NEW YORK CITY TAXI AND LIMOUSINE COMMISSION
MEETING
held on Tuesday, March 30, 2004
at
40 Rector Street
New York, New York

MATTHEW DAUS, COMMISSIONER/CHAIR

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HARRY GIANNOLIS, Commissioner
STANLEY E. MICHELS, Commissioner
HARRY RUBINSTEIN, Commissioner
ELLIOT SANDER, Commissioner
ALBERTO TORRES, Commissioner
IRIS WEINSHALL, Commissioner
PETER M. MAZER, General Counsel
Chairman Daus: Good morning, I want to thank everybody for coming this morning. I am going to give you a brief description of the agenda for today and then we will commence the public hearing process on the rule making before the Commission today. We have gone through a very long process to get to this point and we have some major decisions to discuss today. There are many people in this room who contributed to this process which has led to good, well thought out rules, and I want to thank you for your participation. We look forward to hearing your comments.

Most notably, I would like to thank all the TLC Commissioners here today as well as Mayor Bloomberg for their input and their guidance.

Now we will proceed to the two items on the agenda. Item One, approval of minutes from the February 26, 2004 meeting.

Commissioner Arout: Motion to accept.

Chairman Daus: Commissioner Arout has a motion to accept. Do we have a second?

Commissioner Torres: Before we do
that, on page 7 at the top, if you can just check,

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1  it says "Commissioner Torres stated that a fare
2  increase was intended to proportionately benefit the
3  industry."
4
5  I don't know if I said that or if
6  Commissioner Salkin said that, if you could double
7  check. You don't have to do it now. I don't recall
8  saying that.
9
10  CHAIRMAN DAUS: We can double-check that
11  for you if you like and we can take a vote on it in
12  a little while.
13
14  COMMISSIONER TORRES: Well, we can
15  approve and make a modification.
16
17  CHAIRMAN DAUS: Okay, if it is
18  different, we will come back to it.
19
20  Do we have a second?
21
22  COMMISSIONER WEINSHALL: Second.
23
24  CHAIRMAN DAUS: All in favor?
25
26  (Chorus of "Ayes.")
27
28  CHAIRMAN DAUS: Any opposed?
29  (No response.)
30
31  CHAIRMAN DAUS: Okay.
32
33  So, Peter, if we could have somebody
34  check the transcript while the meeting goes on and
report back to us.

Item Two: Report of actions taken at the

February 26, 2004 executive session.

Peter, could you please give us a report.

MR. MAZER: Yes. There were two cases on the agenda at the executive session. The first was a repeal of the revocation against Staten Island Car Service, case 0007. The commission has voted five/nothing to affirm the penalty of license revocation and the fine that was imposed by the Chair. Commissioner Arout recused himself on that proceeding.

The second case before the Commissioners was the appeal of Aonate Clodate (ph.), A.O.N.A.T.E., hack license 496295. The Commission has voted unanimously to modify the penalty to provide for a six-month license suspension, a fine of $500 and license probation.

Those are the only two cases that were before the Commissioners at the executive session.

CHAIRMAN DAUS: Thank you, Peter.

Now we will proceed to the Chair's report. I will be brief. First, on the medallion sale. Our outreach for the medallion sale is
certainly in full swing at this point.
We have held a total of five informational seminars, on in each borough of the city over the past few weeks. Over 1,000 people have attended these seminars. We have also held three technical bidders workshops which have been well attended by over 100 people so far. Over 2,000 people are part of our bidders' mailing list and have asked for information and bid packages for the medallion sale. We are very optimistic that so many people have shown interest in the sale thus far.

In preparation for the sale and as mandated by our rules, the TLC set the minimum upset prices for the medallion sale as follows: An unrestricted individual medallion will have a minimum upset price of $233,000. The restricted individual medallions, which are CMG or accessible medallions will have a minimum upset price of $210,000. For the corporate mini fleets which are sold in lots of two, there will be a minimum upset price of $550,000, and for restricted medallion corporate lots, the minimum upset price will be $495,000 per lot.

The medallion auctions are scheduled to
take place at the Tishman Auditorium, which is located at 66 West 12th Street between Fifth and Sixth Avenues. There is a flier that is in the back if you would like to take it which has all the details and parking information.

The corporate bids will be accepted from April 12th through April 15th and will be opened on April 16th. The second auction will take place for individual medallions, and that will be accepted from April 19th to the 22nd. The bids will be opened on April 23rd.

During March of 2004, for your information, individual medallions sold for an average of $249,000, which is down $1,000 from February of '04. There were 16 individual medallion sales. On the corporate side, there were 5 corporate medallions sold to date in March, and they sold at an average of $280,000, which is virtually the same as their February average price.

On Operation Street Hail, I just want to make a few policy statements and comments on enforcement. I would like to take this opportunity to announce a new stepped-up enforcement plan that will go into effect after the sale of the first 300
medallions. We believe there is a real need for these new medallions to service the public, especially in the central business district where we often hear from constituents that taxis are difficult to find.

To protect the yellow taxi's exclusive right to pick up street hails, especially with 900 medallions added to the mix, it is imperative that the TLC commit more resources to preventing the illegal hails that have become pervasive in the CBD. While the details of the new operation are still being fleshed out, in the next few weeks we will announce a new enforcement effort and we will work with our Commissioners on that as well.

That concludes the Chair's report. Any questions?

Okay, we will proceed to the public hearing.

COMMISSIONER DEAR: Can I add? The last time you made a report, there were two issues that you talked about. One was with regard to the insurance issues with the livery cars and the vans that was resolved. I understand that it has not been resolved and it is an ongoing issue and
something that I would like to raise.

We should have a hearing on, or whatever we have to do, after today obviously, and let's deal with that issue as well.

The second issue is we had a conversation in regard to enforcement in regard to the new handicap car service that you talked about that you are going to do enforcement on with regard to livery services. It's important, it's imperative that not only do we inform them, but we start beginning to do enforcement, because this is a rule that has been in existence prior to 9/11 and something that I think we should absolutely deal with. And I hope again after today that we can pay attention to that. That's a very, very important issue.

CHAIRMAN DAUS: I certainly, Commissioner Dear, I concur with your concerns. I believe the insurance issue is an ongoing issue. We have only hit the tip of the iceberg in our efforts. We looked forward to working with you and the other Commissioners, Commissioner Arout especially, on that issue.

On the accessibility, I totally agree that we need to have enforcement. We have a plan.
In the interest of time because of the hefty agenda we have, I did not report on that. But at the next meeting I certainly will and we will flesh that out in some more detail.

COMMISSIONER DEAR: But not just warnings.

CHAIRMAN DAUS: Yes. In the interest of time, though, Commissioner Dear, I would appreciate it --

COMMISSIONER DEAR: Okay.

CHAIRMAN DAUS: But we will flesh these issues out tremendously in the next couple of months.

COMMISSIONER MICHELS: Before you talk about medallions, without asking you to answer a question, I just want you to put a note that I asked and requested again we look into the accessibility issue my colleague is talking about, and also the clean air issue and the use of hybrid electric vehicles.

CHAIRMAN DAUS: It is duly noted.

COMMISSIONER MICHELS: Thank you.

CHAIRMAN DAUS: I would like to take a few moments to make a few comments about the
proposed service improvements before the Commission. There are four major improvements being proposed by the TLC, all of which will provide a great benefit to the consumer.

We tried to cover four major areas when developing these improvements: finding a taxi, riding in a taxi, ensuring a good ride and paying the fare.

Specifically, the improvements are as follows: The first improvement. First, finding a taxi. Group rides, many of you are familiar with the group ride sites that are permitted in our rules. One program in operation runs from York Avenue on the upper east side to Wall Street on weekday mornings, also known as "The Wall Street Run." It has been a big success and benefits both drivers and passengers.

Drivers pick up a group of riders on York Avenue at two different sites and are permitted to charge a flat rate that is higher than what the metered amount would be for a single ride. Each passenger, however, is paying a lower rate than they would normally pay for taking their own taxi downtown. We have found that there is demand for
this type of service in other parts of the city, and
we are certainly hoping to pass a rule today, and
hear from the public on it today, that would allow
for more of these group ride stands to be set up
throughout the city.

Item Two, riding in a taxi. Scratch and
cloud resistant partitions. Another rule we hope to
pass today is one that will improve the experience
for passengers while they are riding inside the
vehicle. Most of the partitions currently in yellow
taxis are cloudy and scratched, making it difficult
for passengers to see the road as well as the hack
license. The rule proposed today takes advantage of
new technology that allows partitions to be both
cloud and scratch resistant for their useful
lifetime. This will be a benefit for customers who
will have a clearer and open view when sitting in
the back seat.

The third rule proposal, ensuring a good
ride, involves electronic trip sheets and passenger
information screens. It has also been referred to
as our technology proposals. Two other improvements
are the transmission on an electronic trip sheet and
the installation of passenger information screens.
Electronic trip sheets will change an antiquated, difficult process, that of driver's filling out trip sheets manually, to one where information about vehicle location, trip duration and frequency, as well as fare amount could be automatically collected.

The passenger information monitors will provide the passenger with information about their trip. At a minimum, passengers will be able to follow the route that they traveling on an accurate, up-to-date map which includes details of all the five boroughs of New York City. This monitor will enable us to replace the generic paper maps that are currently laminated and placed in the rear of the taxis.

Finally, paying the taxi fare. Credit and debit card acceptance. In order to enable passengers to have a variety of options available to them when paying for their trip, another proposed rule will mandate that every taxicab be equipped with a device to accept credit cards and debit cards for payment. We believe this is a necessary component of paying for virtually any service in the 21st Century and will be especially useful for
tourists and travelers coming from the airports. In terms of the process, before we proceed to the public hearing because I know many of you have comments on the process, I would like to answer some of your questions in advance on the process for implementing improvements. In the event that these improvement pass, it is critical that the TLC engage in a process that is well-defined and public. The process should include both leadership and cooperation from the Commissioners and all parts of the industry.

To this end, I will be proposing a generic rule change for inclusion in all the customer service improvements that will require the Chair to take all standards and policy decisions back to the Commissioners for their input and for their approval. In addition, TLC will commit to implementing the following: First, hiring a dedicated project manager charged with the successful implementation of approved service enhancements. Also establishing a subcommittee of interested TLC Commissioners to actively stay abreast of this process and the decision making involved.
Also, we would like to have an ongoing dialogue with the TLC, the industry and private sector in the form of open meetings. We want to work together also with our sister agencies to establish an intra-city task force that will include TLC, the Department of Transportation and the Department of Information and Technology also known as DoIT**.

We would like to charge these committees with outlining major policy decisions in time for the July Commission meeting of this year. We also like to develop parameters for a pilot program, approval, disapproval, evaluation at some point. And from July until February of 2005, the TLC will evaluate pilots that come forward and are presented to us. It is our hope that by next April 2005, the TLC will have standards and policies well defined for each of the customer service items passed today. This will leave more than six months for final implementation leading up to the November 1, 2005 goal of having all service improvements installed.

Before we commence the public hearing, I would like to apologize, we have a packed audience, we also have an overflow room, and I would like to
talk a little about, because we have a long day ahead of us I would like to talk about protocol and ask for your indulgence. We have given five minutes for everybody to speak on all of our rule proposals combined that I have just described for you.

We would ask that if it is possible for you to make your points in less than five minutes, that you do so. I would also ask the Commissioners, in the interest of time and efficiency, if you have any questions of the speakers, to just raise your hand quickly, and in the order that you raise your hand, we will make a note of it, and we will get around to you so that you can ask your question.

But I would like to actually, unless we have any other comments, proceed to the public hearing.

Okay, for the record, there are five proposals under consideration, they are grouped together for comment for up to five minutes for each individual.

The first is the proposed amendment to the taxicab specifications requiring that partitions be clear and scratch resistant.

The second is the proposed amendment to the taxi owners' rules to extend the use of group
ride and pickup locations.

Number three is the proposed amendment to the taxi specs owners' rules and drivers' rules to mandate the installation of vehicle locator, text messaging, video monitor, electronic trip sheet and credit/debit card equipment.

Item four, proposed amendment to the taxi owners' rules to increase various rates of fare.

And item five, proposed amendments to the taxi owners' rules to adjust maximum lease rates that may be charged to drivers.

These rules were published in the City Record and have been available on our website and I believe they have been certainly adequately distributed to all. We would like to start first with our pre-registered speakers and with our petitioners. The first one is Mr. Ronald Sherman, the President of MTBOT.

I would like to commend and thank you and your organization for all the fine work you have done in getting us to this point.

MR. SHERMAN: Thank you, Commissioners.

Good morning, commissioners. My name is Ron Sherman, I am president of Metropolitan Taxicab
Board of Trade. I am testifying in favor of a 26 percent fare increase which is long overdue. In addition, MTBOT requests an overall $118 increase in the weekly lease cap, which is $68 more than the proposed $50 increase. I urge the Commissioners to approve both of these increases today.

Traditionally, fare increases have been split 50/50 between the driver and the owner, and in 1996 the split was 60/40 in favor of the driver. However, we have been experiencing acute driver shortages for the last several years. Due to these unique circumstances that have only been intensified by eight long years without a fare increase as well as a difficult licensing process, we believe that in order to attract and retain drivers it is necessary to give drivers 85 percent of this increase.

However, the fact remains that our operating costs have skyrocketed over the last eight years and will not be significantly offset by this increase, nor would it cover service improvements which we are told will cost $1,500 per taxi. What we will hopefully be able to do is increase our lease fees just enough so that for at least the next couple of years our garages can continue to operate
24/7 double shift operations which provide an entry level opportunity for thousands of drivers in the taxi industry.

We are hopeful that this one-time unusually large boost to driver incomes will strengthen other industry so that the TLC can support an increase in lease fees in the future. If we cannot achieve a better balance, our fleets will simply not be able to continue serving our thousands of drivers, our hundreds of mechanics and personnel, and our millions of passengers through our unique 24/7 per shift operations. We will be forced to shift our mode of operation where the driver will have to bear the expense of operating a taxicab.

To quote the TLC's own brochure, under the headline, "The American Dream Realized," quote,

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"Many new Americans enter the taxicab industry each year, leasing taxicabs by the shift initially but steadily moving up the career ladder."

We must not let down future generations of new drivers and present day part-time drivers by ignoring the financial needs of the companies that provide these opportunities. Thank you.

CHAIRMAN DAUS: Thank you, Mr. Sherman.
Next speaker is Ms. Bhairavi Desi from the New York Taxi Workers Alliance, petitioner.

Good morning, Ms. Desi, and thank you very much for all of your hard work on behalf of you and your organization.

MS. DESI: Thank you, Commissioner.

Gosh, it has been a long time, but imagine me saying that it is actually good to be in the TLC this morning.

This has been a long time, a raise that we have been waiting for eight long years. I think in order for drivers to get the raise, and I am very heartened to hear Mr. Sherman say that they believe that in order to retain drivers, 85 percent of the increase needs to go to them. If that is the case, then the lease caps have to stay the same. As it is now, people are beginning at a negative of $130 every single day. Imagine going to work beginning at negative, and, so, no matter what happens in the middle of your shift, regardless of the ability of fares, if your car breaks down, there is a family emergency, a crisis. I have seen drivers who in the middle of a shift, if they have had an accident or if they have been assaulted, I have seen people
taken to emergency rooms but they still have to pay that lease out, because it's given out at the beginning of that day before there is an opportunity to earn any money.

So in order for the TLC to ensure that this raise goes to the drivers, the leases have to stay the same. So the Taxi Workers Alliance, and you know that our position has been we actually think that the lease cap is high. We actually think that the cap needs to be lowered, but in the interest of moving things forward, we want the lease cabs to at least stay the same, and certainty not to go above the 3.4 percent increase which is on the table right now.

Secondly, in terms of the fare raise, the surcharge in the nighttime needs to remain. Every other industry pays night workers more. The taxi industry needs to establish and maintain that same kind of a standard for the night workers of this industry. We appreciate the $1 surcharge in the rush hour. We know it's experimental but it's necessary to keep the night surcharge in order to properly reward night labor similarly to daytime labor.
In terms of the fare increase further, we think there should be an increase in the waiting time yield. Our compromise proposal has been at least increase it by 40 cents every 90 seconds as opposed to the 120 seconds. The yield has not gone up since 1990 but drivers are not working under 1990 traffic conditions, so we think that the yield on the meter needs to go up under the waiting time conditions.

Also drivers under the waiting time yield currently would be grossing $12 per hour, but their operating costs are above $12 per hour. In terms of the service improvements, I would like to comment specifically on the credit card proposal. Our concern with it, and I understand in today's economy to remain competitive I understand wanting to increase, you know, allowing passengers to pay through credit card. But we feel that some kind of a minimum requirement for credit card use should be established similar to the establishment that many small businesses and even bigger businesses such as restaurants have.

We also think that there has to be a way to allow garage drivers to finish their shift before
returning the car to the garage if the reader
becomes inoperable. As it is now written, if you
are a daily lease driver and the credit card machine
becomes inoperable, you are supposed to return to
the garage. So that would mean that your entire
shift would pretty much be gone and not every garage
has a system by which to credit drivers for money
that they lost. The only credit system I am aware
of is one where they allow you to work a couple of
extra hours to earn back that money that you may
have lost. And that's really not a credit system.

Next I think that we need to require
garages and brokers to consider collecting the
weekly payments at the end of the week. If drivers
are going to be paying out in cash but a significant
amount of their income is not going to be coming
back in cash, the negative that they begin with
every week needs to be lowered in addition to asking
the garage and brokers to collect the weekly
payments at the end of the week.

Lastly, I would like to say that we are
very appreciative particularly of the Mayor's
statements. Mayor Bloomberg has said repeatedly,
particularly over the past few months, that he
believes that a living wage standard needs to be established in this industry in order to retain drivers who work on average 60 to 70 hours a week with no healthcare, no pension, no paid time off, no basic security that other workers in this economy have. And so we appreciate his sentiment and I think for that to become a reality, this fare increase needs to go through with the night surcharge being maintained and the lease caps being maintained at the same level. Thank you.

CHAIRMAN DAUS: Thank you.

Any questions?

COMMISSIONER RUBINSTEIN: I would like to defer to our counsel, because in my understanding the night charge did go back in.

MR. MAZER: Well, right now the rule proposal eliminates the night surcharge, but at the end of the public hearing we can --

CHAIRMAN DAUS: You would have the authority to make a motion to amend.

COMMISSIONER RUBINSTEIN: I just want to mention to you, it's in the process.

MS. DESI: Okay, thank you.

COMMISSIONER TORRES: I have one
question with regard to the credit cards. How does it work now? You are saying if the credit card system is not working, they have to return the vehicle?

