast they can produce them.

COMM. AROUT: Thank you.

COMM. WEINSHALL: Mr. Chairman?

CHAIRMAN DAUS: Yes.

COMM. WEINSHALL: I always respect the view
of my colleague from Staten Island, but I have stated
before at this Commission meeting, I don't always think
bigger is better, and I think in light of a number of
things that have happened in the last couple of weeks,
both the increase in the gas prices throughout the
country, as well as the issue of global warming and what
effect that's having on the number of hurricanes that
are coming and the weather conditions and the fact that
the First Deputy has pointed out to me on numerous
occasions that the average ride of a cab, someone taking
a cab is, what, 2.8 miles, and maybe they stay in the
cab for ten or fifteen minutes, I could see where we
would need bigger cabs from people coming from the
airports.

Again, people coming from Kennedy should,
although I'm not advocating on behalf of one group,
should be taking the Train to the Plane. I think that
there is a market for smaller cabs in the City of New
York, and the Commission has to keep in mind that we're
not mandating that every cab be a hybrid cab.

What we're saying is for those drivers and
for those fleets that want to look at this as an
alternative, we're making that alternative possible, so
although I agree with you on most things --

CHAIRMAN DAUS: Mostly.

COMM. WEINSHALL: And I was not on this
Commission at the time when there was this obsession
with bigger being better, you know, I think that this is
the Commission responding to what's really going on in
the world today.
now that we help the drivers make ends meet and make
more money by getting better fuel economy and I think
it's important for the environment. So I think we all
agreed on that in terms of the priorities and we'll see
where it goes in terms of how we end up years from now,
if the technology will support the bigger cars.

But I think the priority, like Commissioner
Weinshall said, and I'm in 100 percent agreement and I
think we're all in agreement on that, I think we had
pretty good discussion on that last time at the last
meeting, now it's up to the public to let us know how
they feel.

Any other questions? Okay. Last question.

COMM. RUBINSTEIN: Something that's aside.
The minutes of the last Commission meeting, I believe my
name was omitted before the minutes were adopted. I
know I was there.

CHAIRMAN DAUS: Okay, that's a mistake.
Should we revote them?

We apologize for that, it was unintentional.

I'd like to make a motion to add to the minutes the
presence of Commissioner Harry Rubinstein.

Okay, all in favor?
(Chorus of "Ayes.")

CHAIRMAN DAUS: Okay, it's passed. Thank you for pointing that out.

I'd like to go to item 4 on the agenda, the public hearing for the proposed rules to approve hybrid electric vehicle specs. I'd like to turn it over to Chuck Fraser, our General Counsel.

MR. FRASER: These rules are intended to supplement Local Law 72 of 2005, whereby the City Council adopted a new section of the Administrative Code, Section 19-533, which requires the Commission to approve at least one model of hybrid electric vehicle for use as a taxicab within 90 days of the effective date of Local Law 72, which is mid-October, I believe it's October 18th.

The rules follow our customary -- our standard vehicle specifications in that paragraph C of 3-03.1 states exceptions to the existing rules that the hybrid is entitled to under these proposed rules, and paragraph D provides that there will be no extensions of retirement dates for hybrid vehicles.

The reasoning for that, just so you know, is that our concern was that if we provided for extensions now and we found out that the hybrids had maintenance problems, we might be really constrained
from removing the entitlement to an extension later,
whereas if we provide now there are not extensions and
if we find that maintenance is not a problem, we have
three years until the first vehicles would be retired to
decide that we want to permit extensions.

There's one change I need to note based on
one of the comments we received. In 3-03.1, paragraph
C, subparagraph ii, there's an error of terminology and
an there's error of number that needs to be corrected.
The phrase "EPA passenger compartment interior volume
index" should just read -- this is on page 3 of the
draft -- I don't know if you have the same thing I'm
looking at.

CHAIRMAN DAUS: Yes.

MR. FRASER: This is the proposed rules.

CHAIRMAN DAUS: The rules, not the
PowerPoint. It's page 3, Roman numeral 3, right?

MR. FRASER: Roman numeral ii.

The phrase "EPA passenger compartment"
should be deleted, that's an incorrect reference. And
the number 104.3 should be replaced with the number
101.5. That was an error that we discovered in
analyzing one of the written comments we received, I
believe it was from the NRBC, and discovered that we had
made an error in the terminology and in the number.
CHAIRMAN DAUS: Okay.

MR. FRASER: So the people who have signed up to testify will be entitled to three minutes each and testimony will be limited to the proposed rules, and I guess we have the timer will be set for the three minutes.

Mr. Chairman.

CHAIRMAN DAUS: Okay. Let's go to the preregistered speakers first.

The first speaker is Bob Muldoon from the Sierra Club.

I'd also like to note for the record that the Commissioners have been provided copies of the written comments that we received to date. That includes comments from Dr. Richard Thaler of the National Resources Defense Council as well as the Sierra Club.

MR. MULDOON: Good morning. My name is Bob Muldoon, I'm associated regional representative with the national Sierra Club office in New York City. I'm speaking on behalf of the New York City group. Sierra Club is one of the oldest and largest grass roots environmental organizations in the country,
with over 750,000 members nationwide and over 15,000 members in New York City.

We thank the TLC for quickly moving forward with drafting rules for hybrid electric taxis. We especially appreciate the time you took to test drive the vehicles and the lively and constructive discussion that followed. We also want to thank Councilmembers David Yassky and John Lieu for their leadership in passing legislation to allow hybrid electric vehicles to be used as taxis, and we greatly appreciate the leadership of Speaker Miller and Mayor Bloomberg in supporting the law behind this program.

The hybrid era has arrived. Hybrid electric vehicles are much cleaner, much cheaper to operate, will lower our dependence on foreign oil. They can cut smog pollutants by up to 80 percent, reduce greenhouse gas emissions by about 40 percent, double gas mileage and cut fuel costs in half. Hybrids are now being used in taxis and other cities, namely, the Escape hybrid in San Francisco and the Toyota Prius in Victoria, Canada.

The rules the TLC is now considering set vehicle specifications that would allow any of the six models of hybrid electric vehicles on the market to be
used as taxis. In our opinion, any of these vehicles would be a tremendous improvement in emissions and fuel efficiency over the Ford Crown Victoria. However, we want to address the trend towards larger hybrid vehicles that emphasis power and performance over fuel efficiency.

    Sierra Club recommends that the TLC modify the draft rules to provide a means to prevent hybrid electric vehicles with little or no improvement in fuel efficiency from qualifying. Specifically, we recommend that this language be added to paragraph C, allowing the Chairperson to make a determination that it meets the intent of Local Law 72. This would allow the Chairperson to use his or her discretion to prevent a worst case scenario where a vehicle with hybrid electric technology shows little or no improvement in fuel efficiency.

    This is just with regard to some of the trends we've seen and we're concerned about in future vehicles, again, power and performance over fuel efficiency.

    Since my time is limited, I'll just touch
briefly on my other comments.
We urge a full program to monitor the
performance of the hybrids in comparison to the existing
fleet.

CHAIRMAN DAUS: I'm sorry, Mr. Muldoon, I
have a question. What would the criteria be for making
that determination? What would you suggest?

MR. MULDOON: It would be that it meets the
intent of Local Law 72 and Local Law 72 clearly states
that the intention is to increase fuel efficiency and
reduce air pollution. So we're allowing some discretion
on the part of the Chairperson.

Does that make sense?

CHAIRMAN DAUS: Yes, just discretion, not a
formula to be followed. Understood.

MR. MULDOON: Exactly, at this point. To
just summarize my comments, in terms of going forward,
we also recommend incentives.

CHAIRMAN DAUS: You can continue, because I
interrupted.

MR. MULDOON: I'll keep it very brief.
We also recommend the TLC pursue incentives
with a target of vehicles of 45 miles per gallon or
better, and the purpose of our recommendations is to
push towards a fleet -- we envision a fleet in the
coming several years of reaching 40 to 45 miles per
gallon fuel efficiency. And the Sierra Club position is
this is something that can be achieved using current
technology and we know that the American -- the fuel
efficiency standards for our vehicles in the U.S. could
be much higher. We just haven't pursued this kind of
direction and the TLC can pursue that in terms of the
incentives that we've listed in our testimony.

Just to summarize, these are exciting and
challenging times. We face the impending threat of
global warming caused by our own man-made greenhouse
gasses and yet we have the technical means to reduce and
eventually eliminate these emissions. The TLC has taken
a bold new step in that direction today with this broad
hybrid electric taxi program and we're happy to be here
to support your efforts.