MS. DESI: I believe that's the way it is written in the present rule. Mr. Mazer can correct me if I am wrong. My understanding is that if in the middle of the shift, the rule would say that if the machine becomes inoperable, you are supposed to go and get it fixed. You cannot keep working if the machine is inoperable.

COMMISSIONER TORRES: Second question is: When do they get paid? When do they receive their monies from the credit card company?

MS. DESI: That's a question I think that the TLC would have to answer to.

I would assume that the way the garages may work it out is that if you are a daily lessee, I would imagine that when you go back to the shift and you have the receipt as to how much of the fare went in through the credit card, that you would be given that money back in cash by the garage because they are going to be collecting it through the credit card system.
I think part of our concern would be for weekly drivers, if they are going to have to wait for an entire week to collect back, then I think that's going to add to the negative which they are beginning at by paying out the lease payments and for the gas.

COMMISSIONER TORRES: Thank you.

MS. DESI: You're welcome.

COMMISSIONER MICHELS: May I ask, Commissioner, these four proposals including the one we were just talking about, these will be done by pilot projects which will take into consideration the suggestions made just now?

CHAIRMAN DAUS: Certainly. As I indicated in my opening statement, because we want technology to develop, as time goes on, within six to eight months, if we pass these rules and there is an expressed intention of the Commission to put all of these technology initiatives, including credit cards together, it is our hope that technology companies will come forward and help us, TLC staff, to make recommendations to the Commission, which would include, hopefully, some of the concerns that Ms. Desi has pointed out at that point.
COMMISSIONER MICHELS: I am also concerned about the statements about things we have to look into. She made some very good points.

CHAIRMAN DAUS: Absolutely. Hopefully, we can at some point be able to address those concerns as the process moves along.

COMMISSIONER MICHELS: We don't want to do anything that will lower the amount of earnings of these workers.

CHAIRMAN DAUS: I don't think anybody wants that. That's not our intention.

COMMISSIONER GIANNOULIS: I think to the point of saving time, as people ask us questions, the rules as they are designed simply outline that we have a desire to establish this by 2005, that by 2005 they shall exist in taxis.

There is nothing in here particularly about standards. That's something we will vote again on at a later date. All standards, all specifications. And I am sure we will be talking about it more than once in future hearings. Today really the question should be, should there be these things by 2005 is really what we are voting on.

COMMISSIONER MICHELS: I want to make

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sure that the public doesn't think we are putting
something into effect right now.

COMMISSIONER GIANNOLIS: That is why I
even brought this up, right.

I also think in terms of getting into the
details of the credit cards, this wouldn't be
probably the best time to do that.

CHAIRMAN DAUS: I also concur with
Commissioner Giannoulis, and that is one of the
reasons why I made the opening statement that I did.
If you do have comments that address that, in the
interest of moving the meeting along, because we
have a lot of people who would like to be heard, I
would appreciate if you could understand what our
intentions are, and there will be no need to address
it again.

The next speaker is Mr. Fernando Mateo
from the New York State Federation of Taxi Drivers.

Good morning.

MR. MATEO: Good morning, Commissioners.

Thank you for allowing us to speak at this hearing.

The New York State Federation of Taxi
Drivers has worked very, very hard, as you know, to
secure a fare increase for its members. We believe
as an organization that taking away the 50 cent
night surcharge is like really taking away from the increase that we want to give the drivers. So the 50 cent fare increase is something that you should really consider keeping there, otherwise you will deter drivers from servicing the public that rides at night.

Driving at night is a very dangerous job, it's a very lonely job, so I think that the incentive of keeping the 50 cents there is very, very important.

We have repeatedly said that drivers should get the bulk of the fare increase. It's only fair. They have children that they have to send to college. They have medical bills that they have to pay. And just basically to support their families, I think it's very important that these drivers keep the bulk of the increase. But we have to also understand that an increase that doesn't make sense will take jobs away from certain people.

There are certain people that go to school, go to college and drive part-time. There are certain senior citizens that can't work 70 hours a week anymore. There are women that have to take their children to school and pick them up at school. And if we tear down what we are trying to build
here, what we are going to do is take away a lot of jobs at the same time. So I believe that the lease cap should be reconsidered. I believe that we need fleet owners that are going to provide these types of jobs for people that want to drive a cab. So I believe that Ms. Desi is totally wrong. I don't think she understands what she is saying. I don't think that she understands the impact that this will have, and I think that she needs to rethink her thoughts a little bit more because they really don't make any sense.

I don't see how you can take jobs away from people and at the same time give a fare increase and lose a huge percentage of the drivers that are out there. This fare increase is well overdue, as we all know. It's been approximately ten long years. Major corporations have given their executives and their employees numerous raises during that period of time. And I think that it's unfair that we had to wait so long to get a fare increase.

We also need -- we cannot allow for these jobs to leave the industry. I believe that putting out 900 new medallions requires new drivers, requires new blood, requires more opportunity. I
would like to see that the 900 medallions that will be auctioned over the next three years, that 60 percent of those medallions go to individuals, not to fleet owners, not to people that just want to rack up all these medallions. We believe that Hispanics and Blacks have always been left out of the mix. We haven't been given a fair opportunity to own these medallions, and I think this is the right time for you to revisit and for you to understand that fleet owners should not get 60 percent. Drivers should get 60 percent.

I also ask that out of the 900 medallions that will be issued, that 300 of them be set aside for those who didn't have opportunities in the past. 300 of these medallions should be set aside and auctioned to Hispanics, Blacks and minorities that work the outer boroughs. The outer boroughs have no yellow cab service, therefore, that is why livery cabs provide illegal street hails to those passengers because we haven't given them the opportunity to own and operate they are own medallion.

We also would like to see some of the rules and regulations that you are imposing on yellow cab drivers, to also impose it on other
industry drivers like livery drivers. For example, there are partitions where the passenger can't see the driver because they are in really bad shape. So if you are going to apply this rule and this regulation to yellow cabs, apply it to livery cabs as well. Sometimes I believe that this Commission forgets about the millions of people that live in the outer boroughs that also ride cabs. They may not be yellow cabs, but they are livery cabs.

And we believe that credit cards for livery cabs should also be mandatory. We believe that the clear partitions -- Commissioner, that was a brilliant, an excellent idea -- should also be imposed. And I believe that inner city people deserve the same treatment that tourists and wealthy people from midtown Manhattan are currently getting. We must increase the quality of the service. Just like we are increasing it for medallions, we should also increase it for livery drivers.

Finally, you are giving the opportunity for people to come in the industry and own a medallion. If you don't have a hack license, you can't participate. It's very difficult for people that speak English fluently but can't read and write English, it is unfair to them the way the testing of
getting a hack license is being done. We believe and we hope that we are able to bring in new people, people that speak Spanish, people that can speak English, into the industry by making it a little easier for them to participate and achieve the American dream. Right now I think that giving the test solely in English is wrong because it excludes a whole group of people. They should speak English because they need to communicate with the passenger, but I don't think that they need to read or write college level paper in order to pass an exam. So I would also like that during the process of putting these 900 medallions out, that we also reconsider making it a little more accessible to people because really we are discriminating against them without even knowing it, because I know that you wouldn't do that knowing that you are doing it.

So I just want to thank you very much. I would like for you to please take our opinion into consideration, and I believe that the lease cap should be reconsidered and that the 50 cent night charge is a most. We have fought for that and we will continue to fight for that. And I just want to say thank you.
Any questions? Commissioner Michels, Commissioner Dear and the Commissioner Torres.

COMMISSIONER MICHELS: Not really a question, but Mr. Mateo, you referred to the outer boroughs, which is a term which I don't like. You can refer to the other boroughs. You are certainly including Washington Heights and Inwood and they are part of Manhattan.

MR. MATEO: Well, if you ask a tourist where Washington Heights is, they really wouldn't know.

COMMISSIONER MICHELS: I have spent a long time trying to convince people that there is life above 96th Street.

MR. MATEO: I agree with you, Stanley. You know that I spend a lot of time up there and I lived up there and I believe they are entitled to good, quality service.

COMMISSIONER MICHELS: I know you understand what I said and I know you believe what I said.

COMMISSIONER AROUT: Mr. Mateo, not to hold this up, but you referred to the outer
boroughs. I recall many years ago when we tried putting taxicabs and medallions, especially on Staten Island and I am sure in the other outer boroughs, it doesn't warrant medallions. They can't survive, the medallions, in the outer boroughs. So for you to say that they should be in the outer boroughs, it's just impossible. They can't survive out there.

And as far as partitions are concerned, for-hire vehicles have the option of a camera or a partition, so they do have partitions if they want them. It's up to them.

MR. MATEO: I think that you are mistaken in both issues. Number one, yellow cabs don't work the area, therefore, they don't know.

COMMISSIONER AROUT: Because there is no money in the outer boroughs as a medallion.

MR. MATEO: That is not true. I disagree, but it's a matter of opinion. I disagree with you.

COMMISSIONER AROUT: You can disagree with me. I am just giving you my personal opinion. Thank you very much.

CHAIRMAN DAUS: Mr. Mateo, I have to
point out that we certainly are sensitive to the
needs of the other boroughs outside of Manhattan,
since an overwhelming majority of Commissioners, I am not going to name the one or two who live in Manhattan, the overwhelming majority of Commissioners live in the other boroughs including myself.

COMMISSIONER MICHELS: Including upper Manhattan.

CHAIRMAN DAUS: That's correct.

Commissioner Dear, you are next.

MR. MATEO: I just need to finish answering the last part of the second question.

Secondly, the partitions are optional to owner-operators. If you lease your vehicle, you must have a partition in the car. So the cameras are only optional to owner-operators, not to people that ride their car and also lease it, just to clear the record.

CHAIRMAN DAUS: Thank you, Mr. Mateo.

Commissioner Dear and then Commissioner Torres.

COMMISSIONER DEAR: Mr. Mateo, I am glad to be sitting here agreeing with you. I am glad that we could agree on some issues, including the
test given in Spanish and other languages. I 100 percent absolutely agree with you because this is an immigrant community that tends to come into this business. And I am sure that my grandparents and

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the other immigrant parents and grandparents when they came that they did at one point drive a car, that they did not have to read and write English. At least they could communicate.

Now with the new technology that they have, they could probably with a sign language put in the computer where do you want to go and you have to follow a little arrow to take you there, too. So, absolutely, I hope, and I did speak to the Chairman about this many times and I continue to fight for this. I think that you are on the right track on that.

With regard to the medallions, I must say I agree with you that the other boroughs -- by the way, the other boroughs was coined, I remember 25 years ago entering politics and this was started by then Howie Golden who was always concerned about the fact that we referred to Manhattan as the city and the other boroughs as not part of Manhattan. So it's a concern to all of us, so I will continue with
that tradition that we are the other boroughs, not
the outer boroughs.

And in our case, I represent Brooklyn, we
have a big come back with new ball teams and
everything else coming to town. But with regard to

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medallions, it does work in the other boroughs
because we have an excellent experiment going on now
in Queens.

MR. MATEO: Thank you.

COMMISSIONER DEAR: It is doing very
well and I would like it to come to Brooklyn and the
other places.

CHAIRMAN DAUS: I certainly agree with
you on the Brooklyn point. I was born and raised
there and still live there. But in the interest of
time, Commissioner Dear, I think if we could just
sum with your questions, I would appreciate it.

COMMISSIONER DEAR: Listen, everybody
else comes up here --

CHAIRMAN DAUS: We have a very long
hearing.

MR. MATEO: Let him ask his question.

COMMISSIONER DEAR: Either we treat all
the Commissioners fairly and with respect --
CHAIRMAN DAUS: I am just concerned that we are going to start losing members of the public who have a right to be heard, and I would just ask that we try to keep the questions relevant and germane to the topic.

COMMISSIONER DEAR: I respectfully request that you deal with all the Commissioners equally and with the same respect.

CHAIRMAN DAUS: And we are. It's just off topic. We are not talking about --

COMMISSIONER DEAR: If you stop talking, I would be able to finish my comments.

CHAIRMAN DAUS: Commissioner Torres?

COMMISSIONER DEAR: Excuse me?

CHAIRMAN DAUS: You are not finished?

COMMISSIONER DEAR: No, I did not end. I just ask for a little respect, Mr. Chairman.

CHAIRMAN DAUS: We are just in the interest of moving --

COMMISSIONER DEAR: Again, stop already.

CHAIRMAN DAUS: Could you finish your comments, please.

COMMISSIONER DEAR: Yes.

CHAIRMAN DAUS: Thank you.
COMMISSIONER DEAR: The medallions that we are talking about today, that you rise these issues, are very important to us. And I will continue to raise those issues as well. I just want you to know this is something I am glad you raised.

Do you feel clearly that by giving opportunities to people who are driving the illegals, as you would say, an opportunity for them to drive yellows, would that help resolve the issues of us having illegals not doing the pickups that they are doing right now?

MR. MATEO: When you say "illegals," they are not illegals because they do have a livery license to do drive so they are not illegal, but I do understand the question.

I believe that 300 medallions over a three-year period is not enough. We had requested for there to be 500 medallions over a ten-year period of time. That would put enough yellow cabs in I call them outer boroughs because we have been treated like outer borough all this time and we still are treated like outer borough people, so I am going to continue to use the words outer borough,
okay. We believe that outer borough people would use the yellow cab service if they were there. And you are absolutely right, we did put together a pilot program that is working and is working well. And I really appreciate, Commissioner Dear, the comments that you did make, because I think it can only help the minority community, the Hispanic and African American community, achieve the American dream. So I hope I answered your question.

CHAIRMAN DAUS: Thank you. Commissioner Torres?

COMMISSIONER TORRES: I just have one quick question. You made reference to a quality of life. Would you and your organization be in support of a mandatory retirement program for for-hire vehicles similar to the yellows?

MR. MATEO: I believe that maybe our life should be a little bit longer but not as long as what it is because it endangers people in our community, it endangers the well being of children. When you have an old car providing service, you never know when a tire is going to fly off on the
highway and a family is going to get killed. So we
certainly do support newer cars, we support what
commission Matthew Daus proposed, which was great,
clear partitions so that the passenger can see who
is driving with them.

And we also propose not only a safety
program so that they know how to better protect
themselves, but an educational program as well. A
lot of the things you do for yellow cab drivers, we

agree with, and a lot of things that you don't with
lIVERY cabs drivers, we disagree with. I think that
we need to bring both drivers a little closer
together. And we should have a universal hack
license, not just one. If a lIVERY driver wants to
switch over to the yellow cab industry, he should be
able to do that.

They take most of tests, they take drug
tests, they take a certain quality of life test that
the Commission does. If we take it a little
further, I think it will give us a more universal
area and it would give our people, our industry,
more opportunity to look at the other side of the
coin, which is driving a yellow cab and providing
better service for New Yorkers.
CHAIRMAN DAUS: Thank you.

The next speaker is Mr. Vinny Sapone, the representative of the League of Mutual Taxi Owners.

MR. SAPONE: Thank you. Good morning, Mr. Chairman and to all the Commissioners.

My name is Vincent Sapone, I am the managing director of the League of Mutual Taxi Owners better known as LOMTO. We were established in 1934 and we have a bona fide membership of approximately 3,400 men and the majority of our people are Blacks, Hispanics, Indians, Pakistanis, Chinese, and you name it. They are all minorities. These guys work seven days a week, they save 10, 20 percent and they bought their medallion. They didn't get it for nothing. That's the way it works and that's the way it should work.

I thank you for giving LOMTO the opportunity to speak today, and I thank you for considering maintaining that 50 cent night surcharge. I think it's great that it's on your mind that you are going to do something about it.

Also what I would like to recommend, I think the Commission should look more strongly at the waiting time. It comes to $12 an hour and it's
been there maybe for 15, 16 years that way. And when you get done paying your expenses, it is $6 an hour, these guys work very hard. These guys work very hard and that is no money at all. You want qualified drivers, you have to pay them. When my company looked for me, they had to pay me because I was qualified. You have to get pay money to get guys to drive out there. That is the way it is.

The sad story is that we waited eight years to get an increase. Now is we do more than the 26 percent we might have the public down our back, but they have to understand, it has been too long. I would like to propose to see a fare increase every three years of 10 percent. We won't go on the table for two years discussing a raise that will automatically come, and the public wouldn't get mad because it costs them another quarter instead of another $2. It's as simple as A, B C.

Also as far as the credit cards, I know this is the 21st Century and I know it's coming and I know it probably has to be, but before we do it, we must have pilot programs testing to see if it works. There were a lot of things implemented in
the taxi industry during the McKechnie years that
were a flop, that didn't work. We don't want to
give you your first flop, Mr. Daus, you know what I
am saying, so I think we should study it more.

CHAIRMAN DAUS: You are not insinuating
I was part of that flop?

MR. SAPONE: No, no, you were just
sitting on the side like Mazer is.

CHAIRMAN DAUS: I don't consider it a
flop. With all due respect, I disagree --

MR. SAPONE: Well, there were certain
items that were a flop, like the talking taxi.

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CHAIRMAN DAUS: If it wasn't for
Commissioner McKechnie --

MR. SAPONE: Oh, I love her, don't get me
wrong.

CHAIRMAN DAUS: -- we would not have had
such a turn around in this industry. I think
everybody in this room realizes that.

MR. SAPONE: I am not saying no. You
are right. But it has to work both sides, it has to
be for the workers and for the public. Not just the
public. Because if it wasn't for the workers, the
public would hoofing it, not riding it.
And what are we going to do about gas increases? What's going to be with that? Before you know it, this increase is going to be eaten up. By the way, with the credit cards, going back to that, I lost control there, I didn't mean to get excited. Maybe somehow we should use what they use in the Transit, a Metrocard. Where you can use the same card. Why go with American Express or anybody like that?

Whose paying for these meters? It's going to cost $1,000 a meter. The GPS is going to cost maybe $1,500. Who is paying for that? What kind of increase are my members are going to get,

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really? I mean, I appreciate the 26 percent. I don't want to do anything to stop it, but when you figure it out, we are giving a lot back. And to give the control of the GPS to the customer is very wrong.

The TLC will make a lot of money with summonses on this plan here because when the driver is driving, the customer is going to say, "Turn right. Turn left. You are going the wrong way." And he says, "I can't," the sign 50 feet up in the air on the poles says no right turns, but she can't
see that from the back. So I guarantee there is
gothing to be a lot of complaints. I can't see how we
give the passengers a map. I think that's crazy, I
really do.

I mean, you want to give it to the
drivers, I am not agreeing with that, maybe it's a
good thing, fine. But to give it to the passenger,
you might as well give them the steering wheel.
It's ridiculous.

Now let me tell you something. My father
had a hack license since 1932 or '34. I still have
it. And I got one from '67. And when my father
came here, he went to school to learn how to pass
the test. He learned how to pass the test.

Again, I am going to repeat myself. My
organization is all minorities. Everyone, including
myself, worked two jobs to get a down payment to buy
one medallion. 99 percent of my guys own one
medallion and they worked very hard for it. It
wasn't given to them. And as far as the lease cap
goes, it is really not my issue but I have to say
something. When a man invests all his money in the
business and he has to increase salaries and he has
to pay higher property taxes and everything goes up,
he is entitled to some kind of increase on this cap. That's all I have to say. Thank you.

CHAIRMAN DAUS: Thank you, Vinny.

The next speaker is Mr. David Pollock.

MR. POLLOCK: I am going to yield to Mel Miller.

CHAIRMAN DAUS: Okay, we are back in the Assembly? You are not going to try to get 10 minutes, are you?

MR. MILLER: No. Just my basic lack of patience, that is why Mr. Pollock yielded to me.

Commissioners, I will be very brief because I think that the Commission and the staff of the Commission, who we haven't mentioned really, have done a remarkable job in trying to reconcile a whole group of interests, which is an art. What they have done for the first time is really do some basic research which we never really had done before. Be it lease caps, be it rate increases, be it the costs of what really makes this industry run or not. Basically, how you make a profit and how you don't and what costs really are.

So if we talk about the past, and the past is now over, I think that the staff is to be
congratulated on rules 4 and 5. I am not competent technologically to talk about rules 1 through 3. I really don't know enough about it. The only thing I do know is we really have to look at the cost because cost estimates have been as low as 1,500 but as high as 4,500 depending on who you talk to. But on rules 4 and 5, the overall recommendations that have been made to the Commission are a group of compromises that makes sense that are based upon a series of facts that were look at very carefully on a very good analysis. Obviously, in no group of rules will everybody agree on everything, because if everybody agreed on everything we will have reached the ultimate heights and we never reach the ultimate heights.

There have been some suggestions from the drivers on 5 percent, on restoring the 50 cents. Metropolitan has come and said there is a little more needed to be done on lease caps and, obviously, you don't have to be a genius to see a compromise which talks about 50 cents back at night and maybe a little more on the lease cap end.

I represent the Committee for Taxi Safety, and it's somewhat different. Our lease
managers do everything from double shift in some
cases to DOV in some cases and to weeklies. A whole
gamut of operations. And although there maybe some
disagreements within various sectors of the
industry, our Board, which is made up of all sectors
of the industry, overall feel they can strongly
support 4 and 5 perhaps with some modifications on
the lease cap and on the 50 cent night surcharge,
both of which seems to make sense to us.

Not in terms of the technology as it
operates, but in terms of the technology as it will
be introduced pursuant to these rules, we would
second Mr. Michels' call for some real
thoughtfulness about it, not only in terms of the
availability of the technologies but on the ways
they are implemented. Since cars are hacked up over
a period of years, we believe that if you decide to

go ahead with these technologies, the best
implementation is when you rehack a car. It's the
cheapest, it's the most efficient, and it will avoid
double costs in some instances where a car may have
a year of life let, you introduce the new technology
and you have to reintroduce it again when rehack up
a new car.
So from that perspective, we just ask the Commission to take a look at implementation once you are assured that the technology really works.

I think my remarks are more geared to the future instead of the past because the past is over. We have to introduce some system, and I don't know the best system. Rent stabilization has a system, the PSE has a system for increases in utility rates, but a system that is systemic so that we can review costs on a periodic basis so we are not faced with eight years of nothing. Both from the point of view of the public, from the point of view of the industry. And we can do that logically. It doesn't have to be automatic because costs shift and costs change. Sometimes costs are stable, sometimes we get a spike. And there should be some procedure within the Commission where maybe once a year or once in two years, you redo the kinds of review of costs that you just did to achieve this particular raise.

I think it will avoid the rancor. I think it will make the industry and the Commission even closer partners as we proceed to the future. I think ultimately what we want, at least
in the Committee for Taxi Safety, and I am sure
everybody in the industry wants an ongoing working
relationship between the industry and the
Commission, that we work together for the ends that
we all hope to achieve by creating what is the
second most important mass transit system in the
City of New York, which is the yellow taxi industry.

Once again, I just want to congratulate,
I don't know if the staff is all here, but I know
that a couple of the staff members have worked so
hard and so diligently over the last year, and they
really, really are entitled to be congratulated for
a job very well done. Thank you.

CHAIRMAN DAUS: I think we all second
that motion.

Commissioner Dear?

COMMISSIONER DEAR: Hi, Mel, Mr.

Speaker.

MR. MILLER: I am also from Brooklyn, so

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I am also outer borough even though I live in
Manhattan.

COMMISSIONER DEAR: We will forgive you
for leaving Brooklyn.

The review. How often do you think this
review should take place?

MR. MILLER: Annually may be too much.

First of all, it is burdensome and it has to be done in detail, but I think if you did a real review every two years, if we would have done it every two years since the last increase, I think we would have ultimately probably been at the same point very slowly, without the dislocation. I don't think this would be a controversial hearing.

COMMISSIONER DEAR: And whose numbers do we use and where do we get the information?

MR. MILLER: I think the process that was used this time, at least the part of the process that I am aware of, I know the staff sat down with the various components of the industry, took a look at the costs and came to certain conclusions, not always agreed with but nobody is going to agree on everything. I think the process worked kind of well.

Whether you can formalize a process or

create indexes. Obviously, as you know, in rent control you have a heat index, mortgage rates, real estate taxes, so on and so forth create an index. And the index is then, of course, depending on how
bad it gets for either the tenants or the landlords, are modified somewhat. But I think you may be able to create a cost index for the industry which includes cost of repairs, cost of cars, cost of gasoline and everything that you use to determine this increase.

The one cost that was not used and is purely market determined is you have to realize that lease managers, and even those who run fleets who manage other people's medallions, do pay them. And that cost varies over the years also, just like any other cost. Now that's been pretty much free market. Seems to work pretty well, but all I am saying is if we can create an index, you have a hearing based upon the costs every two years, I think it would probably be better for everyone, because even if there was an increase that was necessary, it would be a lot more modest than 26 percent.

CHAIRMAN DAUS: Just a point of information, Commissioner Dear, there is a mechanism in our rules for review of lease caps every two years. With regard to the fare increase, there isn't and it would require an amendment to the City
COMMISSIONER DEAR: To the City Charter.

CHAIRMAN DAUS: An amendment to the City Charter would be required, that's correct.

COMMISSIONER DEAR: That means we can't make a rule today or any day asking that we review these fare increases on any type of basis?

CHAIRMAN DAUS: Not unless the City Charter is amended.

COMMISSIONER DEAR: Peter, do you agree with that?

MR. MAZER: Certainly, it is not on the agenda for today, so it would have to be published and noticed.

CHAIRMAN DAUS: Peter, just the legal opinion, is it an accurate statement that the New York City Charter would need to be amended in order to accomplish what Mr. Miller is suggesting?

MR. MAZER: I believe that would be correct.

MR. MILLER: Because the components are set --

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MR. MAZER: The components are set in the City Charter.
COMMISSIONER DEAR: One last thing, with regard to 3 and 4.

MR. MILLER: I think it's 4 and 5.

COMMISSIONER DEAR: No, it is 3 and 4, the video monitor trip sheet. There was an amendment made to change the timetable and also the way the rules are set forth to us in the original rules that were published.

Are you okay with those?

MR. MILLER: I haven't seen the timetable rules, and I am not really familiar. Mike Levine will testify on that.

I think what we are really saying is first we have to make sure it's practicable. Secondly, that there is enough availability so we are not stuck with one provider of service so there is some price competition. And, thirdly, as it's introduced, we believe that the best way to introduce new technology is as you hack up new vehicles only because it's the least expensive and it gives you some lead time. Because once we do this, you know there will be improvements on an annual basis once the technology is out there and there is a market.
So anything that makes the introduction more sensible and gives us the ability to make sure that the technology really works for the public as well as for lease managers and medallion owners, I think that will be helpful. And I am talking only in terms of cooperation between the Commission and the industry just so that it works the way you want it to work. Because we did do some experiments, and I know Ronnie, Metropolitan experimented, if you remember because you were around at the time, with the natural gas. And it cost them a fortune and it was a disaster and they ended up losing a significant amount of money.

So all I am saying is we should take care as we proceed with the new technology, which could be terrific. Credit cards are available in Europe, I just came back and they are used and it seems fairly quick. At least the one taxi I was in.

CHAIRMAN DAUS: Do you have any further questions, Commissioner Dear?

COMMISSIONER DEAR: No.

CHAIRMAN DAUS: Commissioner Michels and then Commissioner Torres.

COMMISSIONER MICHELS: You mentioned
the various indexes that go into it. One additional amount that should be included is cost of living.

MR. MILLER: Yes, if you are looking and there is a concern, and I think the Commission should understand the industry is concerned with driver's income. If we don't have drivers, you can't make money in the medallion taxi industry, so obviously if the cost of living is going up X percent and you want to make sure your drivers are able to get an increase, if it's possible to do an index or create a model to get around it.

You are smart people here, you can figure out a way, but I think drivers' incomes, obviously, have to be part of it.

COMMISSIONER MICHELS: Maybe the trigger should be based on the cost of living index looking into the other factors.

MR. MILLER: You could, but that's your decision. I can make suggestions. All I am saying is I think the industry feels very strongly, they don't want to go through this eight years. It bread animosity. It was not good for relationships between the governing body and the industry and the people who work in the industry. That if there is a set system that everybody perceives as fair, I think
we take away a lot of the tension.
I think it's healthy for the industry,
which I think really carries as many people every
day as buses do in the City of New York, if I
remember the numbers. The Commissioner of
Transportation is giving me a funny look so I could
be wrong.

COMMISSIONER SANDER: It's about a
third.

COMMISSIONER WEINSHALL: It's about a
third.

COMMISSIONER SANDER: MTA carries 1.5.

MR. MILLER: And we are about a half a
million. It's a big number, it's a big piece --

COMMISSIONER MICHELS: You are right, it
is an integral part of the transportation system of
the City of New York. We know that and we
understand that.

COMMISSIONER RUBINSTEIN: Just quickly,
I think Peter may have misspoken regarding the
Charter. For the next meeting or the meeting after,
if Peter could take a look and answer speaker's
question, which I think is a very good idea. Thank
you for that idea. If we could set up an index
for the future. I don't see what the conflict in
the Charter is, but I don't want to debate the
Charter right now.

COMMISSIONER WEINSHALL: I just want to
say that in conjunction with this fare increase,
that the consultant that was hired created a number
of economic models and now maybe those economic
models can be used to create this type of process
that you have in mind.

MR. MILLER: That's true, without
Charter amendment, because they wouldn't become
determinative. They can be suggestive.

CHAIRMAN DAUS: We will request, in
light of the concerns of the Commissioners, an
official opinion from the Law Department on the
topic. It has been fleshed through, I am not just
saying this off the cuff, and analyzed before. But
we will take a fresh look at it.

COMMISSIONER DEAR: You are telling me
that the charter dictates when we could have fare
increases?

CHAIRMAN DAUS: The Charter dictates
process including factors and how it goes about.
The concern is --

COMMISSIONER DEAR: Does it say how long
you can do it?
CHAIRMAN DAUS: No, it doesn't.

COMMISSIONER DEAR: It just says the process so that is exactly what we are saying. If it tells you you can't do it, what is the process? We are saying to review it every so often.

CHAIRMAN DAUS: Being a lawyer, Commissioner, you know that it can be a little bit more tricky than that in terms of interpreting the issue of preemption. And we have had discussions with the Law Department in the past where it has come up. In light of the concerns from the policy standpoint, we will request an official legal opinion from them because they do look at the legislative history behind the enactment of the Charter and a lot of other factors in order to determine whether, in fact, the way it is written would preempt us from doing this. I am not ruling it out.

COMMISSIONER GIANNOULIS: Thank you, Mr. Chairman.

CHAIRMAN DAUS: The next speaker is Bill Lindauer.

MR. LINDAUER: Hello, remember me?

CHAIRMAN DAUS: Now we remember.

MR. LINDAUER: Yes. I may not be your
worst nightmare but at least I try.

I am Bill Lindauer, I remind the Chairman of the Education Policy Panel's fate when they defied the Mayor. And the Mayor has championed our fight for economic justice. No decent fare hike for drivers and Mike will say, "Take a hike." I am sure he would love a cab strike during the Republican Convention.

The proposal is a promising start but it falls way short of fulfilling the Mayor's promise. Until our goal is achieved, we will be tireless. We will be relentless. We will in your face like an ophthalmologist. Be warned, we will be even more obnoxious than your brother-in-law.

The tawdry tradition of garage/TLC collusion must and will end. We are united and strong as never before. Ronald Sherman of Midtown Taxi does not live or work in Commissioner Deer's district but he gave him $6,000 for a congressional run. I am sure it was out of the goodness of his generous heart. Yes, we will search for skeletons in everyone's closet. We will root out the festering sore of sleaziness and corruption.

We are sophisticated. We are determined.
No, we are obsessed. But if it's Tuesday, it's meet

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the oppressed, so I ask a guard to please hand out a
blank index card to each of the Commissioners,
including the Chairman, and write down what you
think is a liveable income for drivers either on an
hourly or annual basis. Is this much to ask? I
don't think so.

CHAIRMAN DAUS: We have pads, thank you.

MR. LINDAUER: Will everybody please
write down what they think is a liveable income for
drivers? This is what the goal of the hearing is,
I understand, right, to provide a liveable income
for drivers. But we may have a difference in what
our definition of a liveable income is. So I want
to know if we have the same definition.

I tend to doubt we have the same
definitions. Anyway, I hope people will give me a
list at the end. Are you sure you don't want index
cards? Will anybody please cooperate?

CHAIRMAN DAUS: We are fine, thank you.

MR. LINDAUER: You are fine. I think it
is a matter of knowledge. We want this knowledge
about your thinking. I think it is imperative and
it is a point of public information. If we don't
All right, don't cooperate. Don't be
democratic. Let's get down to specifics. Waiting
for fare hikes, Mr. Obnoxious here.

MR. POLLOCK: I resent this. This is
the second time --

CHAIRMAN DAUS: Could we have order,
please.

Mr. Lindauer, please complete your
thoughts.

MR. LINDAUER: Let's get down to
specifics. Waiting for a fare hike should not be
like waiting for Guidel (ph.). Come on, a fare hike
only once a decade? You are driving drivers into
destitution.

Your morale bankruptcy have left many of
us, including myself, into financial bankruptcy. I
could easily be homeless despite working six days a
week. Out of dire economic need and with the greedy
encouragement of garages, some drivers are working
18 hour days. Don't you think that jeopardizes
public safety?

Secondly, almost all night workers earn
Thirdly, in New York, the cost of living is about 117 percent more than average American city. The Wall Street Journal reports the average hotel rate in New York is $273 a night. In L.A. it is 171, in Chicago it is 167. The Mayor has said you should expect to pay more for everything in New York City. Of course, there is one glaring exception, cabs.

Cab fares are so dirt cheap, you are forcing MTA fares to go up to cover revenue losses. The MTA reports a four percent ridership loss. Crane's reports a four percent cab ridership gain. Get the connection?

Extremely important is the waiting time. Time is money except when driving a New York cab. Waiting time is $22 an hour in Vegas, $30 in Boston, only 200 miles away, $45 an hour in San Francisco. $12 in New York. We must either be in the Twilight Zone or living in a third world country.

I am sure Ms. Weinshall will initiate bold, imaginative ways to limit traffic. But until
then, drivers are being punished. Moreover,
drivers' incomes are among the lowest of cabbies
anywhere. Gas price have soared but we can't pass
along the cost. This false hike should have been

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four years ago.

Media, pay attention to this one: Over the last eight years, we have lost a whole year's worth of income just from the gas hike. Do the math. Above all, lease cabs must, I repeat, must be lowered or at least frozen; otherwise, only the Florida condo wintering, Hamptons summering, tennis week, country clubbing, John George dining wealthy winers, also known as garage owners, will be the beneficiary.

But I make a proposal here. You want these technological improvements --

CHAIRMAN DAUS: Mr. Lindauer, I am sorry, but your time has expired.

MR. LINDAUER: Just a couple of minutes, please.

CHAIRMAN DAUS: I am sorry.

MR. LINDAUER: Show me some respect, please.

CHAIRMAN DAUS: I am trying.
MR. LINDAUER: I am a veteran driver for 30 years. Show me some respect. I demand respect.

CHAIRMAN DAUS: Sir, could you please sum up?

MR. LINDAUER: Yes. I propose that for the sale of one medallion, you can finance all these technological improvements you want owners and garages to make on their cabs. Is that too much to ask? From the sale of one new medallion, you can pay for all these improvements. There is no reason owners or garages should have to bear the burden of this.

And I am no friend of these people, you know.

CHAIRMAN DAUS: Thank you.

Mr. Lindauer, I would really appreciate it if you could sum up quickly, because there are many, many people, including drivers, who would like to be heard.

MR. LINDAUER: We need a fare hike in our pockets now. And we will come back next year, if necessary, if gasoline prices soar or the cost of income rises. We will be in your face. Be warned, we will not roll over and play dead. We will not
accept any crap the Board offers us.

CHAIRMAN DAUS: Thank you.

MR. LINDAUER: You're welcome.

CHAIRMAN DAUS: Next speaker is Mr. Vjay Bali. Is Mr. Bali in the overflow room?

Okay, the next speaker is Christopher Lynn, former TLC Chairman Christopher Lynn. Is Chris here?

Mr. Steve Seltzer? He is in the other room, okay, we will wait for him.

CHAIRMAN DAUS: For people in the overflow room as well I am going to call the next three speakers who are on the list, and if you could just be geared up and ready to go, we would appreciate it.

After Steve Seltzer, we have Mr. Kevin Fitzpatrick, then Biju Mathews and Professor Edward Rogoff.

By the way, we are also going to be making an announcement that we will be breaking for lunch at 11:45 a.m. and resuming the public hearing promptly at 12:30 p.m.

Professor Rogoff, you can start and then we will go back to Steve, Kevin and Biju.
MR. ROGOFF: Thank you, Mr. Chairman.

The TLC plan to sell 900 taxi medallions and raise the fare by 26 percent to $350 million is a misguided match of shortsighted transportation policy and faulty fiscal planning. It will do nothing for riders or for underpaid taxi drivers.

Selling new medallions will raise $200 million for the City, but at loan-shark rates. Raising the fare will increase already high medallion prices and it will put more than a thousand non-medallion cab operators, virtually all of whom are Black and Hispanic entrepreneurs, out of business.