Thank you.

CHAIRMAN DAUS: We have a question from
Commissioner Sander.

COMM. SANDER: Actually to the Chair. Is
there anything in terms of the recommendation by
Mr. Muldoon in terms of our intent with a paragraph that
he's specifically proposing that would be problematic
with what we're trying to achieve personally? The idea
of creating incentives for hybrid vehicles that are just
creating more power but are not creating efficiency I
think is antithetical to what we're trying to do.

CHAIRMAN DAUS: I would agree with that. I
think it's a good discussion. My only concern is how do
you defined the standard that leaves a lot of discretion
for anybody, the Commission or the Chair. This is a new
process, these are new vehicles, the market is
developing. We, I think, as a Commission will be
reconsidering and taking a look, like Peter said, in a
year at what's going on.

COMM. WEINSHALL: Mr. Chair, could I ask
Peter to come to the mike? In light of what the Sierra
Club is recommending, Peter, would some of these models
not qualify that we have listed?

MR. MULDOON: Could I make a brief comment?
Just to repeat what I said in my testimony. The models
you're looking at today we fully support introducing
into the fleet. They are an improvement over the Crown
Victoria, in most cases doubling the fuel efficiency. But what we do see is a trend towards power and performance over fuel efficiency with the newer vehicles.

COMM. WEINSHALL: Peter, all those models that we saw would --

MR. SCHENKMAN: No, not with that mile per gallon estimate the Honda Accord, Lexus and possibly Escape would not qualify.

COMM. WEINSHALL: That's with the 45.

COMM. SANDER: But your proposal for the 45--

MR. MULDOON: That's for purposes of incentives. Again, what we're trying to deal with is a worst case scenario where we end up with a hybrid Hummer situation, where you just add -- it's coming -- where you just have a big fat vehicle, you put in a hybrid engine and you're not getting much of an increase in fuel efficiency.

CHAIRMAN DAUS: Yes, Commissioner Dear.

COMM. DEAR: Is there any cars that they're envisioning now that they're planning to make as a
hybrid just to increase the power, not the fuel efficiency?

Mr. Schenkman: The Honda Accord is one of those, the Lexus is one of those.

Comm. Dear: Just for power?

Mr. Schenkman: What you're doing is taking an already powerful vehicle and adding a 100 horsepower motor on top of it.

Comm. Dear: But the fuel efficiency is better than if it wasn't a hybrid.

Mr. Schenkman: The Honda Accord hybrid is essentially the same.

Comm. Dear: That's going to be approved in our regulations. So the question was asked by one of the Commissioners if the language, not the second part of the language, the first part of the language to give, to make sure there was only fuel efficiency we're allowing to happen, if we put in that language, do any of the cars fall off the map?

Comm. Sander: Sounds like the Accord would.

Mr. Schenkman: Yes.

Chairman Daus: Are you concerned more about the future?
MR. MULDOON: I'm concerned more about the future. The standard that we're using is against --

CHAIRMAN DAUS: It's an interesting idea. Maybe, if this is okay -- it's a very good point and it's new and we haven't really thought about this, but Andy wants to say a few words. I would ask that if anyone has any ideas when they're testifying in the public hearing about how we can accomplish this, please feel free to add that to your thoughts.

DEP. COMM. SALKIN: I want to remind the Commissioners, this was discussed at the last Commission meeting, I think, if I remember correctly, the idea of not all the vehicles having much better fuel mileage even though they're hybrid, and the idea being some of those vehicles, even though they don't have better fuel mileage would be much more expensive so they don't actually get put on the road.

But the other conversation focused on the fact, and I think the Chair said this, the technology is new, I think Commissioner Weinshall stated that the idea of putting new vehicles on the road, testing the hybrid technology is the right way to go.
I think we wrote the rules in a way to allow all these vehicles on the road with the idea of maximum testing of the hybrid technology with the intent of revisiting the rules as the vehicles change and they begin to phase in more appropriate vehicles for cabs.

I think one of the things to think about is how these rules read, allowing these vehicles to get passed and get on the road, and then revising the rules down the road to better meet the standard of the vehicles that should be cabs. So I think that was the intent.

COMM. SANDER: To clarify, Commissioner Salkin, what you're saying, from the staff perspective, you're recognizing that the Honda Accord probably doesn't have much of a benefit, but for purposes of a pilot in getting the technology, that would be the argument not to revise or include the paragraph that Mr. Muldoon is --

DEP. COMM. SALKIN: He stated correctly, in terms of the Crown Vic, even the regular Honda Accord would be an improvement. So the Crown Vic --

COMM. SANDER: That is a relevant point.
What do we perceive the intent of the law to be of the Council? Obviously, I'm wondering if somebody's going to come up tomorrow -- this is my problem with this. I want to abstain today because I wasn't here last month. This is my problem. The City Council rushed this through and these discussions have not occurred properly.

Quite honestly, with all respect, I don't want to be in a situation where we go to the Sierra Club to ask them which vehicle is acceptable.

COMM. WEINSHALL: Harry, one point, although the Council is working on their own time frame, the Commission staff was already looking at this hybrid issue and it's sort of the two, I guess, efforts sort of met at one point.

COMM. GIANNOULIS: I think it's a good thing.

COMM. WEINSHALL: The Commission has been looking at this for six to eight months now, so I think the Council was doing their own thing.

COMM. GIANNOULIS: In reference to this issue that just came up, the Council, the rule that the Council passed, I mean, we're getting into definition of what a hybrid vehicle is, really, is what the debate is
about at this point. So does the law that they passed
say that the intention is fuel efficiency, et cetera;
that that might help you out here?

CHAIRMAN DAUS: I think Chuck should really
answer that, our General Counsel. I think that there is
a definition, from what I understand. My understanding
is that a certain amount of discretion was given to us
to approve the vehicles, but that we had to approve
something within 90 days. I know, Chuck, the date of
the statement of intent --

COMM. GIANNOULIS: I just wondered if they
say -- if it's all in the way it's interpreted.

MR. FRASER: There is a prefatory paragraph
in the legislation and it does say, as the gentleman
indicated, it's to increase mileage and decrease
emissions. But the definition of the hybrid vehicle is
word-for-word what you see in paragraph B of the
proposed rule. We very definitely chose precisely the
same definition as the Council did in order to not
deviate in any respect from the mandate.

COMM. SANDER: I want to make a point to my
colleague. Certainly we view the Sierra Club and
anybody else who testifies in front of the Commission as
advisory and so forth.

COMM. GIANNOULIS: They're a great
organization.

MR. MULDOON: Could I make a brief comment?

Again, we support the direction you are going and what you are doing. All these vehicles are going to basically double the fuel mileage over the Crown Victoria and that's a tremendous improvement.

What we're looking at is in terms of the direction going forward. It's not a big point to hold you up at this point. That wasn't the intent of my comments.

CHAIRMAN DAUS: We understand your point and I think at this point we don't have to make a decision right now. Why don't we hear from everyone, and if you have an opinion on this, please let us know.

Thank you, Mr. Muldoon.

The next speaker is Mr. Mark Izeman from the Natural Resources Defense Council.

MR. IZEMAN: Good morning, Commissioners.

CHAIRMAN DAUS: Good morning.

MR. IZEMAN: My name is Mark Izeman. I'm a senior attorney with the Natural Resources Defense Council, which has worked on air quality and transportation issues here in New York City for 35 years. It's a national environmental group. We have
more than 10,000 members in New York City and 30,000 in New York State and we're very happy to be here to offer our support overall for the proposed rules and we also speak today on behalf of the New York League of Conservation Voters.

While we commend the TLC for advancing these rules which will allow us to save oil, allow drivers to save money, cut global warming and make the air in New York City cleaner, we do offer a few suggested enhancements, some of which are similar to the comments that my colleague from the Sierra Club just made.

Let me very briefly in a minute just highlight again the four primary benefits of hybrids, some of which were discussed in the excellent presentation prior to the public hearing.

The first benefit is that hybrids produce a lot less pollution than conventional cars. All six of the hybrid models that are being proposed for approval by the TLC are significantly below the Crown Victoria, for example, nitrous oxides, which is a key contributor to smog would be reduced between 73 and 89 percent compared to the Crown Victoria, which, again, is about 94 percent of the fleet.
In our testimony we set forth a chart that lays out all the pollution reductions of key pollutants.