Because medallion owners increase lease rates after a fare hike, little of this $350 million fare increase will go to the drivers. Your attempt to regulate leasing rates is a useless exercise in an industry that functions on cash. By selling 900 medallions over three years, the City expects to net $200 million. But the cost of this one-time revenue boost is a $350 million annual increase in fares. This is like borrowing money and charging cab riders 175 percent in annual interest.

Because the city has grown and the number...
of cabs has not over 50 years, non-medallion cab services have developed to meet the unfilled demand. Your study asserts that the 900 new cabs will confine themselves exclusively to areas currently served by medallion cabs. This simply defies history and logic. Most of the time, cabs compete for passengers much more than passengers compete for cabs. With 900 new cabs, the medallion cab industry will expand the areas they cruise and they will take business away from minority owned cabs and car services. This will mark an unfortunate major blow to minority entrepreneurship in New York City. If you really believe that your actions will improve service to the public and earnings for drivers, you should have a system to measure its results, and let your actions be held accountable to your promises. But you have no such system. Your plan will not improve the taxicab system. If this misguided plan is adopted, the only difference riders will notice will be that their pockets have, again been picked by public regulators who only serve private interests. Thank you.

CHAIRMAN DAUS: Commissioner Sander?
COMMISSIONER SANDER: Professor Rogoff,
you said that you thought that this increase would put 1,000 non-medallion drivers out of work. On what basis do you make -- did you come to that conclusion?

MR. ROGOFF: The long haul of history shows that as the number of medallions was held steady and the city grew, the areas that medallion cabs serviced --

COMMISSIONER SANDER: I understand that logic.

MR. ROGOFF: Well, isn't it logical that if you reverse this process and increase the number of medallions, that the area that medallion cabs serve will increase? It won't increase a whole lot, but it will increase some. And of the 40,000 non-medallions cabs, most of whom are owned by minority entrepreneurs, some percentage of them will be put out of business. Because the city promotes medallions cabs as the primary desirable means of transportation in the city.

COMMISSIONER SANDER: Professor, the way you got 1,000 is because we are increasing --

MR. ROGOFF: I think 1,000 is a very low number because medallion cabs operate 24 hours a
day, seven days a week. Non-medallion cabs usually
don't. So probably the number is more like 1,500 or
2,000. But just to be conservative, I am putting
1,000 on it.

CHAIRMAN DAUS: Commissioner Michels? .

COMMISSIONER MICHELS: Professor, are
you basing any of your conclusions on studies that
you have made?

MR. ROGOFF: Yes.

COMMISSIONER MICHELS: Did you make

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these studies yourself?

MR. ROGOFF: Some of them, yes.

COMMISSIONER MICHELS: And have you
provided that information to the Commission.

MR. ROGOFF: Yes, they are all publicly
published.

COMMISSIONER MICHELS: Have you provided
this Commission recent studies?

MR. ROGOFF: Yes.

COMMISSIONER SANDER: I would request
that we see copies of that.

CHAIRMAN DAUS: Actually, as part of the
medallion sale process, we did not receive,
according to general counsel, any comments from you,
Professor.

MR. ROGOFF: That's correct.

COMMISSIONER SANDER: I would certainly be interested in seeing it. I am respectfully somewhat skeptical about some of the conclusions that you have made here.

MR. ROGOFF: Okay.

CHAIRMAN DAUS: We will give it a fare look. Thank you.

Next speaker, we will go back in time,

Steve Seltzer are you here?

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By the way, I just want to thank the Commissioners. I appreciate you being deferential and quick with your questions and keeping them germane to topic. I would ask the speakers also to try to keep to only the rule proposals when you speak and try to not stray and go into other areas because there are a lot of people who would like to speak on topic who we want to have heard.

By the way, Steve has provided to the Commissioners comments that we gave you in advance of the hearing. Written comments.

MR. SELTZER: My name is Steve Seltzer, I was a fleet driver for about 30 years. Sometime
ago I submitted in writing comments on the proposed fare hike. These comments included a piece I had written in 1974 showing the discrepancies between rosy predictions of fare increases from earlier fare hikes and the actual immediate drop in revenue and only gradual return to pre-hike levels.

The formula used to predict the response to a fare hike and the title of that piece was "The Resistance Factor." When I mentioned the phrase to Mr. Salkin who showed us those slides at the last meeting, he did not recognize it, so, obviously, in 30 years the method of predicting rider response to fare hikes has changed. But I don't see any reason to believe that the actual rider response has changed. And the, thankfully, shorter letter accompanying that piece asked you to freeze any lease cap increases for six months or a year until you could see whether the revenue per car has actually risen.

I am afraid that letter did not make clear that I oppose lease cab increases per se, but if you are going to go ahead with it, at least postpone them until ridership recovers from the fare hike.
Why I am opposed to increasing lease caps
at all goes back only ten years to 1994 when this
Commission, under Chairman Fidel Delgalle (ph.)
rejected the fare hike application in part on the
grounds that the owners' profits from 25 to 40
percent were sufficient to absorb costs. When the
Commission did raise the fares in 1996, it was
partly because then Chairman Christopher Lynn
refused to look at profits saying he thought the
industry should not be subject to, quote, "an
economic strip search." The very phrase concedes
that looking at profits might be embarrassing.

So here we are in a still new century and

I hear no discussion of profits. And we have a
Commission which proposes or agrees to increase the
supply of cabs and simultaneously raise the price of
a ride. As I said before, if only we could
persuade OPEC to increase its oil production
whenever it tries to raise its price. I have my
doubts. And I am glad I am not driving anymore.

If I have any time left, I would like to
explain that I came across the 1974 piece in the
process of preparing some 20 shell fee, draw fee and
pile fee for taxi union and taxi rank and file files
to give to the NYU Labor Archives. Thank you.

COMMISSIONER WEINSHALL: Is Kevin Fitzpatrick here.

MR. FITZPATRICK: Hello, how are you doing? My name is Kevin Fitzpatrick, I am a taxi driver and an organizer for the New York Taxi Workers Union. It is an organization of over 5,000 real bona fide cab drivers.

I would like to talk first about group riding. We are in favor of it. We think it's a good idea. We think it should be extended to the outer boroughs. Whenever we talk to the Beeps, the first complaint is, where are the yellow cabs? Of course, we all know if you live in an outer borough, you can't get a yellow cab. And group riding might be a way to help this. This is a personal opinion but I think the way it do it, really, is to put back radios in yellow cabs. This way you have a good chance of getting business in the outer boroughs.

Secondly, the technology things. Okay, you know, we are going to get credit cards whether we want them or not. This is the 21st Century. I am not going to talk about the problems, we can talk about them later. As to the other GPS technology,
well, is it going to work. Secondly, okay, the map
in the car. Well, remember the average American
can't find Iraq on a map. The average New Yorker
nowadays doesn't know, remember the musical, "On the
Town," midtowns up and the Battery is down. They
don't know that.

VOICE: Bronx is up and the Battery is down.

MR. FITZPATRICK: Sorry, I should know
that, I was born in the Bronx.

But you are going to give them a map to
try to figure out where they are going to go. I
think as a test, we should let them pick their
route. They will wind up in Hoboken.

Let's get to what we are really concerned

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about, the fare increase. First of all, I would
like to thank Mayor Bloomberg and Commissioner
Weinshall. And I would like to also thank
Commissioner Weinshall's staff. I was told not to
use names, but they know who they are. They did an
excellent job. And for the first time in 30 years I
think somebody is worried about what taxi drivers
make.

It's an unfortunate thing that since the
TLC has been set up, it has been on the cutting edge of cutting labor costs, which means cutting labor salaries. Since the TLC has been set up, we know drivers who have lost pensions, they have lost health insurance, they have lost vacations. And what did we get? We got the wonderful system of recent. Now we have a medallion that was worth 15,000 in 1971, now it's worth over $300,000. Let me tell you, drivers' incomes haven't gone up 2,000 percent.

Okay, now we are getting into a situation, now we realize that the drivers' income has to go up. Even the MTBOT says that they shouldn't get their 50 percent. Why not? Because they know they are not going to get it. I think we all remember the scam that pulled after September 11th. Remember the hearing in December 2001 when they wanted to raise the cost of leasing a cab on a day to $126. I think we all remember what business was like a couple of months after September 11th. You were grossing 7, $8 an hour. I had a day when I made a $1.50 after that. I went and bought a cup of coffee and I gave the waitress $1.50. She said, "That's a big tip." I said, "I've always wanted to
give a whole day's salary as a tip."

Let's get back to now. I would like to talk about expenses. There are 12,287 medallion taxicabs in New York City. That's approximately 25 to 30,000 drivers. I would like to ask how much is paid in social security costs by the owners of those medallions? This is a normal business expense. You would think 25,000 employees, would the figure be $120 million, $150 million, $75 million?

It's zero, nada, zippo. There are expenses, yes, most other people have to pay them. We hear about the expenses about meter paper. I remember when Commissioner Lynn made the receipts mandatory, they were talking about how the expense of the meter paper was going to break them. I think we always hear this from the MBTOT. The slightest increase in cost, they are going to be living in garbage cans in the Bowery. No, not the Bowery, I guess they will be living in East New York.

Anyway you gentlemen, and ladies, you Commissioners, you have a chance to change 30 years of driver income going down. As we said, this is a first step but it's an important first step. We
would like you to vote.

CHAIRMAN DAUS: Mr. Fitzpatrick, could you please sum up.

MR. FITZPATRICK: Okay. No increase in leases and night surcharge and get the fare increase.

Thanks a lot for your attention.

CHAIRMAN DAUS: Thank you, sir.

Commissioner Giannoulis has a question.

COMMISSIONER GIANNOULIS: Just as a point of clarity. I have heard four people thank Mayor Bloomberg for I am not exactly sure what yet. Just in case people don't understand, five of the members of this Commission are actually appointed by the City Council. And any good things or bad things that might occur today, the majority of this Commission is appointed by the City Council.

And in reference to your particular

issues, I see an order in here that has 37 City Council members calling for a living wage for drivers.

MR. FITZPATRICK: We thank the City council too.

COMMISSIONER GIANNOULIS: I didn't hear
anybody mention that and I think it is important that we recognize that.

MR. FITZPATRICK: My mistake. I thank the City Council, too, all 37 members.

CHAIRMAN DAUS: I think I can speak on behalf of all the Commissioners to say that it is our intention to give all drivers a living wage, it's just how we get to that amount.

Thank you, sir.

The next speaker is Mr. Biju Mathews from the Taxi Alliance.

MR. MATHEWS: Good morning to all the commissioners. Amongst the distribution of tasks, I am from the New York Taxi Workers Alliance and I am also a researcher. I have been working with the Taxi Alliance for the past seven or eight years.

Among the distribution of tasks, it was my task to thank the 37 City Council members who signed the letter of support seeking a liveable income for taxi drivers. Also, I just want to point out to all the Commissioners here that there is an overflow room which is packed with drivers, there are 50 to 70 drivers sitting there. And downstairs, outside the building, there are still
drivers still trying to get into the building. We
seem to have somehow willy-nilly implemented a
system where the suits are here and the drivers are
everywhere else.

I want to start with the fare increase
because whether we like it or not, that's the issue
at hand. I am glad that Ron Sherman came up here
and said 85/15 is fine. In 1996 that was fine when
it went the other way around, so I presume this time
around 85/15 in favor of the drivers is fine. I am
glad he said that, in spite of still saying that a
50/50 is kind of the most desirable, I am glad he
conceded to the fact 85/15 is acceptable.

If 85/15 is acceptable, I just want to
make a simple point. The current lease caps, there
is enough of a gap between what the leases that are
currently being charged are and what the current
lease caps are. For instance, if you take the
medallion only lease, the lease cap is 741, the
current lease rates going at this point in the

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market is somewhere between 650 and 675, 680. So
there is a gap of around anywhere between 60 to $80
out there, which will be enough and more to make up
the 15 percent.
If you take weekly garage leases, 617 is the lease cap. If you look at the distinction between what is currently being charged, it is anywhere between 525 to 580. So, again, there is a big gap of 140 to around $70 difference there, which is enough and more for the 15 percent. So bare minimum, no lease increase. As a matter of fact, I would go further and say, given that we are looking at a gas price hike, given that we are looking at a summer where business is likely down, we should not only not have a lease cap increase, not only should we freeze the lease caps where they are, but we should for the first six months freeze the lease rates where they are so that drivers can actually recover from eight years of not getting a raise and actually make some money, and then get into that situation wherein their costs are going up. I think that should be the most logical proposal. A complete stop to the lease caps as they stand, and also a six-month freeze on the current lease rates staying where they should be staying.

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The other two points that I wish to make is one regarding the technology. In my other life I also happen to be a professor of information
And I want to make a very specific set of points about the electronic trip sheets. The electronic trip sheets has a set of benefits, we acknowledge that. But there are big problems if you use electronic trip sheets as part of enforcement. The problems are very simple. We need to consider the fact that when you are using the GPS system within a mass transit structure like implementing in all cabs, you are going to be forced to use a lost cost GPS.

Low cost GPSs have error rates. Even if you take an error rate of .01 percent, you will end up with the GPS system making at least six to 10 errors per day. If you make 6 to 10 errors per day, that is the life of a driver if that is the driver who gets pulled up before a court and that is being used. So unless we can ensure that a GPS system is put into place which has zero errors, we are going to crucify some innocent driver or the other, and even crucifying one innocent driver is not acceptable. That's a simple point.

The other point about this GPS business is that it is a DOD, Department of Defense technology, and there is something called selective
availability. Selective availability is a technology that comes with GPS which is meant to create an error, and it was put into place by the Department of Defense so as to ensure that nobody else uses the system. Right now DOD has it turned off which is why all the commercial interests can use it. But the DOD has not said it is not going to switch it back on. So we put that technology into place and tomorrow DOD decides that it needs it, we are going to be sitting on a piece of technology that we don't know what to do with.

There are lots of other alternatives, Geo Star, Glonas, Precision Pointing System, et cetera, and a whole bunch of other alternatives that you need to look into and come to that important thing. No tolerance for error, that's going to be a crucial one if you really want to use it for drivers.

One last comment which will take me 30 seconds. I hear a lot of ribbing going on here, I simply want to make a point that if Mr. Mateo says that he doesn't understand us, it should be clear that the reason he doesn't understand it is because multi-millionaires don't normally understand poor people.
CHAIRMAN DAUS: Thank you. The next three speakers are Bruce Schaller, former Councilmember Walter McCaffrey and then Jason Diaz, in that order.

Mr. Schaller, good morning.

MR. SCHALLER: Good morning. I am Bruce Schaller of Schaller Consulting in Brooklyn, New York. I would like to speak briefly on the credit card rule proposal. I have prepared a report that analyzes the proposed rule. I believe all members of the Commission have received this. I have additional copies if anyone needs one.

The report looked at likely usage of credit cards in cabs; the cost, which is a very important factors here and will really affect how the program develops; the experience in other cities and rates of usage in other cities; and the same for 200 or 250 cabs that presently have credit card capability in New York City. We took a sample of rides and looked at the results. We specifically talk in the report about the process of moving from here to having credit cards and debit cards used in each cab.

I am not going to go through all the
points in this. I think you have had a chance to
review this. Many of the key findings and
recommendations that we made in terms of process,
the Chair has outlined and incorporated in his
remarks at the beginning. So we are very gratified,
I think we are all kind of on the same page here.
We have had some good discussions with staff.

CHAIRMAN DAUS: It's pretty much what
you recommended, from what I understand.

MR. SCHALLER: Yes. The one point I
wanted to emphasize here, is I think the importance
of focusing on the process on meeting performance.
On setting and then meeting performance standards in
the course of development and approval of
specifications, addressing policy issues including a
surcharge on the fare and whether advertising is
permitted up front which will affect a great deal
how the systems are developed, and to focus on the
process and the standards and not the deadline.

A focus just on the deadline, which is
the one thing that is in the rule, may work fine but
it also may lead down the wrong path here. That's
the basic point I wanted to make. I would be happy
to answer any questions as well.

CHAIRMAN DAUS: Commissioner Giannoulis?
COMMISSIONER GIANNOULIS: A very quick question. If we were to pass the rule, part of the belief is that we have to establish rules for people to begin to develop technology. Do you agree with that? You were just talking about a deadline.

MR. SCHALLER: I think the deadline clearly sets forth the Commission's intent here, and that's good. And a deadline is a good thing to move everything forward on a schedule.

I think the key thing here is to have a process where the decisions are made in the right part of the process and that enough time is given for the development, the testing, the evaluation. That there be clear standards against which the pilots are evaluated, that that is published and set forth. And that it all come back to the Commission, which I think you are making that change in the rule. That it all comes back for approval at a public hearing, after public hearing at the Commission level. I think that's a good process.

CHAIRMAN DAUS: Commissioner Sander and then Torres.

COMMISSIONER SANDER: Mr. Schaller, good to see you. You perhaps heard former Speaker Miller recommend an annual review of expenses, an annual or
bi-annual rate increase. You served before I think as Director of Policy for TLC a while back. I would be curious, briefly, if you could give us your views, if you ever looked at the issue of regular reviews by the TLC for rate increases and any comments that you have about that or the process.

MR. SCHALLER: Sure. I would agree that probably a bi-annual review, every two years would be appropriate. It is more than you need. And, in fact, while I was at the TLC, we reviewed the rate of fare in 1986 which led to the '87 fare increase of 22 percent. We reviewed revenue and expenses in 1988. We reviewed in 1990 or late '89 which led up to the 1990 fare increase of 12 percent. And then we reviewed in '92 and '94. So we actually had at a staff Level a two-year review cycle of expenses and revenue, which in some cases led to proposal and adoption of a fare increase, and in some cases led to nothing.

In one case we had a hearing and then the Commission chose not to increase the fare. So a variety of outcomes. But I think that two-year cycle, I would recommend to you, and it is something that has been done successfully before.

COMMISSIONER SANDER: I tend to agree
with you.

COMMISSIONER TORRES: In our proposal, there appears to be like an 18-month period for implementation.

What would you suggest would be an appropriate timetable, considering that there may have to be a pilot program to see if this works because I remember there were issues with regards to the air-conditioning system. Is 18 months sufficient?

MR. SCHALLER: I think 18 months is aggressive, I think it is probably doable. I wouldn't say it can't be done. I think the way the Chair laid out the time points along the way was quite good. And as long as you can keep moving at that, having a staff person hired, bringing a variety of resources, other agencies. All those things are good elements here that may make it very much possible to do that in that time frame.

The point I was trying to make earlier is not to let the deadline drive skipping over parts of the process or rushing through it.

COMMISSIONER TORRES: In your opinion, is the technology to the point or is it available where we can all of this under one system, the
credit card, the GPS, as opposed to having different
components?

MR. SCHALLER: Well, the technology is
there. You've got the credit card meters, you've
GPS, you've got monitors. I think each of the
elements is there.

The hard part is not the hardware, the
technology. It's making it work in a taxi
environment, number one, and it is the human factors
of having drivers, for example, ready and willing to
accept credit card payment. So I think working out
the other parts of this, the system part, the
environment and the human factors part, those are
the larger challenges here. Not to say the
technology is easy, but I think the technology is
probably the easier part of this. Looking at
technology in the more narrow definition.

CHAIRMAN DAUS: Commissioner Weinshall?

COMMISSIONER WEIN SHALL: Mr. Schaller,
you are sort of an expert on the taxi industry; am I
correct?

MR. SCHALLER: I appreciate your saying
that. If I can quote you, I will happily do so.

COMMISSIONER WEIN SHALL: Have you done
any research into other cities and what other cities
have done vis-a-vis credit cards and Global
Positioning Systems and having monitors in cabs?

MR. SCHALLER: Yes. Let me just expand

on that a little bit.

Credit card capability in taxicabs is
pretty common in major fleets across the United
States. Typically, the driver pays around 5
percent, so for $100 worth of credit card charges,
he gets 95. The only place that I am aware of in a
major city that has mandated it is Chicago. They
are in the midst of that, they mandated it in terms
of time line in 2001 and are planning now to start
to enforce in June of this year. I think it can be
done more quickly here in the sense of the
technology is further advanced.

On the other side, they are holding off
on the enforcement for independent owner-operators
which is a small part of their industry and a very
large part of the industry here. In terms of GPS, I
am not aware of GPS being used in cabs from a
regulatory mandate standpoint. It is fairly
commonly used again in large fleets for dispatch
purposes. And I would be particularly concerned
about how GPS works in the canyon environment here.
I have heard through some testing that the ability to get your location determined is not consistently there.

CHAIRMAN DAUS: Commissioner Michels?

COMMISSIONER MICHELS: I am interested in the Chicago experience in terms of revenues. I am very interested to see whether or not this will result in an increase in revenue for both the industry and the drivers.

MR. SCHALLER: In terms of revenue to the cab industry?

COMMISSIONER MICHELS: And to the drivers.

MR. SCHALLER: Right. There is no clear documented evidence as to how it has affected revenue. Drivers say the tips are larger, particularly for longer trips. We found the same thing in the cabs that have credit card meters in New York, a number of drivers have said the tips were larger for longer trips.

Whether people use a cab instead of some other means of transportation because of credit card availability, I think is too early to tell in the implementation of these. In a couple of the fleets
that have credit card capability in Chicago and 
other cities, including the ones in New York, the 

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rate of usage has been under five percent of trips. 
So, clearly, it makes a difference here if it is 
mandated for all the cabs and you can be reasonably 
sure of being able to use a credit card in a cab, 
you will have a higher rate of usage. 

COMMISSIONER MICHELS: That's one of the 
factors we have to consider before we implement it. 
If we find out that there is less revenue, it 
doesn't make any sense. 

COMMISSIONER WEINSHALL: Mr. Michels, I 
think one of the issues that we will clearly have to 
look at, as Mr. Schaller said, the City of Chicago 
is now first mandating it and there will be a wealth 
of information that we will be able to get from 
them, clearly, in the year and a half before we 
hopefully put this into the cabs. So I think that 
that will be a sharing that we will be able to 
partake of. 

CHAIRMAN DAUS: I concur with 
Commissioner Weinshall. And, in fact, in addition 
to the mandate that we just discussed, there are 
many other taxi fleets in cities that have it
voluntarily, including Pittsburgh, Denver, Houston, Austin, San Antonio. And also there are forms of mandatory credit cards in Los Angeles, Boston, Seattle, San Diego and St. Louis. And we have also had our own pilot program.

Michael Levine was kind enough to equip many of the cabs in his fleet, and we found that most of the trips were longer trips but that the equipment worked quite well. But, certainly, there will be improvements made.

Commissioner Sander, you had a comment?

COMMISSIONER SANDER: Yes, actually, a brief question.

In the last hearing we had a conversation, a very brief but I think important conversation philosophically about the roles of the fleets vis-a-vis DOVs and so forth. And I would be very interested if you could comment on your view and your view assessment of the role of the fleets and what do you think the impact will be, either from a transportation standpoint or from other standpoints, were the size and the role of the fleets in the industry to further decline and so forth?
Or to put it more simply, does it make a difference from a policy standpoint in terms of what kinds of distribution you have in terms of owners, DOVs, fleets and so forth?

MR. SCHALLER: If I can just make a comment. I was not planning to speak on the topic, but I think one of the great strengths of the taxi industry in New York is the diversity of types of operations going from the individual independent owner-driver on the one side to the fleet on kind of the other end of that spectrum, with a number of other forms of operation in between.

And if you look over the history of the taxi industry over the last 40 or 50 years, you see that some operators have done better at some points in history and others in other times. So if all your eggs were in one basket, so to speak, when things got bad in one sector, things would have been worse overall than otherwise. I think the fleets in particular are really a key member, a key part of the industry. In particular for new drivers coming in, for those who want to work part time, for those who don't want to commit to buying a car, to driving six or seven days a week.
And I think you are aware of another report I did in this area recently that emphasized the importance of the fleets and maintaining the financial viability of the fleets in a non-discriminatory way, vis-a-vis other parts of the industry.

CHAIRMAN DAUS: Thank you, Mr. Schaller. Thank you for your study, the Commissioners have a copy of it and we appreciate it.

Next speaker is former Councilmember Walter McCaffrey. Welcome back.

MR. McCAFFREY: Thank you very much, Mr. Chairman, members of the Commission, it is a delight to be before you. It is a little unusual for me having been on this side. I have been in some of your capacities and it is good to see my former colleagues.

In reference to the issue in terms of credit card acceptance, one of the things that I think is very, very much appreciated is to hear views that were articulated by the Chairman at the start of this hearing. It is essential for the concept to take place based upon pilot studies that will demonstrate and will figure out problems that
are going to be encountered in the implementation.
That is essential if the public is to feel comfortable with this.

It is not in any way a goal to have technology put in place that will not be used by the public. And there are challenges all the time when new opportunities are afforded to convince the public that it's worthwhile for them to be involved in it. And we certainly saw, for example, when ATM cards came out that it was very difficult to convince large numbers of users who had cards to use them. So one of the things that you want to know is that at the end day, the process has resulted in something that they will feel comfortable with.

There are technological challenges there. Certainly, Mayor Bloomberg has raised the issue in terms of blind spots in the city, and, indeed, DoIT and Department of Consumer Affairs are charged with that responsibility by looking at that. Senator Schumer has looked at that in terms of the City of New York, that there are major challenges in that regard. And in due fairness to my friends in the City council, my former colleagues, that was an item that was raised over the years also. So these are
items that have to be adjusted.

At the end of the day, the public can be cynical. We saw, for example, when the E-911 system was put in place, everyone thought there was going to be a great benefit brought about. They expected it to come about quickly. They expected to have confidence in that. Yet, today, they still do not have that, despite the fact that they have been paying for it for a very, very long period of time.

I think one of the things that is important for us to understand in this process here is that there are many individuals who come forward with great expertise. And it is again very important here that the Department of Transportation and DoIT will be involved in bringing their expertise in reviewing this with the TLC. It is very, very important that we have interested parties who have, quite frankly, in some cases a vested interest, but at the same time very significant expertise to be involved in the process here also. So that is something which I think is to be lauded.

And I understand the question of brevity will be appreciated, so let me just say that I am delighted to hear as exhibited in the colloquy
between Commission members Giannoulis and Michels
the issue of having this all come back to the
Commission for final determination. I compliment
you on that and I thank you very much for the
opportunity to testify.

CHAIRMAN DAUS: Former Councilmembers
want to say something. Commissioner Michels?

COMMISSIONER MICHELS: I just want to

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compliment my former colleague. It's always a
pleasure to listen to his wisdom. We appreciate
your being here and giving us your wisdom.

MR. McCAFFREY: Thank you.

CHAIRMAN DAUS: Commissioner Dear?

COMMISSIONER DEAR: Welcome. With
regard to this new technology, I know you've raised
it, is there, from your perspective, I know we have
heard it from many different people, is there
somewhere right now that something is working that
has been implemented for some period of time?

MR. McCAFFREY: As you will hear from
our next speaker, the city system is one that is not
being used very, very much. The participation rate
is dramatically low. And I think part of that is
because the public is unaware of it. If you say to
the average taxi passenger, "Do you realize you can
pay by credit card?" They say, "Huh?"
So I think there are some problems there.
There are then problems also with the technology and
there are problems of the ease of use by the driver
in terms of the technology, which either discourages
or encourages participation. So those are all
factors as we look here in terms of the city, and I
think the Schaller report ends up giving a pretty

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1  good analysis of that in terms of what the flaws
2  are. The hope is that Chicago will end up being a
3  way in which we will have some additional
4  information.
5  But at the moment there isn't something
6  that is fully there. That's why the pilot concept
7  is very, very important to ensure that you will have
8  that.
9  COMMISSIONER DEAR: Obviously, there are
10  many programs out there. What I am trying to get is
11  if there is anybody who has something that is almost
12  foolproof that has been proven already.
13  MR. McCAFFREY: I will let the next
14  speaker testify to that.
15  COMMISSIONER DEAR: Okay, thank you.
CHAIRMAN DAUS: The next three speakers are Jason Diaz, Cory Gottlieb and Joseph Giannetto.

MR. DIAZ: My name is Jason Diaz, I am handing out my remarks to you. I have been involved with cabs and technology for the last eight years. I founded a non-profit organization called Cab Watch where we got now 7,500 cab drivers, livery drivers to use wireless technology to report crimes and emergencies. We work closely with the Chair and the TLC and have had success with many thousands of calls to 911.

Today, though, I am talking with a different hat. I have been working with one of the credit card providers to bring their solutions to the taxis in New York, and we are very excited about the possibility of credit card and debit card capabilities. But in order to do so, I am glad to hear the focus on process because we need to be very careful about what we are going to do.

One of the big reasons why is on page 3 here, is that the estimated costs for the first five years is about $100 million. That's including both the upfront investment and the wireless and credit card fees. So we are talking about a 5 to 10
percent increase in the annual expense, as well as you are dealing with, according to Bruce Schaller's report, another 100 to $250 million worth of cab rides now being paid with credit cards. So it is very important to have a system here that meets the criteria and the safety standards so that this doesn't become a white elephant or creates abuse. That was sort of my first point.

My second point is to try to learn from previous taxi technology initiatives here from TLC. I know in the last ten years or so, the taxi meters with receipt printers were involved, air-conditioning in the rear of the cab, the talking taxi program, the taxi TV program, as well as the existing credit card taxi meters. I think there are definitely some things that were done right and some things that probably could have been done better, so it's key to make sure that we take the best practices from those processes.

I was glad to hear the Chairman address the process because it sounded like you would address some of the questions and issues that might have been a problem in the past.

The third point I wanted to make was the
idea of creating criteria and standards. Just mandating credit card acceptance in taxis is not enough. One of the things that is in the Schaller report is looking at some of the current credit card taxi meters on the road today. Although they technically work, and if we tried them here they would, work, Schaller found that only 13 percent of these credit card taxi meters worked in the real world.

Why is that? Some issues about transaction speed. It took about ten times longer than the cash. A lot of drivers didn't know how to use the system. There is driver resistance about paying the fees of these credit cards, as well as the wireless transactions failed a third of the time, as well as the passenger's credit number and expiration date was printed on the receipt which is a big security issue. If you read in the papers, just a month ago a cab driver was arrested in Stamford for basically copying those numbers and running up $7,500 worth of charges.

So without key criteria and standards, we are going to get a system that is prone for potential issues like this. One of the key things
that I like to stress in this process is that the
Commission creates more than just we want to do
credit cards in cabs, but there are specific
standards like we want the transaction to be able to
done not in two and a half minutes but in ten
seconds or so, as well as security.

So my last page here is one of proposed
regulatory changes. A lot of these have already
been talked by Matt. Basically doing the evaluation
process with clear criteria. Going back to the
Commission with standards, as well as having a
minimum number of vendors that can solve those
technology solutions so that there aren't issues

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about having a sole provider, as well as integrating
and involving folks like myself and other folks in
the industry to ensure that we get something that
meets all the needs of the passengers and the
drivers and the Commission alike.

So that was sort of my proposed remarks
on the regs. I can talk a little about some of
things to answer Commission Dear's response about
what systems have worked. The one fool-proof system
that has worked in other markets is one that I think
addresses an immediate need but not necessarily a
future need. That is, at some airports instead of
credit card machines in the taxis themselves, they
have credit card machines at the taxi stands. Since
the surveys show that most rides are for the airport
and so by having credit card machines at the
airport, which is something that a bunch of cities
do already, basically the passenger can swipe their
credit card, you have a connection there, the
passenger gets a credit card receipt, and then at
the end of the ride, the driver writes in the fare
and tolls, the passenger rights in the tip and they
sign it. Then when the cabbie comes back to his
fleet or the taxi holding pen, they will be able to
get cash.

So that is an immediate way to address
the most important need and sort of that works that
I know of.

COMMISSIONER WEINSHALL: Thank you, Mr.
Diaz.

Any questions?

COMMISSIONER GIANNOULIS: Just a quick
point of reference. I received, and we all did, a
letter from you. For you and everybody else
involved in this business as we go into the next
year and half, we are going to see a lot of folks who want to become vendors, it would be helpful if we could get some background material on the entities and companies, because none of us here are experts, I don't think, on this side of the world. So I think it would be helpful for us to have some context.

I am just saying this to everybody who is interested because we are not experts, so as we see and hear people, it will be interesting to find out.

MR. DIAZ: Absolutely.

COMMISSIONER WEINSHALL: Thank you.

Is Cory Gottlieb here?

MR. GOTTLIEB: Good morning, I guess is still in order. My name is Cory Gottlieb, I am with

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Global Vision Interactive. We first introduced a fully interactive computer into New York City taxicabs as part of the in-taxi video program from last year. While that program ran its course and was since canceled, we certainly have learned a lot about technology in cabs, how challenging it is to do it successfully. And the reaction that we got from the public was incredible.

The press that we have seen from around
the world proved that what we are about to undertake here in New York City will be heavily scrutinized by everybody in the industry both in New York and around the world. We receive press from CNN, Time Magazine, Reuters. Press from Italy, Japan. We have successfully implemented our system in Chicago and we have received full legislative approval for implementation in Boston and San Francisco, and we continue to work towards other cities in the U.S.

I am very happy to be standing here today, while again the in-taxi video program was canceled, I am happy to see that the Commission has taken some very positive aspects of what we learned through that program and is looking to move forward into the future of technology. I am sure some of you got the opportunity to read my letter that I sent to the Commission last week.

One of the nice things about standing here as one of the later speakers of the morning is that I don't have to repeat a lot of the good points there were made. Jason Diaz I thought made some excellent points about the process. So I can now go through my thoughts pretty quickly.

When implementing technology, it is our
opinion that you need to either do it right or not done it at all. An inexpensive or poorly built system that's expected to do very intricate maneuvers in a moving taxicab with temperature ranges probably between 120 degrees Fahrenheit and down probably into the negatives in terms of temperature, cabs going over pot holes, intermittent power supplies, when the driver turns the car off or the driver turns the car on, you never know because it's in the driver's control. Being able to do all of these processes requires a very intricate system.

So the first point I would like to make is if we are going to implement technology, we applaud the comments that Commissioner Daus made before about forming a subcommittee, having a project manager on board as a point person, having open meetings with I guess people like myself and

industry experts. I would like to become part of a task force, if that's possible. An open meeting is nice but having people with the expertise in this industry to work closely with the regulators, I think, would probably be a little bit more effective.

CHAIRMAN DAUS: By the way, you and your
company and many of other companies are to be
commended, I think, for taking the bold step of
asking us to pilot close to like a year and a half
ago. So I thank you for that.

MR. GOTTLIEB: Sure.

And, again, let's take what we have
learned from the pilot. We obviously spent a lot of
money in the pilot. That pilot program was really
not for us. In hindsight which is always 20-20, we
put what at that time was a $4,000 computer system.
Obviously, costs have gone down since then. But we
put a $4,000 interactive computer in taxicabs and we
were in the same business as other companies putting
in $300 and $400 portable DVD players that gave the
passenger no control.

Our system allowed the passenger to turn
it off if they didn't want to see the system,
allowed them to control the volume, and allowed them
to totally control their experience. We had over
20,000 positive responses each month on our on-
screen survey just by passengers touching our screen
and speaking to the positive experience that they
had with our system. Yet, we were put with other
companies or other systems that weren't as
technologically advanced as ours and were a lot less expensive. So, therefore, the program in its entirety was viewed as something that needed to be canceled.

So we applaud the forward thinking of the Commission to put real technology in and do it in such a way that it makes sense. I echo the sentiments of Bruce Schaller. He mentioned that it is not about the absolute time line here. The first part of the process needs to clearly define exactly what you want this technology to do. And I will just read a couple -- is that five minutes already?

In conclusion, I just want to say that we did implement systems that work. We are looking forward to the future. We are looking forward to this and we just want to make sure that it is handled in the proper fashion.

CHAIRMAN DAUS: Than you.

Commissioner Torres and then Commissioner

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Dear.

COMMISSIONER TORRES: I just have a couple of points of clarification in your letter where you make reference to the GPS system. You say is there going to be a dead reckoning requirement
for all cars?

What does that mean?

MR. GOTTLIEB: A few speakers before me already mentioned some of the challenges with GPS technology in a cavernous environment of sky scrapers. One of the software programs that you can put in place with GPS which costs additional money is a program which when the signal is lost, it calculates where the signal is lost, the direction the vehicle is going in, the speed at which it was moving, and makes calculations as to where you are or where the GPS unit is even though you might not have a GPS signal at that point in time.

COMMISSIONER SANDER: Has that been proven to work in New York City traffic?

MR. GOTTLIEB: I don't know. Dead reckoning is something that has been around for quite sometime with GPS. I don't know who is working on it in New York City or not.

COMMISSIONER WEINSHALL: It is not a traffic issue; it's a building issue.

COMMISSIONER SANDER: I know it is the canyon effect, but the speaker is referring to something that would compensate for that based on
what it senses, the speed and what have you. But
with the just unpredictable nature of traffic
congestion, which the Commissioner certainly is
familiar with, I am just curious as to how that
technology would work.

COMMISSIONER TORRES: Then you state,
"Is there going to be one central location where all
vehicles will be displayed?" I understand that.
"If so, is it in realtime?"

What does that mean?

MR. GOTTLIEB: The issue of having all
of these electronic trip sheets being sent to a
central location brings up a lot of issues. One is
data storage. If everything is going to be coming
in from 13 or 14,000 different cabs on several
different types of vendor units, there has to be one
standard for the delivery of such data. And what is
it? Is it going to be done the day after, is it
going to be done in realtime so that you can see a
cab is on 23rd and Third now.