A second major benefit of using hybrids is that it would help slash oil consumption. Again, all six hybrids that would be allowed under the TLC’s rules would get significantly greater fuel mileage than the Crown Victoria. In stop-and-go traffic, which is where hybrids perform best, all the models would get at least 61 percent better mileage, according to EPA statistics. The Toyota Prius would get 233 percent better mileage.

We realize the EPA numbers may not be what you actually get, but if you're comparing models across the board, it's a good comparison.

The third major benefit, it would help taxi drivers save cold hard cash. There was just an article in Reuters this week where a New York cab driver was quoted, after he looked at the billboard saying $3.49 a gallon, saying, "If the price keeps going up like this, I might have to quit driving for a while."

Assuming drivers are paying $2.80, which is below where we are today, and assuming a doubling of mileage, which is conservative because some of the cars
get triple, we estimate a cost savings of roughly $25,000 over five years. That's a number that's consistent with what the TLC has found in their own research.

It's important to recognize that for owners -- the website "IntelliChoice" noticed that some hybrids, including the Prius and Ford Escape have total ownership costs, much better value than the Crown Victoria.

Given the time, let me very briefly highlight the several recommended changes we're suggesting.

The first relates to the issue we were just talking about, which is the definition of hybrid. We're suggesting an amplification of the term "integrative manner," which is common, again, for agencies to amplify statutory definitions and to insure that at least 4 percent of the -- that the electric portion of the engine, at least 4 percent goes to the power. This is in the new Federal Energy Policy Act which was passed by Congress in July, so consistent with that Congressional definition. That definition limits the Federal tax credits available for hybrids and we believe the TLC has
the authority to amplify that particular term.

We also recommend that the TLC consider an extension of time for the retirement of the hybrids. As you know, the TNG and the minivans get some extension. We're suggesting at a minimum that the TLC consider an extension similar to the minivan.

The third, given the 81 clean air medallions that were set aside under Local Law 51 of 2003, that the TLC move expeditiously to finalize the auction of those to insure at least those medallions can be put to use in hybrids.

Lastly, while this is a huge step forward, we think the TLC should continue to research ways to encourage, both to maximize the total number of hybrids and other clean air cars and also to encourage cars that get the best mileage and produce the least pollution. The 4 percent definition that I mentioned would go a long way to insuring that you're getting the best and the cleanest cars on the road and the Federal Energy Policy Act, again, just passed, also limits the Federal tax credits to cars that meet more stringent air emission standards. That's something the TLC should
We're not suggesting that should be looked into today, but we think by looking into it we can enhance those rules down the lines. Thank you for listening and for embracing the move to get hybrids on the road.

CHAIRMAN DAUS: Thank you for your support and your suggestions.

Next speaker is Bart Chezar from the independent -- an independent transportation consultant.

MR. CHEZAR: Do you have my testimony, because I don't know if that got passed out.

CHAIRMAN DAUS: I just want to clarify the record. We have written testimony from Dr. Richard Thaler, National Resources Defense Council; the Sierra Club, the Coalition Advocating for Smart Transportation. Do you have an extra copy of your testimony?

MR. CHEZAR: I just --

CHAIRMAN DAUS: Thank you. And that's it, right, Chuck?

MR. FRASER: Yes.

CHAIRMAN DAUS: Okay, that's what we have. Okay, can you proceed.
MR. CHEZAR: Good morning. My name is Bart Chezer. I'm an independent transportation consultant. I worked for over 25 years with the New York Power Authority as an R&D engineer. Later I managed their electric transportation department. We were involved in the development and introduction of many electric and hybrid electric vehicles including the New York City Transit bus, the hybrid bus that's now in service within New York City.

First of all, I'd like to congratulate the TLC on taking this move, modifying the specifications in compliance with Local Law 72. I won't reiterate the timeliness of this action in terms of what's going on with the energy picture in this country, but we shouldn't overlook the emissions reduction, and one of my biggest concerns is global greenhouse gasses and I think this is a very significant step New York City is taking to be up front in dealing with this particular issue.

I'd also like to congratulate you on taking -- you don't use the term, but this is basically a market-based approach. You're not requiring anything,
but you're giving the market a chance to select the type of hybrids that make sense for taxi service in New York City, so it's a decision of the drivers, the fleet operators and the public as to what it wants and they will decide through the marketplace what fits that market best.

It also allows the introduction of future hybrids. I believe hybrids will get better, they'll meet the requirements of the industry better in the future and that will be to the betterment. We don't have to come back and fine tune specifications to include future vehicles.

It hasn't been said before, but I think the allowance there for having security cameras as an alternative to the partition wall is important. We all realize these vehicles aren't as big as the vehicles out there today. Eliminating the partition wall gives us 3 to 5 inches that help deal with that issue.

I'd like to offer four suggestions for your consideration, most of which don't require modifications of the regulations. The first is I think you need to do a detailed monitoring program of fuel use. Before, it was stated 18 miles per gallon for a Crown Vic. I'm
sure no taxi in New York City gets 18 miles per gallon.
In the same context, none of the hybrids will get the fuel efficiency that's stated by the EPA on the windshield. We need to get good data on that to really see what those savings are, so the marketplace can make sound decisions as to what the cost effectiveness of these vehicles are.

The second thing is to monitor maintenance requirements. No hybrid has gone into New York City taxi service. It's an extremely rigorous service and it will be demanding. I expect the hybrids will do very well, but we don't know that. The more we could learn about what the maintenance requirements are, the more we can make future modifications, be it for suspensions or otherwise, so these vehicles could be exemplary for service in New York City.

One further factor concerning maintenance is battery life. These are hybrids, they have a battery.

We don't know what the battery life will be in New York City service. We should monitor that, because that will be a factor in determining what the cost effectiveness of these vehicles will be in the long term.
The third suggestion is extended service life. I would recommend for double shift operations we extend the service life allowed for these vehicles. I think this would be important in getting certain fleet operators involved in this. I think the owner-operators won't need much more encouragement, but I think the fleet owners would need some incentive.

CHAIRMAN DAUS: Could you sum up, please?

MR. CHEZAR: The final suggestion is financial incentives. I would recommend for those that have EPA ratings of 45 miles per gallon we consider some sort of incentives, be it reductions in license, registration fees, grants or otherwise, that we should encourage some of those vehicles.

I don't know what the public's reaction -- it happens to be only the Prius now would meet that requirement. Hopefully there will be others in the future. But I would like to see perhaps some of these smaller hybrids out there to see how the market reacts to this. But there's a risk on the part of the driver in going with a smaller car such as that and maybe an incentive will be warranted.

Thank you for allowing me to make this
presentation.

CHAIRMAN DAUS: Thank you. Appreciate your thoughts.

The next speaker is Dr. Richard Thaler.

DR. THALER: Commissioners, thank you for allowing me this time. I assume my written comments have been entered into this record.

CHAIRMAN DAUS: Yes.

DR. THALER: I was present at the City Council hearing on Intro 644 and Commissioner Daus' testimony at that time. I have to compliment him on explaining to the Council the caution that the taxi Commission must exercise in protecting the public safety. In all of the review of the hybrid program, either on the part of the Council or the part of the Commission, a number of the safety issues were not borne out and I think I would like to introduce some realism into this discussion, realism in terms of taxi operation.

There have been worldwide advisories issued from fire departments, police departments about hybrid use. This certainly is limited and no experience in taxi operation in New York. It's well known that the
manufacturers have introduced many safety system requirements. For example, in a precrash situation, prior to air bag deployment, the battery is disconnected, things like that. However, all bets are off in the New York taxi environment and we do know that in a severe accident, it is possible for the high voltage cables to provide a risk of electrocution to EMT's to fire and police responders and even to passengers. A break in the shell of the battery will release very, very highly toxic electrolytes. These things should be addressed in my comments. I submitted a sample of this advisory.

These responders are outside of the jurisdiction of the Taxi Commission. For instance, I think it would be important almost to put a warning label on these cars. I think the police, fire and EMT responders should be advised of the precautions they should exercise in responding to such exercise. In the meantime, I have to say I agree with the previous speaker. There seems to be a significant policy shift here that a market-based approach is welcome, that apparently, although Local Law 72 requires that at least one hybrid vehicle be approved or more, the Commission is looking at approving as many as six,
and I think it's great that the taxi vehicle owners will now have a choice to do the evaluation and the selection in an open market, unrestricted by the Commission, subject to these rules, but I have to say that the extreme measure in removing some of these rules to admit, admittedly these cars that don't meet the rules, subject also to these safety considerations should be very, very carefully considered.