And we need to know that as technology

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COMMISSIONER TORRES: My last question.

Where you say, "What is the optimum size and functionality of the two in-vehicle screens," are there going to be two screens?

MR. GOTTLIEB: My understanding was there needs to be a screen for the driver for some type of text messaging and there needs to be some type of screen facing the passenger.

COMMISSIONER TORRES: Okay, thank.

CHAIRMAN DAUS: Commissioner Dear?

COMMISSIONER DEAR: Cory, thank you for your presentation. I guess you are glad you are here. I have to tell you I think you were treated shabbily and I think you should have been treated a lot differently. You and the others, that you had to go through because you came forward to do the test and the next thing you know the plug is pulled. I guess pay back is we are here back again on this issue.

The concern that I have is how do we implement, your program as opposed to others, how do we implement something that we don't have to go through this cycle again? I know that you are going to have to all come back to us, but are you prepared
to say, are there systems out there that are
fool-proof, that we won't come back with egg on our
face?

MR. GOTTLIEB: Let me echo the Mayor's
comments the other day when he was asked about the
failure of the 911 system, technology is great but
nothing is fool-proof. We need to work towards 100
percent fool-proof if we can.

Is there a system in place? If I
understand everything the Commission is looking for,
our system is already capable of 90 percent of those
types of things. But, again, the process, I think,
was well thought ought by a few of the speakers
here. In order to not have egg on your face, we
need to take each step of the process along the way
and complete it. First define what is necessary,
what the Commission would want. Then you need to
sit down with industry experts to find out how it
actually can be implemented, what are going to be
the challenges, and develop the time lines.

COMMISSIONER DEAR: And the cost?
MR. GOTTLIEB: The cost of?
COMMISSIONER DEAR: In the sense of each
cab. We are talking about up to $1,500. Is that a
reasonable amount of money?

MR. GOTTLIEB: I think we have heard numbers between 1,500 and $4,000.


MR. GOTTLIEB: My particular system right now is about $3,000, but that price is expected to go down. And we, of course, have a way owners can make money from the system eventually. And that's with the Commission allowing for the sale of advertising.

COMMISSIONER DEAR: Let's not talk about the industry, the fleets, that they could advance this money, if you want to say that. But you still have to remember that a good portion of this industry are driver-owned vehicles. So they are going to have make some of the investment.

Like Vinny was saying before, where are they going to come up this kind of money? If they invest let's say $3,000 first time around or $2,000, and six months later or a year later you need new equipment and it now down to $1,000. So they already lost on their investment. I know you are talking about advertising, but the small operator,
how is he going to get into the deal about the
advertising as well?

MR. GOTTLIEB: I think if there is a cost
of equipment and then there is the ability to bring
revenue in based on that equipment, then you can
work certain type of arrangements for different
individuals or different fleets that everybody can
benefit.

I am not here to negotiate terms, but if
there is money coming in because of this technology,
that money can be shared.

COMMISSIONER DEAR: So you are saying
the companies that have this equipment want to make
a deal with an individual driver. I am not talking
about the fleets. I am talking now about the
individual owner. Where is he going to make that
deal?

Is that possible what you are saying,
that a company, your company will say, I want to put
this out to all drivers, if you want to come me, I
will put it in for nothing plus I will give you a
few dollars each week, whatever it is? So that is
possible?

MR. GOTTLIEB: My system is agnostic as
to whether it belongs in a fleet vehicle or a

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driver-owned vehicle.

COMMISSIONER DEAR: You don't want to talk about agnostics.

MR. GOTTLIEB: We don't care if it goes into a fleet or if goes into DOV. The point is if you allow the technology to produce revenue, that should help offset costs for everybody, whether they be fleets or driver-owned vehicles.

CHAIRMAN DAUS: Thank you, Mr. Gottlieb.

We have some very hungry Commissioners. We are going to have a lunch break now. We will be back at 12:30 sharp. In the interest of moving things along, the next three speakers are Joe Giannetto, Michael Voloz and John Prosni. And what I am going to ask you to do is to take the list of speakers that we have not gone through yet and post them in the order that they signed up outside, so this way you can get an idea of where you stand and maybe come back at the appropriate time.

We are now in recess.

(Lunch recess taken.)

COMMISSIONER WEINSHALL: We are going to get started now. Joe Giannetto is the first speaker this afternoon.

MR. GIANNETTO: Good afternoon. My name
is Joseph Giannetto, I am before you today
representing the Metropolitan Taxicab Board of
Trade. I will offer testimony in connection with
TLC's proposed rule making to mandate that certain
improvements be made to taxicab service. Let me
begin by saying that the Metropolitan Taxicab Board
of Trade supports service improvements and
technology serves to enhance the delivery of taxicab
service throughout New York City and it has a bona
fide business purpose and facilitates governmental
administration and regulation.

As a result of the proposed rule making,
the MTOBT on behalf of its member fleet operators
has begun its due diligence process in an effort to
identify the best technology that can be implemented
in the most cost effective manner and that can
actually meet the goals and objectives of the TLC.
We have already met with the city's leading
manufacturer of credit card taxi meters. We have
also resumed our discussions with a supplier of the
interactive passenger display monitors. We have
scheduled presentations by global companies that
provide the for-hire vehicle communications and
wireless payment solutions, as well as companies
that provide an interim alternative credit card
voucher process.

Now I mention this to highlight MTOBT's commitment to leadership in advancing the interests of the taxicab industry in New York City. Now the requirement that taxicabs accept credit cards and debit cards is apparently widely accepted. I was a member of the TLC and a proponent of this requirement when the credit card taxi meter pilot project was first introduced. We worked closely with the manufacturer to ensure that the proposed system could readily process wireless credit card transactions relatively quickly, cost effectively, and in a manner that was as a passengers friendly as the technology allowed.

Together we struck a balance that allowed the project to enter a pilot stage and it allowed taxicab owners to voluntarily equip their cabs with a credit card taxi meter. There were many hurdles to overcome. Many of those obstacles, or should I say challenges, still exist today and they become more critical in light of a governmental mandate that all cabs be equipped to accept credit cards and debit cards.

In the interest of time, rather than go into all the nuances associated with the costs of
the credit card acceptance proposal and the other
proposed service enhancements, I will keep my
comments short. However, I will submit a more
detailed written report which will also include
comments on the proposed rules to establish
temporary group ride locations and the delegation of
the powers of the Commission to the Chairperson.

The requirements for credit card and
debit card acceptance, text messaging, the
collection and transmission of trip data, the
proposed passenger information monitor and new
partitions represent a substantial cost to taxicab
owners. We were told that the cost of these
enhancements would not exceed $1,500. However, our
preliminary estimates at the moment total over
$4,500 on equipment alone. This does not include
the administrative and maintenance costs associated
with these proposals.

It's noted that the TLC has stated that
it considered the cost of these improvements when
making its proposal with respect to the rate of
fare. And we haven't even touched upon policy
issues, like whether or not we will be allowed to
use advertising as part of the proposed system.
That will have an impact as well.

Now it's obvious that much work needs to be done to develop standards and specifications customized to the New York City taxi industry. A carefully designed and managed program to develop tests and evaluate various technologies and equipment must be established by the TLC, and apparently the Chairperson has said that he will do just that. Moreover, it is imperative that specifications and standards be approved by the Commission in its normal rule making process.

The language in the proposed rules which sets a specific date for installation of all this equipment without specifications and standards and without a well-documented due diligence process is of great concern to us. We concur with Speaker Miller's comments that the installation of the proposed enhancements be done at hack up. We are happy to hear that the Chairperson has said that the TLC will establish a working committee consisting of qualified individuals from both the public and private sector to evaluate existing technologies and to create those technical specifications and standards.
Toward that end, MTOBT is committed to assist the Commission and stands ready to serve on such a committee when it is formed. Thank you very much.

CHAIRMAN DAUS: Thank you, Joe.

Commissioner Torres?

COMMISSIONER TORRES: I just have a question. The installations date is November 2005. In your discussions with people from the industry, is that a realistic date?

MR. GIANNETTO: As you heard from previous speakers, it could be a realistic date. It depends on the work of the committees. It depends on all the work that begins now and moves along this process. Properly evaluate the existing technology to see what other available options exist. It could be done. I am not saying that it can't, but a lot of work needs to be done to develop those specifications and standards.

COMMISSIONER TORRES: What would be the time table, for example, if we are going to do a pilot in one or two units to see how it will work on the streets. When should that be done, 12 months before, six months?
MR. GIANNETTO: Before the implementation date of November 2005?

COMMISSIONER TORRES: If it takes us three months to meet and go through all this and putting it together and then installing it. It's six months before we have it in cars.

MR. GIANNETTO: The Taxi Commission has had a process where they have piloted programs for up to a year before they make a final determination. Is that necessary for some of the technology that we will be researching? I don't know, but the culture has been up to a year before they decide whether or not such a project or such a technological enhancement can be mandated in taxicab service. But that's just one range.

COMMISSIONER TORRES: Thank you.

CHAIRMAN DAUS: Thank you, Joe. Next speaker is Michael Voloz.

MR. VOLOZ: Mr. Chair, Metropolitan has been well represented by Ron Sherman and Joe Giannetto.

CHAIRMAN DAUS: They certainly have.

I will also ask, and you don't have to do this but I would very much appreciate it, I noticed
on the sign-up sheet, there are several people from
the same organization. If there is any way to have
one person speak on your behalf and cover all your
points, or if not, pare it down so that there is not

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redundancy so that we can move the meeting along, we
would greatly appreciate that.

The next speaker is John Prosnit from
Senator Tom Duane's office.

MR. PROSNIT: Thank you. My name is
John Prosnit. I am representing State Senator Tom
Duane from the 29th District in Manhattan.

Cities across the nation including Los
Angeles, Boston, Denver, Chicago and Las Vegas, have
given high priority to programs that focus on clean
ergy as well as wheelchair accessible taxicabs.
It is time that New York join these cities in
advancing these two crucial issues. New Yorkers
deserve nothing less. The rights of the differently
abled must be respected. Environmental concerns
must also be heard.

I understand and appreciate the need for
medallion purchasers and taxicab operators to make a
profit on their investments. I also understand and
appreciate the need to provide taxi rides at a
reasonable cost to consumers. We can achieve all these goals. Today's car companies are producing vehicles that are both economically viable and environmentally sound and wheelchair friendly. With the addition of new taxicabs as a result of the upcoming medallion sale and with the increased funding from a fare increase, this is a perfect opportunity for New York City to, one, ensure that all of its residents have the same ability to use taxis; and, two, limit the amount of dangerous fumes and toxins that are present in the air.

I urge the Taxi and limousine Commission to act to improve both wheelchair accessibility and energy efficiency in this city. Thank you.

CHAIRMAN DAUS: Mr. Ed Sloan from Business Payment Systems. Actually, the next three speakers are all from Business Payment Systems, Ed Sloan, Joseph Glass and Neil Scott.

MR. SLOAN: My name is Ed Sloan. Business Payment Systems is a national sales organization selling credit card terminals, credit card processing, debit card processing. Physically we are from the electronic payments industry.

One main point I would like to say from
our observation of the credit card industry, and
there have been many studies done across many
industries, and that is that taxis will make more
money when they begin to accept credit cards. And
we believe that it will make this sector financially
much stronger and we congratulate the Commission for

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this new rule requiring credit card acceptance.
The numbers range from 20 to 50 percent
increased sales as a result of accepting credit
cards. Obviously, it depends on the industry and we
will what happens with New York City taxicabs.
One main point we would like to make, as
has been said many times, this is a very technology
driven industry. We have seen multiple changes in
the pace of changes of the technology that is
required to accept and process credit and debit
cards rapidly over the years. And we are already
seeing that there will be many increases in the
coming years. The reason I make that point is, as
Jason Diaz said, there is going to be a very large
investment in technology that is going to be
required in order to implement these changes.
The worst thing that can happen, in our
view, is that three years down the road because of
additional changes that have hit the market, half
these terminals won't work and the investment will
have been a waste of money and they would have to
buy new terminals. To give you an example, how many
of us were using pin pads entering our debit cards
ten years ago. Not very many of us. Today when you
go to the supermarket, almost every supermarket asks

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if you are paying by debit card which is one-third
of the cards on the market. And they ask you for
your pin number. That's a change that if it had not
been foreseen, then many of the terminals that could
not accommodate pin pads had to be replaced.

There are many other changes like this,
and what I would request, and I welcome the fact
that this is already happening, that members and
representatives of the electronic payment industry
like us be involved in the process of establishing
the specifications and making sure this technology
is ready for changes that are going to be happening.
And we would be happy to share some more of our
insights about that.

Another issue is that the electronic
payments industry and credit card processing is very
highly regulated both federally and at the state
level, and there are many ideas that have been raised here that, in fact, would not be in compliance with the FTC's rules or with federal rules or with Visa and Master Card regulations. I can give you one example that has been floated in discussions. That is when the passenger pays by credit card, let's just charge them more. That would not be in compliance Visa and Master Card regulations as an example. There are many other examples like this which is why it is important to involve representatives of our industry.

One small point about something that was raised earlier about when a driver would get paid. Just as an industry standard, the credit card processors will transfer the funds into a bank account within two business days of the day of the transaction. How that gets reconciled between the owner and the driver, that's really a business question that would have to be addressed.

COMMISSIONER MICHELS: I don't dispute anything you say, but can you tell me how you believe it is going to make more money for the drivers? What factors are you looking at?

MR. SLOAN: There are definite
passengers who would take taxicabs that don't take
taxicabs now just by virtue of the fact that they
accept credit cards. For example, there are
employers that will reimburse their employees for
taking car service at night. It would cheaper in
many cases for them to take taxis, but they don't do
it because they want to be able to track their
expenses using a corporate credit card. I know I
was an employee and I had a situation like that in

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the city. It always baffled us, why are employers
willing to pay more money for car service. But it
is because they don't want to have to deal with
games that happen with cash transactions.

COMMISSIONER MICHELS: Have you done any
studies on this?

MR. SLOAN: No, we have not, and I am
not aware of any studies.

COMMISSIONER MICHELS: Do you think the
pilot ought to include a study on this?

MR. SLOAN: Absolutely.

COMMISSIONER MICHELS: Thank you.

CHAIRMAN DAUS: Thank you.

Joseph Glass. You are from the same
company as Mr. Sloan?
MR. GLASS: Yes, I am.

Good afternoon. My name is Joseph Glass. I am the vice president of sales and marketing for Business Payment Systems. I first want to congratulate the Taxi and Limousine Commission on actually proposing these changes that will benefit the drivers, the owners and the passengers of the taxis here in Manhattan.

Just in reviewing the mandate, there a couple of areas that I wanted a little clarification from the Commission, if possible. In terms of the pilot program that a lot of people have been discussing, I just wanted to know I guess how soon it may actually happen and if there will be incentives to any fleet owner, owner-operator, what have you, actually involved in the pilot program, as well as will the Taxi and Limousine Commission actually be proposing any particular group of participants to be involved in this pilot program, or is it going to be a random pick of companies?

Obviously, we all want the programs to be able to succeed and we need to work out whatever kinks may be in the system prior to the November 2005 deadline, and it's in our best interest,
really, to kind of get the ball moving and start the process of the pilot program sooner rather than later. The other question that really is going to kind of guide the way that the industry is going toward is the advertising with the credit card terminals, the debit card terminals, GPS, et cetera.

I strongly implore the Commission to kind of make the decision one way or the other so that anyone one who is currently developing hardware will be able to know if we are going to go one way or the another regarding advertising. It puts companies that have been developing hardware without advertising at a serious disadvantage to companies that will be offering advertising. And in order to be on an even playing field with the owners especially and the drivers, if we have some sort of guidance from the Commission in the near term, we would all be able to better move ahead.

CHAIRMAN DAUS: Those are appropriate concerns. Just to reiterate, as I stated when we started the meeting, our time line is as follows: We will be making those major policy decisions, hopefully, by July of this year. That's our time line. We will be including companies such as yours
and anyone else who wants to participate in the process in a Request For Information response and we will be working with the industry and the Commissioners, and between July and February of '05, that will be the pilot program testing period and we hope by April 2005 to be able come back to the Commission and say this is exactly what I, as Chair, am recommending to them after having gone through this whole process.

MR. GLASS: Will there be any incentives to the pilot companies to actually want do this? Because there are 600 cabs right now --

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CHAIRMAN DAUS: Incentives will be part of the dialogue and part of the policy decision including advertising, how is the payment structure going to work, who is going to get the money and how. All of those policy decisions will be made as the year moves on.

MR. GLASS: Okay, thank you.

CHAIRMAN DAUS: Neil Scott from Business Payments Systems, if you are here?

No. Next three speakers are Bill Schiotis, Joe Choi and Bernardo Celerino.

MR. SCHIOTIS: I am Bill Schiotis, good
afternoon.

First, I would like to thank the Commission for the opportunity to speak here today and to congratulate all of you for your vision and foresight in imposing new rules for service enhancements in the New York City taxi industry.

Given the limitations of time here today, I will attempt to briefly summarize our position. Please refer to the attachments which I believe were distributed. You should have some additional details attached to the copies that Mr. Applebaum helped me with this morning.

As you know, Taxi Tronic, along with our sister company Metro Shop, are based here in New York City and are a stable and trusted part of the New York City taxi industry. We have been TLC licensed vendors and leading service providers to the NYC taxi industry for nearly two decades and have every intention of retaining our New York City base well into the foreseeable future. We are the firm that pioneered automated credit card acceptance in New York City taxis as well as nationally.

Based upon our experience in conducting pilot programs, having received approvals of our
credit card meters and implementation of credit card
acceptance systems, we view this part of the
proposed ruling as a beneficial service enhancement
for all parties and the riding public in particular.
Taxi Tronic has dedicated significant resources in
our infrastructure to ensure the most consistently
successful mobile transaction processing available
today. We have built redundant back-up systems and
provide live customer service for the rare
occurrence when a driver might experience difficulty
processing a transaction.
We have even developed an algorithm
whereby in an effort to reduce transaction time at
the end of the trip, the customer can swipe their

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card at the beginning of trip for preauthorization.
We have also made acquiring a merchant account
acquiring air time, managing credit card
transactions on line, et cetera, extremely simple.
It has been our experience that functioning as a
facilitator for the merchant, particularly in the New
York City market, enhances the acceptance of such
automated programs.
Given our experience, we would like to
make the following recommendations: We strongly
recommend that the key component for such a system is to have all credit card devices integrated with the taxi meter so that all relevant trip and transaction data be accurate and free from any human interface issues. It is also important to know that such integration will provide for additional data collection, i.e., fares, extras, tolls, start time, end time, date, distance, et cetera.

Number two, we strongly suggest that the rule take advantage of having of toll charges automated via the meter, particularly given the mandate that every taxi be equipped with E-ZPass. We propose that the rule require that card readers be placed in the passenger compartment of the taxi. This placement ensures that the credit card doesn't leave the passenger's possession, reducing the possibility of fraud. It also eliminates the possibility of compromising the safety of the driver when a window must be opened for them to accept the credit card.

We propose that the ruling state at least two major credit cards are accepted for payment, rather than all major credit cards, as stated in what we looked at. This will allow merchants to
retain their competitive edge and their ability to negotiate with credit card companies for rates and fees, et cetera. I would like to add to that that towing companies are mandated to accept two and not all under the DOT mandates.

We recommend that there be uniformity of specifications to any rule. As has been the case with all other taxi equipment products, i.e., the voice reminders, taxi meters, et cetera. It has been our experience that when there is no uniformity in the specifications of such systems and hardware, drivers and passengers are never able to develop a sense of familiarity and comfortability with these systems. We are also aware that the success of the credit card program is dependent upon the drivers acceptance of and ability to use the system. Our experience has shown that the mandate should include driver training. Experience has taught us that once the driver is familiar with the ease of use of our system and understands how greatly the benefits outweigh any perceived disadvantages to credit card acceptance, they eagerly participate in the program.

As to the issue of passenger information monitors, Taxi Tronic has had a great deal of
success in providing new technology solutions and 
equipment to the New York City taxi industry. It 
has been our experience that the TLC will typically 
test or pilot new technologies prior to their 
approval, mandate or implementation. We would 
suggest that the same approach be taken with the 
passenger information monitor to define whether 
they, in fact, provide any benefit to the industry 
and riding public.

Given the recent termination of a rear 
monitor hardware pilot due to the lack of passengers 
enthusiasm, this approach would be more equitable 
and would not subject owners to the significant 
expense of installing these units should the program 
be terminated again. I would like once again to ask 
the Commission to refer to our prior written 
submittals for examples.

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We do have another registered speaker and 
I am sure there is going to be some questions, and I 
would like to defer to him. Mr. Amos Tomal is also 
here. He is a registered speaker, but since we are 
trying to speed things up.

CHAIRMAN DAUS: That would be great, 
thank you.
COMMISSIONER GIANNOLIS: I have a question. The rule that's before us and the rules that allow the meters, the credit card meters to begin with, they don't say that you have to have all credit cards.

CHAIRMAN DAUS: It says all major credit cards.

COMMISSIONER GIANNOLIS: Well, the rule that I am reading doesn't say that. It says must be capable of accepting major credit cards.

CHAIRMAN DAUS: I think that was the intent. And some of the comments including I think it was David Byers comments, had noted that there are DOT regulations that deal with various companies who are required to have at least two, thereby sparking the potential for competition between the companies vying for the vendor.

MR. SCHIOTIS: In addition to that, not every merchant can get a merchant account with every credit card company.

COMMISSIONER GIANNOLIS: What am I missing here? He is saying that the rule says all credit cards.

CHAIRMAN DAUS: That's correct.
COMMISSIONER WEINSHALL: The intent was all major credit cards.

CHAIRMAN DAUS: But we are hearing some comments from the industry, some of the written comments in particular pointed out that there are --

COMMISSIONER GIANNOULIS: So the changed rule does not say all; is that correct?

CHAIRMAN DAUS: We didn't change it.

COMMISSIONER GIANNOULIS: The rule that's in front of us.

CHAIRMAN DAUS: It does not say all. It's kind of vague but I believe the intent at the time was to allow all types of major credit cards to be mandated in the cabs. That was the intent when it was drafted. Some of the comments from the industry indicated that might not be the best thing.

COMMISSIONER GIANNOULIS: I happen to agree with that position, but that still doesn't answer my question.

The rule that is in front of us that we are going to vote on, hopefully, says that, and this relates to people who have credit cards in their cars right now, it says must be capable of accepting major credit cards. It doesn't say all major credit
cards. So if this gentleman or a driver has a machine that accepts only two credit cards, he is not in violation if I vote for this rule.

Is that correct?

CHAIRMAN DAUS: Peter, if Commissioner Giannoulis wants to effectuate what we just discussed --

COMMISSIONER GIANNOULIS: No, I just don't know the answer to the question.

You understand what I am saying, Counsel, right?

MR. MAZER: Yes. The rule says "must be capable of accepting major credit cards and debit cards as payment for fare." The question is, how does the Commission define major credit cards. That's a policy decision

COMMISSIONER GIANNOULIS: My question is: If this rule gets passed today, there are people who are driving in the streets right now with credit card machines, correct?

MR. MAZER: By this rule would become effective on November 1, 2005, so it wouldn't supersede any rule that is on the books today until November 5, 2005, at which time the Commission would
already have enacted specifications that are more specific.

COMMISSIONER GIANNOLIS: That's fine.

So people driving today would not be in violation?

COMMISSIONER WEINSHALL: No.

COMMISSIONER MICHELS: And the specifications will delineate the major credit cards.

CHAIRMAN DAUS: The specifications will address that issue outright, clearly, specifically.

COMMISSIONER GIANNOLIS: Thank you.

CHAIRMAN DAUS: Mr. Jae Choi.

MR. CHOI: I represent an organization called Easy Taxi that specializes in electronic payment and payment technology solutions for taxicabs. Upon reviewing the proposed mandate, I have the following comments for your consideration.

First, the proposed mandate unequivocally provides that the text messaging equipment and passenger information monitor equipment are subject to the approval by the Chairperson of TLC based on the specs as set forth in the proposed paragraph A of subdivision E of paragraph 3-03 and subdivision C of paragraph 3-07 respectively. However, no such
language is present for the equipment relating to
electronic payment, which leads me to form an
implausible belief that one did not obtain an
approval from TLC in supplying electronic payment
terminals to taxicabs. And it also begs the
question of whether there will be a separate rule
for such, especially if terminals are designed to be
permanently affixed inside the taxicabs or even
whether the terminals will be allowed or required to
be permanently installed in the taxicabs.

The second issue I would like to raise,
and this is an issue that we just touched upon. The
word "major" is not defined anywhere. Although we
have an idea of what a major credit card is, I think
there has to be a definitive definition for that
word. Also I would like to know, and I think
Chairperson Daus has addressed this, whether there
will be a certain minimum number of major credits
cards that need to be accepted.

CHAIRMAN DAUS: That is a valid point we
are going to look into that. Also DOT has done
something similar, so we will look at how they did

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MR. CHOI: In that regard, I guess I
would like to know if it will be allowed for one
taxicab to accept, for example, Visa and Master
Card, and another taxicab to accept only Master Card
or American Express and Discover, and whether that
is a good thing for the public. Because the public,
people may not have American Express. They may only
have Visa or Master Card. And when they get into a
cab, they are going to have to know whether this cab
accepts American Express or just Visa and Master
Card. These issues, I believe, need to be
addressed.

CHAIRMAN DAUS: No question. It is a
good point. It is an issue and as we move forward
with the specifications, we will have to balance the
interest of the riding public having access to major
credit cards and also balance that with the interest
of the drivers and the owners, making sure there is
enough competition to drive the cost down to a
reasonable level. But that's not something we are
looking at today, but, hopefully, as the
specifications are drafted next year.

MR. CHOI: Thank you.

CHAIRMAN DAUS: Thank you.
MR. CELERINO: Good afternoon, Commissioners. I am a driver since 1989. The 26 percent fare increase offered by TLC is reasonable, but it is not reasonable to wait eight years to do a job that New York City Rental Guidelines Board is doing every year since 1968 to keep the real estate market active.

It is not very active, TLC members here today seem to ignore the existence of Section 2304-B of the New York City Charter that authorizes the TLC Board of Commissioners to prescribe, revise and otherwise regulate reasonable rates of fare. But the general counsel of TLC, Mr. Peter Mazer is aware of this Section. Conspiracy is a felony, and I am willing to cooperate in any investigation to help my job.

I believe that the auction of the new medallions will be a rip off against new owners. Explanation upon request. Technology does not always work well for drivers and owners. Explanation upon request. TLC counsel members approve in 1990 a not in motion time of $12 an hour.
that then was already outdated. Today $12 an hour
not in motion time is criminal.

Why? Taxi drivers, in spite of TLC's
point of view, are still humans, entitled to work
safely behind the wheel eight-hour shifts. I have
no objection of the TLC's proposals of $129 for some
night shifts. This means $16.10 an hour. That plus
$2 an hour in gasoline will go to $18 an hour
operating costs. This means working and still
losing $6 an hour. The American dream in reverse.

Thank you.

This will cause more accident to recoup
money and more complaints from passengers invited to
leave the taxi in bad traffic conditions. If TLC
agrees to a minimum wage of $6 an hour, then not in
motion should be $24 an hour or 40 cents a minute,
which is lower than other cheaper cities in America.

Thank you again.

I can notice that the fare increase of
1996 came with 400 medallions that we, the industry,
didn't want. This fare increase comes with 900 more
medallions that we also don't want. Is there a new
modus operandi in TLC that every time they give a
late fare it has to come with more medallions to
hurt my job?
Please, keep the 50 cents nighttime surcharge. There should be a minimum charge per person, that should be taken into consideration in New York. Another thing, we don't want to lose passengers from JFK with this $49 proposal. The $35 should be stayed and $15 extra per passenger should be added.

Group rides should be back in both Laguardia and JFK for at least the price of the bus to Grand Central plus the subway.

Somebody contacted me today because this is person lost their license a few years ago because he did something wrong and he would like to take his license back. Maybe if you can give him an opportunity to go back in business, it's up to you.

Also, if you can take into the consideration the fact that new meters should be reprogrammable to any credit card processing companies to avoid monopoly. I thank you very much for your time.

CHAIRMAN DAUS: By the way, there is a process for someone who has lost their license to get it back. And they have to go before the Administrative Law Judge and I would make that decision, but they have to file a new application.
So I would urge you to do that.

MR. CELERINO: Thank you. I will tell that person.

Any questions, please?

CHAIRMAN DAUS: Thank you, Mr. Celerino.

Next speaker is Amos Baffour.

Erhan Tuncel.

MR. TUNCEL: Good afternoon, Commissioners, Chairman. I am honored to have the opportunity to speak before you. My name is Erhan Tuncel, I am an owner-driver. I am here to testify on behalf of all taxi drivers whether they own their medallion or lease them. I am asking you to approve the proposed 26 percent fare hike which is desperately needed by the taxi industry.

Eight long years have passed since the last one. This fare hike is necessary for us to keep up with the inflation of cost of being in the business and living in New York City. I have a couple of concerns about the proposed fare hike. It is said that 50 cents night surcharge will be in place with a dollar surcharge between the hours of 4 p.m. and 8 p.m.

I believe that's a good idea to add dollar surcharge for the evening rush hour. This
will be incentive to work between 4 p.m. and 8 p.m. even though the city traffic is at its worst between those hours. Most drivers will take breaks to change oil during the evening rush hour to avoid dealing with the traffic. Evening rush hour surcharge will make more cabs available for the riding public.

But you must know on the other hand, to give an incentive to work night the shift which has been historically proven to be more dangerous by eliminating the 50 cents night surcharge.

Since time is limited, I will skip a few issues that I have which I feel very obligated to speak about this next issue that concerns me very deeply, not only as a cab driver but as a New Yorker. The issue is illegal pickups. I realize at the beginning of the hearing you mentioned that enforcement will be increased. Within the past years, we are seeing more enforcement on illegal pickups. I commend you, Taxi and Limousine Commission, for increasing your effort.

But you must increase enforcement even more so to protect us, but more importantly, to protect the riding public. Illegal pickups going on in the city streets, the airports, in front of New
York City hotels. The New Yorker 34th and 8th, Grand Hyatt at 42nd and Lex, Roosevelt at 45th and Madison, just to name a few. The front of these hotels are always crowded with town cars who are bribing the doormen to lure naive unsuspecting tourists into taking very expensive rides to the airports in uninsured, unsafe cars with drivers that they have no way of identifying. These illegal cabs and taxis also cause excessive traffic delays and backups by parking in no standing zones, therefore, taking up a space needed for pick up or discharge of the passengers who are staying at these hotels.

Also at the airports more cooperation is needed from the Port Authority Police Department with regard to illegal drivers. These drivers are soliciting rides out in the open in front of everybody's eyes. They will ask the public if they need a taxi, even when the police officers, yellow taxi drivers and the yellow taxi dispatchers are present and can hear the whole conversation. Yellow cab drivers are not permitted by law to solicit a ride if they are not seated in their cabs. All PAPD has to do is apply the same law to all drivers and this problem would be solved 100 percent.

When I attended taxi academy six years
ago, I remember the instructor telling me that I will be the Ambassador of New York City. We, the cab drivers, do our part serving the tourists who come to our wonderful city by providing them a fair, safe and often enjoyable ride to their destinations. Our Mayor and Governor spend millions of our tax dollars to promote tourism through our media and advertisements all over the world and United States. New York City's economy heavily depends on tourism. How can we let these greedy drivers and doormen undermine our collective effort?

Within a tourist visits New York City, the first and the last person they will speak to is most likely to be an illegal driver or a greedy doorman at a New York City hotel. These doormen are trusted by tourists for directions, recommendations for activities, restaurants and transportation. They take advantage of this trust by luring the tourist into taking a ride with town cars to airports. The tourists are overcharged by these illegal drivers, jobs are taken away from hard-working, honest yellow cab drivers. I wish I had time to tell you some of the horror stories I have heard from the passengers of
these vehicles. Taxi and Limousine Commission

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started the flat rate from JFK into Manhattan to
protect tourists from greedy yellow cab drivers. I
think it was a great idea.

I have just a minute left, please.

CHAIRMAN DAUS: If you could sum up.

MR. TUNCNEL: Yes.

Now you must do more by eradicating this
illegal activity from our streets and airports to
protect the tourists, whether they are coming to our
wonderful city or leaving it. Tourists getting
ripped off by greedy doormen and illegal drivers
after having a marvelous time in our city is like
having a bad cup of coffee after an excellent meal
at the restaurant, you only remember how bad the
coffee was.

People who visit New York City should
leave with joyful memories so that they want to come
back and tell their friends how awesome our city
was. We are depending on you and we are counting on
you. Thank you very much.

CHAIRMAN DAUS: Thank you, Mr. Tuncel.

I appreciate your comments.

COMMISSIONER RUBINSTEIN: Just briefly,
I commend the driver for bringing up this issue.

This has been a pet peeve of mine for a long time, I go to an airport and all of a sudden some guy is basically corralling people into a town car. I have been the victim of it, I have seen it, and I would like to say I am on your side. We are doing everything, I think, possible to end this.

I don't feel that drivers circling around when it's raining in the 80s or 90s on the east side, picking up people as they are standing, not even knowing who these people are. I myself flagged down a police officer with a town car that looked like it was falling apart to find out that this was a driver who had no insurance and just had a person in the back seat ready to go who knows where. So I commend the driver for bringing up this issue.

CHAIRMAN DAUS: Thank you.

Next speaker is Joseph Morrone. And the next three speakers are Tahiru Ali, Juan Perez and Alexander Dale.

MR. MARRONE: Thank you and good afternoon. I am an owner-driver, I have had my hack loans for over 36 years.

I commend the Commission on the proposal
4 to 8 p.m. surcharge. I believe, however, that it should also be in effect from 7 to 10 a.m. weekday mornings as this is also a peak demand period and,

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therefore, time when much illegal street hail pickup activity occurs.

To those speaking against the implementation of this proposal, I ask you to consider the fact that it was proposed 17 years ago, and if put in place then, we probably would not have as big a problem as we have today with illegal pickups. I think therefore that for the long term health of the medallion taxi industry as a whole, rush hour surcharges should be in place.

Regarding the waiting time, the fact that it has remained stagnant at $12 per hour for 14 years is unconscionable. Especially in light of traffic conditions that have worsened. Whether an owner-driver or lessee, about half of our income is for expenses. We are therefore close to minimum wage when the meter is in waiting time mode. While I do not want to see this fare increase delayed any further than it has been, and I would not want to see other components of the fare structure proposal lowered, I think at least some increase in waiting
time is warranted.

Now I think some years ago the Consumer Affairs wanted the industry on the rate and calendar door to put the waiting time in terms of a minute

regardless what the unit is. So currently I think it says 20 cents per minute, although the unit is 30 cents. With that in mind, a small increase from 20 to 25 cents per minute which creates the $15 per hour would go a long way towards making for a more relaxed, thus a more likely safer driver, while increasing the average fare 25 cents and a few percentage points, most fares would increase less because the majority of fares are below the average.

At 25 cents per minute, the proposed 40 cent unit would change every 96 seconds, which currently changes every 90 seconds, and when the vehicle is stopped or going less than 7.5 miles per hour, currently 8 miles per hour. I mailed this information last week to the Commission. I don't know if you have received it or not, those comments. And especially in light of the increase in gas prices, I think a couple more percent on this fare increase is warranted, especially the waiting time.

One would think that if the TLC wants to
retain experienced drivers, it would review the fare every couple of years. Let's hope this is the case in the future.

Regarding Mr. Rogoff's and Mr. Mateo's comments about the borough work and racial issues, I have heard this for over 30 years I have been in the industry. I don't see any yellow cabs cruising Little Neck, Queens, I don't see them cruising Staten Island. We work where the business is. I work in Brooklyn, why I would subject myself to fighting the traffic coming and going into Manhattan every day? We have to maximize our income, therefore, we work in the central business district.

Now a lot of the literature I saw in the Papers and all said the average fare would go from 6.85 to 8.45. That's $1.60 difference which calculates 23.3 percent, not 26 percent. Although in the literature today I saw, I think it is 8.65 it would go to, the average fare. So I don't want to nitpick or hold up anything, I know it's a long day for everyone, but I've seen 2.8 miles calculated, I've seen 2.6 miles, I've seen 5 minutes of waiting time, I've seen 4.77 minutes of waiting time. The waiting time in this new average fare, if you take 5
minutes at 40 cents every two minutes, is only going
to click 80 cents. Now it clicks 90 cents. On the
average ride in the waiting time, it's actually
going down.

So I don't think -- I know unfortunately
too much is political in this industry, but we
deserve that couple more percent minimal to make it
$15 an hour waiting. Although, ideally, it should
be more but I think the public and everyone could
live with an extra quarter. Thank you.

CHAIRMAN DAUS: Thank you.

Mr. Tahiru Ali?

Mr. Juan Perez?

Alexander Dale?

Jamie Encalada?

Hyman Krauss.

MR. KRAUSS: Yes.

CHAIRMAN DAUS: The next three speakers, by the way, are Tarig Baig, Sha and Schechter

Chowdhery.