There are, however, other alternative opportunities to reduce fuel consumption significantly, reduce emissions and absolutely eliminate CO2. Now, I don't think it's appropriate to discuss these here, but because this was the basis of Local Law 72, the justification for Local Law 72, I might just allude to them.

There's been no discussion about agrifuels. Agrifuels really have a problem, so I'm surprised I haven't heard of this from the Sierra Club. The life cycle of certain agrifuels virtually reduce CO2 to zero and eliminate the use of petroleum.

I should add, if you look at the Federal energy bill that's been cited here, in certain agrifuels, B100, ASDM 6751, you can get as much as a $1 tax credit per gallon, in addition to, if you buy the right type of vehicle, you can get your $3,400 tax
credit as well. But an ongoing $1 per gallon tax credit.

Perhaps at another time the Taxi Commission can take up the use of agrifuels in their operations.

CHAIRMAN DAUS: Thank you. Actually, Dr. Thaler we anticipated these topics in comments from you, and Assistant Commissioner Schenkman has done a little research and would like to address some of your comments.

MR. SCHENKMAN: In regard to the use of electricity, electric vehicles have been on the road in some form since 1998. In the year 2000 when the Prius was introduced, Toyota did a major campaign by contacting every emergency response agency in the country, explaining the dangers of dealing with hybrid vehicles. The dangers are no worse than driving around with 20 gallons of gasoline and getting rear ended.

What I have found as a former fleet director with 28 Priuses in my fleet and probably more than half of them had been in some form of accident -- I've seen Priuses split in half and crashed into walls and the battery casing has never been breached in any of those. There are certain precautions that do need to be taken
by emergency personnel and those are all well marked in all hybrid vehicles. All electrical voltage cables, high voltage cables are bright orange and it is standard practice now to run the wires through the door rather than through the floor. This has been addressed by the National Highway Transportation Safety Administration as well. If there was any question about the safety of the vehicles, I don't think they would have been approved for street use.

CHAIRMAN DAUS: Okay. Thank you for that information.

The next speaker is Corri Friedman from the American Lung Association.

MS. FRIEDMAN: Good morning. My name is Cory Friedman, I'm the director of advocacy for the American Lung Association of the City of New York. For more than one hundred years the Lung Association has fought for lung health, including the fight for cleaner air. Consistent with that fight, I'm pleased to offer support and comments on the Taxi and Limousine's Commissions proposed rules for implementing
Local Law 72 of 2005.

I'd like to thank the TLC for drafting a rule for hybrid electric cabs so promptly and the leadership of the New York City Council and Mayor Bloomberg for supporting this legislation.

The City of New York and the TLC have importantly recognized the economic, environmental and public health benefits of hybrid electric technology. In the New York City metropolitan area, the air fails to meet the national ambient air quality standard for both fine particles and ozone. Bronx, New York, Queens and Richmond counties all failed the clean air test graded in the American Lung Association's State of the Air report released in April. Mobile source emissions are a large reason why.

The emissions from the passenger vehicle fleet, including taxis, are the main contributor to high ozone levels, which negatively impact the 1 million asthmatics living in our city.

Given the well known poor quality of New York City's air and the millions of New Yorkers living with lung diseases, we support the encouragement and introduction of as many clean vehicles to our streets as
possible. Introducing fuel efficient hybrid taxis is a critical step for our city to take. With lower emissions of ozone-causing chemicals, a key ingredient in smog, as well as reduced emissions of particulate matter and carbon dioxide, more clean hybrids in our streets will contribute to cleaner air for New Yorkers to breathe.

The rules proposed by the TLC would allow for the adoption of the six hybrid taxi models that are currently on the market, all representing vast improvements over the Crown Victoria for gas mileage and emissions. While we believe these six models contribute to our ultimate goal of promoting less polluting vehicles and improving fuel efficiency, we want to stress the need to maintain standards of vehicle emissions for new models of hybrids introduced on the market, as previously stated.

We strongly support recommendations to clarify the definition of hybrid electric vehicles in order to insure that hybrid taxis approved by the TLC in fact have significant increased fuel efficiency and reductions in emissions. This clarification would
prevent the ability of hybrid vehicles with minimal fuel
efficiency from entering the taxi fleet.

Additionally, the ALCNY supports
recommendations to insure an increasing number of hybrid
taxi on our streets. We recommend the TLC actively
promote and advocate the use of hybrids, to educate
owners, drivers and the public about the benefits of
hybrid technology.

The American Lung Association looks forward
to working with the TLC to promote the use of hybrid
taxi in New York City. Implementation of Local Law 72
represents an important step in improving the air New
Yorkers breathe.

Thank you.

CHAIRMAN DAUS: Thank you very much. Next
speaker is Mr. Bill Lindauer.

MR. LINDAUER: I'm Bill Lindauer. I'm with
the Taxi Workers Alliance, as you may very well know.

I know today we're discussing hybrid
vehicles, but why we're doing this today when -- rushing
to judgment when there's a crisis? Are you like FEMA
and Katrina? You don't rush in to help. There's an
emergency. Feel the drivers' pain.
But let me get to the hybrids. I suggest --

first of all, I suggest the Commissioners make a motion

to call an emergency meeting next week and you

immediately decide on a gas surcharge. We cannot have

it stalled. We cannot be put off. This is a democracy

and other cities have a dollar surcharge. Are they so

stupid? Why are we left behind? We're the capital of

the world. Bad enough that our cab rates are moderate

compared to other cities in America, but not to have a

fuel surcharge?

One thing. This sums it up. Since 1996,

two raises for us drivers of less than 50 percent. At

the same time, since '96, gas prices have skyrocketed

300 percent. That says it all. Ha-ha-ha. To decide

against a surcharge is just outright oppression and

cruelty.

Let me get to the hybrids. No one is

against improvements. No one's against pollution-free

vehicles or nearly pollution-free vehicles, even though

you seem to, because you approved 900 medallions which

would add to pollution, even though that whitewashed

report said in New York City it wouldn't have any
effect. First of all, the TLC report is deeply flawed. How could anybody cite EPA estimates? CNN says they're widely exaggerated. Consumer Reports October 2005 says they're off the list, the real gas mileage is 35 to 50 percent less, and I could tell you from experience that is certainly true. And how could you even mention a two-door vehicle? This is a cab.

And a Lexus is like $20,000 more than any other vehicle, and according to the Times of yesterday, they don't consider it a fuel-saving vehicle. It's in the Times business section yesterday, you can get it on the Internet.

Another thing, this could lead to higher lease prices and in turn higher fares. If my boss with the 63 cars has to spend five to $10,000 more for a vehicle, he'll naturally want to pass on the cost and we'll want to naturally want to pass on the cost to the public, that's the only way we make money. So don't rush to judgment and consider the gas surcharge now.

CHAIRMAN DAUS: Okay, thank you.

All right, the next speaker is Bhairavi Desai from the New York Taxi Workers Alliance.

MS. DESAI: Good morning. I just, I can't
say it better than Bill just did. I really cannot.

Really. I mean, talking, you know, we are definitely in favor of hybrid vehicles for all the reasons that have already been cited. Of course, I mean, taxi drivers pay 100 percent for the cost of fuel, so any vehicle that is going to allow for fuel efficiency is something that the Taxi Workers Alliance will certainly support. Also in terms of just our larger concerns over the environment as citizens of this planet.

But talking about hybrids while we're not going to be talking about the fuel surcharge is like putting a band-aid on a gunshot wound. I mean, we need action now. Something must be done right now. The TLC must announce a public hearing as soon as possible to discuss the soaring gas prices.

As far as the hybrids are concerned, I also agree we must extend the discussion as far as incentives are concerned. You know, not only because we don't want to see the price passed down to drivers, but also because, you know, quite frankly, if garage owners and medallion owners are going to be required to spend more money, there are other priorities we have, such as a
health insurance fund, such as a retirement pension and a disability fund. I cannot tell you the number of members we have who have been stricken with cancer or other illnesses and continue to work because they don't have access to disability, and in most other industries, you know, alongside with Social Security disability, the industry itself will supplement a fund.

And so for us, you have to look at the larger picture. Whenever you're raising a cost and you're putting them on to an industry, what you're actually doing is prioritizing how the money should be spent. And our concern is, therefore, money that should be spent on the well-being and the health and the wages of taxi drivers get sidelined and we're very, very concerned about that.

I also want to say that given that the medallion price for the hybrids is lower than on other vehicles, for driver-owned vehicles, given that they would be paying for the vehicle cost, I think you should consider a different weekly medallion lease for driver-owned vehicle lessees who are going to be driving hybrids. Because while owner drivers are going to be getting compensated with the lower medallion payment,
DOVs should also have that same benefit.

Lastly, I want to say again, we should not rush to judgment. We're very concerned about some of the things that we've heard in terms of the safety, and all due respect to the staff, in terms of the research they've done. I think this is a very serious issue and we want to make sure that our members are going to be safe in these vehicles and we want to be sure not only in terms of combustion with the vehicle, but also in terms of the leg room within the vehicle.

Lastly, I want to say, Commissioner Weinshall, no Train to the Plane. We've got to get people to cab it. That's what this industry is about.

Thank you.

CHAIRMAN DAUS: Thank you. Just for the record, Ms. Desai, we do have the petition, we're studying it, and we'd like to -- I think we're equally disturbed by what's going on with the gas prices and we do share the concerns of the drivers. There is a process that the law requires that we follow and that process takes some time, but we will get an answer to all of you and all the drivers groups that petitioned,
including yours, and we're going to keep our fingers
crossed for the price to come down.

The President made some statements
yesterday, Senator Schumer, as well as the Attorney
General, I believe, have made some statements about the
price of fuel. The Department of Consumer Affairs has
been out there issuing summonses. Let's hope that the
price starts to come down. That still doesn't mean we
don't need to look at this issue. We will. I assure
you, for the record.

VOICE: Schedule a hearing. Put a time line
down.

CHAIRMAN DAUS: There is a time line in the
law and we'll address it as soon as possible.

VOICE: Ninety days.

CHAIRMAN DAUS: Could I please have some
quiet and I will explain it? There's a 60-day period
under the law. I think we received it, if I'm not
mistaken either Friday or Monday. We have to wait --

MR. LINDAUER: We cannot wait 60 days. We
have to have it now.

CHAIRMAN DAUS: Mr. Lindauer, have some
respect.

MR. LINDAUER: I'll have some respect when
you have a surcharge. You drove me into bankruptcy in
2004. I can't declare bankruptcy again.

CHAIRMAN DAUS: Mr. Lindauer, please.

The next speaker is Mr. Vincent Sapone.

Mr. Sapone, are you here?

MR. SAPONE: I don't know if I'm here. I don't know if I can talk after that.

CHAIRMAN DAUS: Pretty hard to top that.

MS. DESAI: Do you finally agree with taxi drivers?

MR. SAPONE: Not finally agree. I always agreed with certain things, but I disagree when you said my owners were owners that are making tons of money and oppressing your people. I came from the same area every one of your drivers did. I worked seven days to buy my medallion.

CHAIRMAN DAUS: Excuse me, if you guys want to have a debate, you can have it outside.

MR. SAPONE: Excuse me. Do you have a platform out there?

CHAIRMAN DAUS: Do it on your own time.

MR. SAPONE: Did I go past the three minutes?

My name is Vincent Sapone. I'm an ex-cab driver, I'm now the managing director of the League of Mutual Taxi Owners, approximately 3200 men.
I want to thank the TLC for making the hybrids optional and I hope it stays that way, but with the hybrid there are some people here said about the mileage, the EPA mileage. When they do testing for mileage, they do it in a desert somewhere. They don't do it in New York City streets, so that's -- forget about what reports we got here about the mileage, that's baloney. Okay. Every time I bought a car I never got the mileage that was on the sticker, never, no matter where I drove, that's number one.

Number two, I'm concerned about the smaller hybrids, okay, about God forbid if there's an accident, the danger. City workers have the Prius hybrids. If you go around the City, half of them are parked on the sidewalk somewhere, they're not used that much.

CHAIRMAN DAUS: We use our hybrids.

MR. SAPONE: How often?

COMM. WEINSHALL: I just want to let you know that the Department of Transportation has numerous hybrid vehicles, which are all now field vehicles. All people in the field, all are inspectors are using hybrid vehicles.

Peter I know you ran the fleet for DCAS.

All the city agencies are now extensively -- am I right?
MR. SAPONE: I don't completely disagree with you, but driving a cab is different, that's all I have to say about that. It's a different ball game. Everyone is talking -- listen, it's optional, fine, go right ahead with it. But no one is talking about the price. I heard everything else, but I haven't heard -- we cannot go out there as an individual owner, driver, or fleet for that matter and go for a Highlander that probably costs ten, $15,000 more, okay? I think most of my men wouldn't go for the Prius, they would go maybe for the Highlander.

You know, there's no -- there's no reason why the buyer, for fifteen thousand, God knows, maybe it would be $20,000 more by the time they're ready, and if Ford came out with a hybrid, it would probably be $40,000. You know, listen, I'm not against this, okay? I'm not going to put down the hybrids. If the passengers like it, fine. But I remember years ago, this TLC got many complaints about the Fords being too small, no room in the back. They worked diligently with the taxi industry and Ford to get the stretch Ford and
everybody is happy, including me, because I take a lot
of cabs.

But again, if you want to put the Prius or
the Ford Escape, that's fine with me, as long as it's
optional, there's no problem with that.

CHAIRMAN DAUS: So you support the rules?
MR. SAPONE: I support the rules as long as
it's optional. But you should give some kind of an
extension more than the regular. Make it appetizing.
What's the appetizer there? I don't see anything.
And number two, number two, I have to say --
CHAIRMAN DAUS: Could you sum up, Vinnie?
MR. SAPONE: Yes, I will. I was involved
for three minutes with something.
CHAIRMAN DAUS: That was extra.
MR. SAPONE: Don't count me for everything.
Number two, we desperately need a surcharge
now. There's a way that the Mayor can bypass, it's not
60 days, Mr. Chairman, it would be 90 days. By that
time we could be buried, and I want to -- the
Commissioners are not aware. Eight years ago LOMTO put
in a surcharge when gas was $1.60. Went from $1.10 to
$1.60. I remember McKechnie, Joe Gianelli was first
deputy there, he was sitting in the room, I'm not sure if Dawes was there, and Diane, let her be well, nice lady, she was good to me outside and rough with me inside. She said, "You're wrong, Vinnie, you're telling me -- all statistics show it's going to go down? It went down 2 cents and went up 15; went down 3 cents and went up 18. I hope this Commission -- excuse me, I'm summing up. When you say gas is coming down, I hope when it hits 2.75, when it does, you say, okay, everything is all right. It's not all right. We should get a surcharge for everything over $2. Thank you. Any questions? CHAIRMAN DAUS: No, I have no questions. Do you have a question? COMM. DEAR: Thank you, Vinnie. CHAIRMAN DAUS: About the hybrids. MR. SAPONE: Thank you, because I'm completely exhausted. Have a nice day. CHAIRMAN DAUS: How about Hollywood, Vinnie? All right, the next speaker is Mr. Erhan Tuncel from LOMTO. Erhan.
MR. TUNCEL: Good morning, Chairperson.

Good morning, Commissioners.

CHAIRMAN DAUS: Good morning.

MR. TUNCEL: This hybrid issue, I believe it's being rushed a bit. It's being too rushed. The industry itself is not ready for us to have a car that is going to serve the public the proper way, and be green at the same time, as you say, even though it's going to stay yellow. I think making the smaller

cars -- Commissioner Arout said that safety and comfort is important and I'm hearing a lot about this ten to fifteen minute average ride cab, 2.8 miles average ride cab. That might be average, but our passengers weigh about average 250 pounds, so let's try to hear about that.

So safety and comfort is number one issue in this business as far as my passenger is concerned, and also, Crown Victoria is currently, what is it, 95 percent of the fleet, is one of the ten safest family cars of 2005. So we're stepping away from that and jump into a Toyota Prius, which is not proven safety wise, durability wise, and everything else.

Gas savings. You're saying that gas savings
are the big incentive, enough for us to buy these
vehicles. I am going to change my car within two
months. Right now I'm not considering it the way you
have it set up because you're not giving me enough
incentive. Gas savings incentive, gas savings will be
eliminated by battery cost, high maintenance and
everything else that we will have to go through. It's
not enough. Two year extension would be enough for me
to consider it.

And there was one more thing I wanted to
mention. I guess that will have to be it. I can't
remember it. Thank you very much. Any questions?

CHAIRMAN DAUS: Commissioner Dear?

COMM. DEAR: Just a comment.

CHAIRMAN DAUS: A comment, okay.

COMM. DEAR: You're all right, I just want
to make a comment.

CHAIRMAN DAUS: Thank you.

COMM. DEAR: I'm just amazed about some of
these people coming to us, no matter what we do, I think
they'll just say no. I'm just amazed about the cars,
because I remember when this Commission was considering
the bigger cars, I was Chairman of the Transportation Committee of the City Council, and this same group and many others came to me telling me this is crazy what we want to do, bringing in the bigger cars, let's bring in smaller cars.

I remember bringing a smaller car into the City Hall lot to show Mayor Giuliani, who wanted to see it himself and of course he object to it. I was just amazed.

No one is mandating these cars be on the road. You don't want to use it, don't use it. In fact, we'll give you the opportunity -- some of these cars are cheaper than the Crown Vic, so it's not a question of more. I'm just scratching my head. I just don't understand it. I wish people would understand. This Commission is trying to be helpful, walking a fine balance, a fine line to be sure that the customer is taken care of as well as the driver and that's what we have to do.

Please don't be so disparaging to us, because I think we're trying very hard.

CHAIRMAN DAUS: I would concur with that statement. I thought you were going to stop scratching
your head when you left the Council. 

The last speaker is Todd Sigaty, CAST. 
Actually, I think we voted on it right before you got on, but I know you supported it. Todd Sigaty from CAST. 

MR. SIGATY: Thank you. I don't know if I'll be as entertaining, but I'll try to be as informative and to the point. 

As the last speaker, I don't know if I will say too many things new, but I'll quickly be brief. I believe you have written comments from Coalition Advocating for Smart Transportation. I'm the executive director and we've been a coalition for a lot of the environmental health groups that spoke today and others in D.C. that work on all dependency issues.

First of all, I really want to say -- I think today is actually a historic day and it's not a rushed issue. Actually, we can go back three years.
This issue has been worked on by the City Council and TLC and many people from legislation dating back to 2003 and I think today is finally a day everyone should feel happy and congratulated about, because steps are being taken to implement a law.
And today, actually, I'd like to really congratulate the TLC. It's amazing to sit here over the last three, four months and to really see a growth of awareness and action and leadership being taken. I'd like to congratulate you, Commissioner Daus, and the rest of the Commission along with the City Council, because today you're giving a green light to greener, more healthier and more cost-effective taxis in New York City and thereby, actually more importantly, sending a message, a message to manufacturers, a message to the rest of the country -- you wouldn't believe the calls we've gotten from other cities around the country wanting to take steps like New York City has taken, especially with fuel prices.

So congratulations on the specific regulations, and more importantly the message that gets out there and the manufacturers will continue to change.

A couple of quick points. I also want to support the extension to at least four years, of course, according that they pass all the tests that you have three times a year. In consideration of that, our work on this issue was really for the taxi drivers and owners as well, and I think to work with you on an awareness
campaign over the fall is important. I think those early incentives in order to purchase, from the hundreds of taxi drivers I've talked to, that is an important issue and it's important to put in now, even though you might be able to change something down the road.

Also, on an awareness campaign, there was mention in some of the written comments making a decal, decals, I think, for making that statement nationally also in New York City might be important, but also to work together for an awareness campaign. I think the awareness campaign can do a lot also in co-existence with the incentives.

Real quickly, to clarify a few things that came up today, some misinformation, lack of communication. Federally, the Transportation Act of 2004 still is in effect, that's currently a tax deduction you can get, but the Energy Act that was just passed, which we worked very hard with a lot of people from New York, does have a tax credit that will be applicable here. Also the State, the State one has already expired in 2004, actually, December 31st.
have been drafted and are in the Assembly in Albany, hopefully we'll be working in 2006 to get those passed.

So just to let everyone know the incentive package is important State and Federally, but we will be working die hard on this issue to bring that back home to the taxi drivers and owners of New York City.

I think the City can go one step forward is my point. Whether by NYSERTA funds that could be available for black cars or the City, we talked about $5,000 a vehicle for the initial 60 vehicles or other things the administration may do regarding registration fees or other types of things. I think these incentive packages are what we want to work on to deliver to the taxi owners, so the cars can get on the road.

Again, to summarize, it's not a mandate, it's market-based, I want to congratulate you on that. So we're all here together on this issue. And I just want to say today I think is a day we all can actually take to celebrate this. Thank you.

CHAIRMAN DAUS: Thank you for your efforts, for your comments.

All right, do we have any comments on the proposed rules?

COMM. SANDER: Yes, one, briefly, following
up on the presentation by the Sierra Club and the paragraph that was recommended. Commissioner Giannoulis made a comment here to me, which I think was a good one, which is we have to approve prospectively all new vehicles, so it may not be necessary to use that paragraph, but just to use that as guidance a year from now or whenever we review new vehicles to insure they are moving towards this objective, the power and fuel efficiency, and not to be supportive of this technology simply to have more power.

I think at least on the face of it that is perhaps a better way of dealing with that particular issue.

Again, open to comments from the Chairman or staff in terms of how to work with that particular issue, again to reiterate my concern and support that we want fuel efficiency and not to have this technology used for increased power.

CHAIRMAN DAUS: I certainly agree with the point that's being made to the extent that we don't want to see these vehicles -- they may go beyond the definition of whatever the Council has called a hybrid, and I think you have to really think about how you want to word something like that if you were going to even do it.
Just having unfettered discretion brings into question whether you should have rule making at all. You're going to give me all that discretion and you have to really think it out and have guidelines. I'm more comfortable, since this is an evolving area, I would be more comfortable with passing these rules, even though it's a valid point, and then coming back to the table, as we had promised, as Peter had promised, within six months to a year, because it's developing and I think it's better policy, we may want to revisit the specs at that time in general, so I don't know if it's the right time to do it.

And even though it's a good idea, I wouldn't even know how to draft it right now. It was something that requires a lot of thought.

COMM. SANDER: I think it's important that the TLC as a statement shows that it's conversant with this issue and that our intent is this way and I'm comfortable with what the Chairman was saying.

CHAIRMAN DAUS: Does anybody disagree? Okay. Does anybody have any comments? Okay. All right, we need a motion to adopt.

COMM. AROUT: I make a motion to adopt.

COMM. SANDER: Second.

CHAIRMAN DAUS: All in favor?
(Chorus of "Ayes.")

CHAIRMAN DAUS: Any opposed? Commissioner Giannoulis.

COMM. GIANNOULIS: No, I abstain.

CHAIRMAN DAUS: I'm sorry. Harry abstains.

Just to note for the record, that motion included the changes that Chuck suggested to 3-03.1C Roman numeral ii deleting "EPA passenger compartment" and changing 104.3 to 101.5.

All right. Thank you. Congratulations.

(Applause.)

CHAIRMAN DAUS: Item five, base licensing application review.

COMM. DEAR: Could we talk about the fuel issue that's been raised? I know that there's a few -- there's quite a few petitions we have received.

CHAIRMAN DAUS: Those who are exiting, could you please be quiet? The meeting isn't over yet.

COMM. DEAR: I know we talked about the fuel issue, and I've been talking about this the last meeting and the meeting before this. I know there's a process. I'm just questioning if there is somewhere, somehow that
we can move this process real quickly, because the way things are going right now, it's ridiculous, it's over $4 a gallon and the drivers are just really feeling it

and I think something must be done about that.

COMM. WEINSHALL: Commissioner Dear, I want to make one more point, it was $4 a gallon last weekend.

CHAIRMAN DAUS: Could we have quiet please? Could you please be quiet?

COMM. WEINSHALL: I rode around Brooklyn and Manhattan yesterday, prices are coming down a little bit. I saw them in Brooklyn for 3.29. I don't know what they are on Staten Island.

COMM. AROUT: Staten Island is about 3.20.

COMM. WEINSHALL: Prices are beginning to come down.

COMM. AROUT: I haven't seen anything over $4.

COMM. DEAR: I've seen it all over Brooklyn.

COMM. AROUT: I doubt it. Then they have to be summoned. If it's over $4 they have to be summoned.

COMM. DEAR: Bottom line is, it's even over three bucks, we don't know what tomorrow will bring. We have no idea. This is very fluid. It's obviously over
a rate -- a tremendous amount over. We never believed
it would go over 2.50, over 2.80, we're over three
bucks. Right now on Bay Parkway and Cropsey Avenue --
COMM. RUBINSTEIN: I'm sorry, I would like
to make a comment. I'm personally angry at the fact

that the people who complained the most, once the
cameras were shut down, they're gone, and I want to make
a point to that, I want it noted, and I'm very happy to
bring this up. We are now discussing the fuel charge.
Where are the people who complained? Cameras are gone,
they've shut it down.

I'm sorry to interrupt you, Commissioner
Dear, but I'm personally angry about this and I think
the rest of the Commission should note this. Where are
the people? They're gone.

COMM. DEAR: Where's that what's-his-name
who was carrying on?

COMM. GIANNOULIS: No, we don't want them
back.

COMM. DEAR: Lindauer and the others and
Vinnie and the others. It's true, we're talking about
the very same issues they cared about, so very good.
Now we know in the future, they really truly don't believe in what they're writing to us.

COMM. RUBINSTEIN: The only thing I think is a concern is that if the cameras and the radio people and all the media people are here, then they should appear. Maybe we should call the media back.

VOICE: We're still here.

COMM. RUBINSTEIN: Maybe you should tell them so they'll come back.

COMM. DEAR: This is obviously a very serious issue. Obviously, a question if it's 4.01 or 3.78, I checked this morning, the gas stations basically on Coney Island Avenue and I noticed them going from 3.55 to 3.89 and I told you in Bay Parkway it was over four bucks.

COMM. WEINSHALL: Is that why you were late?

COMM. DEAR: That's why I was late. I was looking for cheap gas.

CHAIRMAN DAUS: It's excused. For the record.

COMM. DEAR: Obviously, the truth is, there was comments made, if we wait 60 days, wait 90 days, it really hurts.
CHAIRMAN DAUS: It's a valid question.

COMM. DEAR: Is there anything that we can do now? I don't know if we can suggest that people add extra surcharge when they're paying their bills just to keep that in mind --

COMM. GIANNOULIS: Could I ask, just because, I looked at some of the stuff. Could somebody maybe just quickly, maybe Iris or you, just explain generally what the concept of the surcharge would be? Because I'm not sure --

COMM. WEINSHALL: I'm not recommending it.

CHAIRMAN DAUS: It's more complicated than you think. There are many ways to do it.

COMM. GIANNOULIS: I don't even know what it would be.

CHAIRMAN DAUS: This is fresh off the presses, Harry. We got it the other day. I was chatting with my First Deputy and staff, this will take a little bit of time. Noach has a valid question. I'll have Chuck answer it.

COMM. WEINSHALL: Has there ever been a surcharge ever imposed by the TLC --
COMM. DEAR: We have one right now.

COMM. WEINSHALL: Not for fuel.

CHAIRMAN DAUS: Not that we're aware of. If you remember, we included in the last fare increase --

COMM. DEAR: A surcharge.

CHAIRMAN DAUS: Not only that, we looked at the gas prices going back and going forward. There's nothing preventing anyone, passengers, there's nothing preventing them from tipping better. They really should, aside from the legal process, tip a little bit better, in my opinion.

COMM. GIANNOULIS: The general theory would be there's a spike, somebody is paying a lot more,

they're going to pass that on to the passenger. Is that the general theory?

COMM. DEAR: I thought about this. I did make phone calls, looked out for the industry, I talked to drivers. I thought what is the least complicated way of doing this? I was a in a cab in Washington, went out of the cab, he said, "Oh, this is a rush hour surcharge." I was laughing. I said, "That's okay."

COMM. WEINSHALL: We have that, too.

COMM. DEAR: Then you go into another cab in
another city, you have an extra passenger, an extra
charge for that; an extra valise, another 50 cents. I'm
thinking something very small. That's what I'm
thinking. They say the average driver does 20 trips a
day, something like that.

DEP. COMM. SALKIN: Closer to 30. 28 is the
number we use when we do analysis.

COMM. DEAR: 25, 30, whatever it may be. I
do n't think 50 cents would be a bad surcharge. I don't
think anybody will complain by the. I know there's a
question here, one petition has about it goes up $2 to
$3.50. What triggers the $3 if you're getting gas in
Brooklyn or Manhattan whatever it may be, three to $4,
so forth and so forth.

I thought a number of like 50 cents, 75 or

50 cents everybody will swallow.

COMM. GIANNOURIS: What's the trigger?

COMM. DEAR: If it goes down --

COMM. GIANNOURIS: Who makes that decision,
then? If it goes back up we do it again?

CHAIRMAN DAUS: It's very complicated.

COMM. DEAR: Gasoline is not going down so
CHAIRMAN DAUS: With all due respect, gentlemen, I really think we should not prejudge this. It's a process. The public is not here, the passengers are not here and they have a say, too. I think we should really hear from them.

COMM. DEAR: I'm just asking what the process is.

CHAIRMAN DAUS: I'm trying to answer the question. Chuck, can you answer the legal question? I think Noach is asking, I described what the petition process is, which is the route that these organizations took. Is there any other process to speed up our review?

COMM. DEAR: One second. I want to bring up one thing. When we did talk last time you said you would bring it to the next meeting, when there was a full forum then thirty days later we could have a vote on it. That's what I remember last time. So where's the 60 days or 90 days?

CHAIRMAN DAUS: Chuck?

MR. FRASER: In order to change any aspect of our fares we must promulgate a rule and the petitions
that have been submitted, the legal limit for us to
decide whether to grant it or deny it is 60 days. We
received them on Friday and Tuesday. Obviously, we
don't need a petition to promulgate rules, we do that
all the time, we could promulgate our own rule, but you
have to have a comment period available to the public.

COMM. DEAR: How long?

MR. FRASER: It's a 30-day comment period.

COMM. DEAR: Could we somehow start this
30-day period quicker? Could we propose it today and
then thirty days from today we could have the --

CHAIRMAN DAUS: The petitions are there and
they exist.

COMM. DEAR: Forget about the petitions.
I'm a Commissioner, I'm a member of the Commission. I'm
asking our rule making. Our rule making doesn't need a
petition. I'm asking you today, Chuck, I'm asking you
today, I am asking now, that we have a public hearing,
that I propose the rule today and in 30 days from today
we can vote on it. That's what I want to know --

COMM. WEINSHALL: Before you answer that,
Chuck, I just want to make a point, which is I don't
think this Commission should rush --

COMM. AROUT: Thank you.

COMM. WEINSHALL: -- into making a decision
that will impact the public at large. In addition,
since I've been on this Commission, I think the staff
has done an excellent job in terms of benchmarking and
researching and finding out what other municipalities
are doing as well as what the economic implications are
for the drivers and the public.

We did a fare increase about a year ago, and
I remember, Noach, at that hearing you spoke very
eloquently about the issue of gas prices and that went
into the consideration in terms of the fare increase.

Now, none of us, I don't think, ever
anticipated the impacts of Katrina and the impacts on
the gas prices. But again, I would urge the Commission,
we have an excellent staff here at TLC, I believe we
should allow them to have the time to research this
issue, come up with options.

I think that Commissioner Giannoulis makes a
good point. When does this impact, how do you put the
surcharge in, how do you remove it? These are
questions -- I don't have answers for them today and I
fear that we are rushing into something without having full knowledge.

COMM. DEAR: Could I respond do that?

CHAIRMAN DAUS: Let's hear Lee, then you can respond.

COMM. SANDER: I agree with Commissioner Weinshall in that one specific point. In terms of the recommendation by Commissioner Dear, I'm not sure that 50 cents is the number that would offset the gas prices at this level. It needs staff analysis to calculate what is appropriate, if you were going to do a surcharge what would be the appropriate number to offset that economic impact, so I personally completely concur with Commissioner Weinshall that we need to look at this, we need to look at it seriously over the next month to look at the issues that she raised and what I just raised in terms of what would be the appropriate number to offset the impact if gas prices remain at, let's say, more than 2.75.

COMM. GIANNOU LIS: I'm probably the only person here maybe who has worked at a gas station.

COMM. SANDER: That's a qualification?

COMM. GIANNOU LIS: Yes, it is. I guarantee you that if owners think they're within that fifty cents, they're going to jack up their prices. Pretty
much guarantee that. Especially people who service the
taxi industry. There are certain gas stations -- I live
in Long Island City and I see it. There are certain gas
stations that service the taxi industry and they're not
going to bring prices down if they think there's a fifty
cent figure out there.

CHAIRMAN DAUS: Noach, I think we share your
concerns. This Commission and even yourself have
criticized how sometimes in the past under prior
administrations we moved too quickly and we need to
think things out. Now all of a sudden everything has to
be done in two seconds without hearing from the
passengers, quite frankly, without hearing from the
owners and the drivers who with three petitions have
many ideas how to do it.

With all due respect, I think this
Commission has become more thoughtful, with even better
staff, we do a lot of debate, a lot of analysis. I
think it's premature. Though we all understand your
passion about it, we all agree with that, I would just
take Commissioner Weinshall's suggestion and most of us
agree we should study this. We should move as quickly
as we can, but we need to study and come up with
options.

I can tell you for a fact there is an
ongoing debate, which I have had contact with national
regulators about whether to do it at all. We could
build it into the fare like last time. There's some
real administrative policy issues. Could the meter do
it? What happens if the price dramatically goes down?
Then we're stuck with it. You know how surcharges and
fees are. Once they're on, they don't come off.

So there's a lot here. I just want to
cautions -- this Commission has become a very thoughtful
body with a lot of different independent thinkers and
one thing everything agreed on and told me when I became
Chair, we want to take more time with things, like the
hybrid vehicles, we spent three or four hearings
discussing the rules. Let's not go back.

COMM. GIANNOLIS: Do we have to vote on
these petitions?

CHAIRMAN DAUS: No. There's a 60-day period
for me to accept it or reject it. If I accept it --

COMM. WEINSHALL: There's nothing we need to
do.

COMM. GIANNOLIS: You can accept it or
reject it, that's my question.

CHAIRMAN DAUS: That's up to me. Noach is
proposing an alternative. I don't think that's a good idea. At the end of the day if we do what Noach is proposing, they're going to come back with these petitions and say "these are our comments."

I promise you, we will give it our immediate attention. All the staff is looking at it.

COMM. AROUT: Mr. Chairman, can I say something? Ever since I've been in this as Commissioner, we've always run a good ship, as far as I'm concerned. Let the counsel, the Chairman, let it take its due course. Let them present it to the committee and let them take it. We can't just arbitrarily say let's raise it 50 cents, 75 cents. We have rule made that we cannot change. We cannot rush things here.

I'm totally agreeable with Iris on that, too.

COMM. DEAR: You keep saying -- we're not voting it today. I'm asking because of the sense of urgency that we start the process today so we have the thirty days. We're not voting on it today and after thirty days you feel we need some more time --

CHAIRMAN DAUS: I would disagree with that.
COMM. AROUT: So do I.

COMM. DEAR: I tell you something, it was

something with the hybrid. We rushed into this because

the Council said get off your rear end and do it.

That's what happened. You know it would have taken

another six months. What we need --

COMM. WEINSHALL: That's unfair.

COMM. DEAR: I'm telling you, it's true.

They were here, Yassky was here -- let's be honest.

COMM. WEINSHALL: That's terribly unfair to

the staff here.

COMM. AROUT: They were researching it for

months.

COMM. DEAR: You're right. Yassky was here,

and you gave him the floor because you wanted to keep

him quiet. Then he got the rug pulled from under him in

the City Council for political reasons, he pushed this

legislation, so he had no choice -- go ahead --

COMM. WEINSHALL: I really think that's

terribly unfair to the staff here.

COMM. AROUT: Absolutely.

COMM. WEINSHALL: Not only that, they had
been working with Councilman Yassky and giving him
information. So it's not as if there was an adversarial
position. They worked hand in hand with the Councilman
on the legislation and I think you're being unfair to
the staff here. I really do.

COMM. DEAR: I disagree with you. This was
pulled on us by the Council. That will happen again,

the Council will force us again to move on this. We
can't wait 90 days on a question if gasoline is over
3.50. I'll just telling you, it's unheard of.

COMM. SANDER: I don't think the Chairman is
talking about waiting 90 days.

COMM. DEAR: What's the timetable we're
talking about?

CHAIRMAN DAUS: I'm obliged to follow the
rules. I have three petitions on my desk. 60 days or
sooner there will be an answer in terms of my opinion
and the staff's opinion to the Commission, either
accepting it or rejecting it.

I understand your point, I understand your
sense of urgency, Noach. I respectfully disagree about
rushing to judgment on it. We have to be prudent,
careful regulators. It's a very passionate issue with
the drivers, it's hurting them right now, but we need to be careful.

As I said, surcharges go on and sometimes they never come off. So the public has to hear -- we need to hear from the passengers as well as the drivers.

COMM. DEAR: I agree.

CHAIRMAN DAUS: Quite frankly, there's a whole lot of stuff that the drivers and owners disagree on how to do this; whether to take it out of the lease caps so the medallion owners pay for it, the fleet owners, as opposed to passing it on to the customers.

There's a lot here. I don't think in a half hour discussion we can address all these issues. Though we will look at it expeditiously, I promise you that.

COMM. DEAR: So when --

MR. FRASER: Can I add, in terms of the process, I think this may answer your question. There's nothing the Commission can do today to commence the thirty-day period. The thirty-day period can only commenced by publication in the City Record of language that states the proposed rule.

COMM. WEINSHALL: We have to work with the
staff to figure out what the proposed rule is going to say. We have three different alternatives here. The staff needs time to look at the information that's been presented and draft a rule. You can't just put willy-nilly stuff into rules.

COMM. SANDER: It also needs to be integrated into the analysis that the Commission is doing on the impact of the last fare increase, so that needs to be integrated as well.

CHAIRMAN DAUS: That's a very, very important and valid point.

COMM. DEAR: The timetable is in three months from now we'll talk about it.

CHAIRMAN DAUS: No, in two months there will be a decision as to whether I'm rejecting or forwarding it to you guys. And if I reject it, it will be presented to you at the next full meeting, the next public meeting and then you'll have the ability to make whatever motions you wish at that point.

That's the process.

COMM. DEAR: Okay.

CHAIRMAN DAUS: Thank you.

We have one more item on the agenda, I'm
sorry to delay, base license application review.

Barbara and Bill Carter.

By the way, for the record, we added Optimum Radio Dispatch, which I forwarded to the Commissioners the other day, which is an additional base relocation.

MR. CARTER: Good morning, Mr. Chairman and Commissioners. I'm Bill Carter, I'm the executive director of the Base Licensing Unit and we have before us today twelve bases that we're requesting permission from the Commission for.

We have two new applications, two relocations and eight bases which have completed the renewal process. Two new applications are 24/7 Luxury Car Service and Farmers Express Car Service. The two relocations are Diamond Car & Limousine Inc. and Optimum Radio Dispatch, which was presented late and the eight renewals are Belle-Rock of Beach Channel, Empire Transportation Service, Evelyn Car Service, Linda M. Transportation Inc., Michael's Car Service --

CHAIRMAN DAUS: I'm sorry, I just want to make a note about Linda, so hold that over to the side.

MR. CARTER: NJM Inc., R&N Car Service Inc.
and RPDW Inc. There were three bases that, in your
notes that you folks got beforehand that said that there
was an anticipated, there was an anticipated form sent,
environmental assessment statement, there was an
anticipated negative declaration, those negative
declarations have been received and issued.

CHAIRMAN DAUS: Does anybody have any issues
with any of the bases?

I'd like to make a motion to approve all of
the bases mentioned with the exception of Linda at this
point.

COMM. AROUT: I second it.

CHAIRMAN DAUS: All in favor?

(Chorus of "Ayes.")

CHAIRMAN DAUS: Commissioners? In favor?

It's unanimous.

I'd like to make a second motion that Linda
Transportation be approved but to require them to submit
a business plan within 90 days.

MR. CARTER: Okay.

CHAIRMAN DAUS: Do I have a second?

COMM. AROUT: Second.

CHAIRMAN DAUS: All in favor?
(Chorus of "Ayes.")

CHAIRMAN DAUS: Okay, it's approved.

Any other business, Bill?

MR. CARTER: That's it, sir.

CHAIRMAN DAUS: Okay, I'd like to make a motion to close the meeting.

COMM. AROUT: Second.

CHAIRMAN DAUS: All in favor?

(Chorus of "Ayes.")

CHAIRMAN DAUS: Thank you.

(Time noted: 11:34 a.m.)
I, LINDA FISHER, a Certified Shorthand Reporter and notary public within and for the State of New York, do hereby certify that I reported the proceedings of the NEW YORK CITY TAXI AND LIMOUSINE COMMISSION on September 8, 2005, and that this is an accurate transcription of what transpired at that time and place.

Linda Fisher,

Certified Shorthand Reporter