MR. KRAUSS: I want to thank the

Commission for considering the raise that we so

strongly need but I am going to make it very quick,

I don't think I will even be speaking three minutes,
I just want to bring up a couple of points. Some have been brought up but I want to rehash it and emphasize the need.

The 50 cent surcharge now in place from 8:00 to 6:00 at night should definitely stay in place, if for no other reason, it gives an incentive for the night driver to continue to work these hours. Statistics show that as the night progresses, I know from my standpoint, after 10:00 at night, you have to hustle to get a fare. I am driving a cab now for 34 years, I only have a five-digit hack number. I have been driving a long time.

CHAIRMAN DAUS: Do you own your own cab?

MR. KRAUSS: I used to own my own cab. I sold it in '84 and for the rest of the time I have been driving a black car. I had to give that up for health reasons because my wife is very ill, so I gave the radio up. I am leasing the radio without the car and I am driving a fleet now, leasing part-time, three days a week.

And I know that business is not like it was 30 years ago, particularly at night. Except for Friday and Saturday, after 11 o'clock, it's all
over. So the night driver typically goes out at 5:00, he is leasing the car for 12 hours but there isn't 12 hours work out there, he has to make as much as he can by midnight, because after midnight it's all over. So the very minimum is we should keep that 50 cent surcharge out there so he can make that extra income between 8:00 and 6:00. Those are graveyard hours. They are very dangerous. They go to very dangerous neighborhoods.

The type of clientele, you know, the people you pick up after 2 o'clock in the morning on a Friday night, I don't have to tell you what goes on after 2 o'clock in the morning on a Friday night. They are jumping on top of cars, they don't even let you gas up to get the gas. You have all kinds of characters that we have to deal with it. I even go a step further and I think that the 50 cent surcharge should be 24 hours on the weekends, Saturday and Sundays.

This will help not only the cab drivers, but especially on the day shift, it will help the fleet owners and the fleet drivers. Because they have a lot of trouble getting drivers to work Saturday day shift and Sunday day shift. The night
shift, there is not much of a problem, but the day
shift is typical, I go to the garage I see 50 cabs
on the street. 50 cabs that they are not getting
out.

CHAIRMAN DAUS: So it is your opinion
that with the surcharge --

MR. KRAUSS: It will help to get more
drivers to work the weekends. They cannot get the
cabs out on the weekends during the day shift.

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CHAIRMAN DAUS: In your opinion, they
have less drivers --

MR. KRAUSS: They will have more drivers
to work the day shift on Saturday and Sunday with
the 50 cent surcharge being included. The 50 cent
surcharge should be in effect Saturday and Sunday,
24 hours.

Another thing I want to point out very
quickly. I am sure you are aware that the black car
industry charges people to make extra stops, some of
which are excessive. If you go off route, it's $8
stop, en route it's $5.00 a stop. Now it is known
that the black car industry, the car service
industry in the outer boroughs, if you are making
more than one stop, they are charging you extra for
the stop. Now I don't think the stop should be excessive, I think it should be fair.

I come across very often when I am working, especially in the rush hours and I get people in the cab, we are making two stops, we are making three stops. This is 4 o'clock in the afternoon, you are dropping the people off. And that poor person on a rainy day that is waiting on the street for a taxi has to be told -- you can't avoid going on. You take the people where they want to go, but the fact is when we make an extra stop and that person is waiting to get into the cab, we are losing the $2 drop on the meter.

Now what I am suggesting, and I don't know whether it could be done now but it should be definitely considered sometime in the future, that When you make extra stops, particularly in the rush hours with people, the driver should get at least the $2 drop or whatever the drop being on that meter to continue on with the trip. Now I will explain the math. Officially tipping isn't required, it's a luxury. But realistically speaking, when you are losing that extra drop when a person makes a stop in the rush hour, you are not just losing the extra
drop, you are losing the extra potential tip, too.
But that doesn't count because you can't assume
tips, but you can assume the drop. When you make
stops in a rush hour, I think we should be getting
the drop on the meter.
I would like to bring out that I think
all cabs eventually in the future should be the
large cabs, the Odyssey or whatever those vans are.

CHAIRMAN DAUS: The Siena.
MR. KRAUSS: Right.
The reason I say that -- just one more

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minute.

CHAIRMAN DAUS: I need you to sum up, if
you could. You made some very, very good points.
MR. KRAUSS: We have partitions in the
car for a purpose, for the safety of the driver.
Very, very important.

Now if you have somebody sitting in the
front seat with the driver, the purpose of that
partition is wiped out because that fourth person
that is in the driver's seat could be that person
that has .357 magnum to point at your head, okay.
So with these larger cabs that could hold four or
five passengers behind the driver would make it
unnecessary for the cab driver to have that
passenger sitting in the front seat.

CHAIRMAN DAUS: That is something that
is in our rules. We will take that into
consideration.

MR. KRAUSS: I think all the cabs, not
just 10 percent, 100 percent of the fleet.

CHAIRMAN DAUS: You made some very good
points, but we do, in the interest of time, have
other speakers.

MR. KRAUSS: Again, I thank all you
people and the City Council and Mayor Bloomberg for

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considering this increase.

CHAIRMAN DAUS: Thank you, Mr. Krauss.

Tarig Baig is the next speaker and the
next three speakers are Sha, Schechtor Chowdhery and
Linda Rosado.

MR. BAIG: Good afternoon, Chairman and
Commissioners. If someone in this meeting wants to
take example of being a New York City driver, I am
the good example. Let me tell you why.

I have been driving cab since 1996. Two
months ago I had accident, I fell in snow and I
broke my arm. You can see it. In these two months,
I do not have any compensation cover me because I did not fell on the cab or I wasn't hurt because I was driving a cab, because I fell in front of my door. I went to the unemployment, they couldn't verify my job. They say unable to verify your job so we cannot pay you any unemployment. I pay my taxes every year.

But the other reason I want to make one more point good example of me, right now if any volunteer wants to search my pocket, you can see it, I do not have a penny in pocket. I want to thank my friend who buy me a $7 Metrocard to get here to speak up. If any volunteer want to come up here and

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wants to search my wallet, you can search my wallet and you can take my one ATM card and you can try it. It won't work, I will guarantee you.

I know the garage people and brokers, they are talking about the lease increase. I guess that they should get their fair share with us, but first I want the garage people to look at their cabs. They have to look at the cabs that they are providing as a service to drivers. They are the dirtiest cabs the garage provides to the drivers. There is no brakes fixed. They have a problem with
the engine all the time. They have problem with the
air-condition all time. They also have a problem
with the alignment and other stuff. You see the
cabs are broken all the time on the streets.

Another thing about the brokers who lease
the medallion, okay, if I buy the car and i lease a
medallion, anything happen on the street, I lost the
time. Whether it is one day, two hours or one
minute, I don't gate paid for. I don't got
reimbursed from broker or anybody. When I have any
emergency, they don't pay me for anything, not even
a penny. Two months ago I had a problem, I hit the
pole in the snow and I broke my car. It cost me
$2,000 to fix it. When I got the car, the broker
clearly told me, "If you pay $50 extra every week,
we reimburse you. Any damage to car, we fix your
car." So I went to the broker, and the broker told
me, "I'm sorry, this is not the case. What is
covered is if someone hits you and then we make a
claim on behalf of you and then we get you money
from the other driver. We cannot get you money from
the pole. So we are sorry for that."

The brokers are misinforming the drivers
whenever they sign the lease. You have to be lawyer
or paralegal to understand the lease. They don't
tell you to read this. They just tell you "Sign by
the X." The driver signs by the X because they need
to work. They want to go to work right away and
make some money.

The other point about the illegal pickup
in front of hotels, that's a good issue he brought
up. Thank you for him, I am not going to talk about
this issue anymore.

Other thing is group riding to airport.
I guess this should be considerable. And other
issue is night surcharge. This is a good idea to
keep it there. And waiting time should be 40 cents
every 90 seconds, not every 120 seconds. And the
big issue because every issue is a big issue for the

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drivers, is the lease increase. We want to get some
fair share for the brokers and the garage people,
but not 50/50. It should be considerable at 15 and
85, because they already have a monopoly, they
already are charging the too high leases to the
drivers. You have to work your butt off to make
even New York City living standards. Thank you very
much.

CHAIRMAN DAUS: Commissioner Giannoulis?
COMMISSIONER GIANNOULIS: Are you a member of any organization?

MR. BAIG: I am not the member. I just want to thank the New York Taxi Workers Alliance. She just found out two weeks ago. I am unemployed for two months and nobody is there to help me and she just gave me a volunteer job to do something to pay me some money.

COMMISSIONER GIANNOULIS: I am sympathetic to your issues, and I don't want to waste time here, but I have been on this Commission for a few years, I constantly hear drivers come in here and trash fleet owners and brokers, really personal, nasty stuff. I have yet to hear in three years the other side of the industry come in and say that drivers are criminals or they don't have their licenses or they stole my money or they left my cab dirty.

I had this conversation with somebody from the group yesterday, the dialogue would be a lot more productive if it was a lot less personal and more to the point. Because, me personally, I am not interested in that kind of dialogue. This isn't a question, it's my comment. I think in the future
it would be a lot more productive if you do not
attack people personally and get into bad guys and
good guys. Let's just stay on the substance.

MR. BAIG: Okay.

COMMISSIONER MICHELS: Mr. Baig, could you return, please?

MR. BAIG: Yes.

COMMISSIONER MICHELS: I have been waiting for somebody like you to come up and testify because I think, and I don't know the answer to it, but I think there should be something, some unemployment benefits, health benefits. Something has to be done in this industry if we are going to get drivers and we are going to get people who are responsible, we need somebody to create a better atmosphere for the worker.

CHAIRMAN DAUS: Do you know about our

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health insurance program?

MR. BAIG: We need the people --

CHAIRMAN DAUS: Have you applied for the

Health Stat Program?

MR. BAIG: No.

CHAIRMAN DAUS: If you see Alan Fromberg in the back of the room, he is standing there with
the gray suit, he will go over the application with
you now. You may qualify, and if that is the case,
you will have your health insurance.

MR. BAIG: Whatever we pay the lease, it
should cover it. It should pay the Social Security
and the Medicare and other stuff.

CHAIRMAN DAUS: We understand your point
and we all feel the same way. I think we all agree
we are doing everything we can to maintain the
drivers' autonomy and independence, but also to do
what we can to sign them up for the city health
program.

I tend to agree with Commissioner
Giannoulis, a lot of time drivers come here, and
this has nothing to do with you, they complain that
this fleet owner did this to me. And there is a
process and we have actually chased after those
drivers after the meeting and asked them to file
complaints on the 8th floor, and they refuse to do
it. So it works both ways. I really think that if
there is some abuse going on out there, we have a
process here to deal with that. I am not saying
anything against you personally, but I agree with
Commissioner Giannoulis, I don't really ever see the
fleet owners coming in here and the owners of the
lease management companies complaining about
drivers. In fact, all I do is get letters
commending them. That's their work force, they do
care about them.

Commissioner Michels brings up some good
points, the city is doing a lot to help drivers not
only with a liveable wage, but we have signed up
5,000 drivers who now have health insurance thanks
to the Governor and the Mayor and the program they
put into place. We, working with the Mayor's
office, signed those people up. They now have their
health insurance.

COMMISSIONER MICHELS: It seems to me
that we could do more to make sure the drivers like
this gentleman here know about that program. I am
not saying we are not doing it. What I am trying
to say is it doesn't have anything to do with you.
I don't disagree with anything you said here. But I

think the industry will be healthier if we have a
force out there of drivers who are receiving all of
these benefits. I think it's so important that
these workers, and I think it would be good for the
industry, for both the drivers and the owners, and
good for the City of New York to have a force of
drivers out there who do have unemployment
insurance, have health insurance, pension benefits
and Social Security. I don't know how we go about
it, but I think that is the end we should be
seeking.

CHAIRMAN DAUS: Stanley, I think you
just made the case for a living wage, and I would
support that.

COMMISSIONER MICHELS: Not if they don't
provide those benefits. We need living wage and
those benefits.

CHAIRMAN DAUS: Thank you, sir. Hope
your arm is feeling better.

The next speaker is Sha. The next three
speakers are Schechter Chowdhery, Linda Rosado and
Clifford Adler.

MR. SHA: Good afternoon, Chairperson,
Commissioners, ladies and gentlemen, media. Thank
you very much.

First of all, I came from that house
where I have no objection to take oath in the public
hearing. And I think Ms. Rice will listen to me
now. I am talking about Condaleeza Rice.
The second thing I want to comment, thank you very much, Mr. Speaker, when you were talking to the particular Chairperson, you mention one word, "respect." That's the whole thing being a driver that I need from you, sir. You just let me know how can I be more productive for the city, I will obey you. I am using the word "obey" intentionally because that's what I want to do because I choose this land to be my adopted mother land, and I have to do more than other people who are born over here to show me that I am a good human.

I have the same pain for the Harlem guy and I have the same pain for the poor guy in Iraq. So, gentlemen, when I arrive over here, I have no support of my father over here because I don't have any home over year. But I start from the scratch and I try to be a nice gentleman in the society. But when I become a driver, I am concerned with the family of the driver. And they told you when I come to the TLC course, any reason. I feel that what I need from them, respect.
your problem and we are going to listen to you. Not to call you terrorist like Guillain. So this is a change which I welcome, and I welcome my Speaker and my City Council, the first time in 50 years or whatever years, they accepted any driver opinion in their consult, I think if I am not wrong, and I welcome that.

Most of the things which senior drivers and people with the industry, they are talking about the new industry. I am the old man, I am talking about as a driver, think about me first, please. I am not going to be flying and I am not piloting F-16. Let me know how can I go to Adams Street and John Street or something. Think about that way. Spend more money on how can I get incentive. At JFK Kennedy Airport, after the bribes when I pick somebody and there is a beautiful girl, "Are you going to city, too? Okay, you can share the cab." I take them from JFK, then I drop them 63rd Street. Another lady told me, "Take me to 72nd Street," and she pay me $3.00. I pick them from JFK. Think about it this way. Give me some incentive so that I can feel good that I am picking somebody.

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One point which I want to clear with you,
sir, City of New York and anybody who touch this
land, he or she is not a chief. They want to show
their humanity. You know why I can live on this $12
an hour you talk about before, because of the
generosity of the people. They give us their money,
$1, $2, 50 cents, I still remember the grandma, she
had only quarter, because she is born in 1930, at
that time quarter was good. And she gave me the
quarter tip, but she said, "God bless you." I want
to say thank you to that grandma, too, at this
moment.

And that is the same thing I want to ask
you. We have a new government. He is talking about
the nice things, he is accepting ideas. You were
chairperson, you were the last government and you
know what you did with us. I remember. I remember
that woman, and I will never forget. We may forgive
them. But, please, for you special, that's on the
record. Do something which we will feel that you
are thinking about us. You are not thinking about
the machinery, we are human, we have the families.

CHAIRMAN DAUS: Sir, are you in favor of
our proposals? Are you suggesting anything
MR. SHA: After my discussion, if you don't understand, sir, with all respect, what I need, incentive. Taking the $1 out, that is not incentive. This is very simple. I have to fight and I want to ask you, please, like the other guy told you, the guy who hustles, he will go down inside the airport terminal. Please. I know my time is up, I see the red light, but this is all my thing and it is under oath. I have no objection. Thank very much for your time.

CHAIRMAN DAUS: Thank you, have a good day.

Next speaker -- I'm sorry, Commissioner Rubinstein?

COMMISSIONER RUBINSTEIN: If the driver could come back for a moment. I vehemently and strongly object to your reference that Mayor Guillain considered you and other drivers terrorists. I think that's a real statement to make. And I want to tell you that's incorrect, never was true and never is true. I just want to state that for the record.

MR. SHA: Thank you very much for your kindness and your truthfulness.
CHAIRMAN DAUS: I would like to concur with that statement. Also everybody keeps mentioning Diane McKechnie's name. Even though I was counsel, I fully support every single thing she did when it came to reforming the industry that day in '98. Maybe one or two things I disagreed with, but I think, looking back, even though we had our issues and we dealt with the Council afterwards, Noach and Speaker Vallone, I think we ended up with a good middle ground.

I think that the industry has been made better because of that and I would ask people to stop making references about Diane McKechnie. I know it is your right to do it. When you make reference to me, I was counsel, but I do support what she did. I believe that Mayor Guilliani had the best of intentions and I never heard him say what you say that he said. He did not say that and he cared about the drivers, just as this Mayor does as well as the City Council does. Everybody wants to do the right thing.

Talking about what happened five or six years ago, while I respect your opinion I strongly disagree with it, and we need to move forward.

MR. SHA: If you give me 30 seconds,
because you talk to me.

CHAIRMAN DAUS: Fine.

MR. SHA: Gentleman, young man and handsome guy, you know why I am talking to you? Because I think we are here to serve the city, and you have a long way to go and maybe many successes waiting for you. Thank God we are in this democratic country. But still we have the law. Why we are talking openly in this public hearing is because you know that when you make some wrong thing and you are bad. You don't need to please your Mayor. You are public servant. That is the difference.

CHAIRMAN DAUS: I am not saying it for that reason. I really think that things were made better. The drug testing, the point system, I think those things were good.

Now is everything that we did when Diane was here good? Not necessarily, there were some mistakes that we made, but for the most part, I think the industry is better. I would just appreciate it because you are not the first person to make this comment, that we move on. We have a tremendous future ahead of us. And we have a lot of speakers, by the way, so we need to move on.
MR. SHA: Commissioner, it is not personal. We just want to tell this public that we respect the public servant, not the servant of the Mayor.

CHAIRMAN DAUS: We are all public servants and we thank you for that comment.

Schechter Chowdhery. Next three speakers are Linda Rosado, Clifford Adler and Michael Levine.

MR. CHOWDHERY: Good afternoon. My name is Schechter Chowdhery, I wear two hats, I am a taxi broker and an owner of a limousine company.

The reason I am here is to congratulate you on the initiative you have taken on the technology side, but I believe that you need to go about it slowly. And also the first point which I believe you need to handle is write up the specs in a very clear way exactly what you want to achieve. The reason I am saying that is the black car industry is quite familiar with it and has been doing all these things for a long time and we understand how challenging a job it is. I have been working on a product for my company for the last two years.

CHAIRMAN DAUS: What's the name of your company?
MR. CHOWDHERY: Elite Limousine. I have been doing it for about two years and I have about 60 units on a pilot run being tested with GPS, with credit cards and the LCD display. I believe it has been a challenging job but the technology is there, the prices are there. It can be done but you need to sit and specifically specify the product before we start making it, before we can pilot.

CHAIRMAN DAUS: Are you an independent contractor or are you an employee of Elite Limousine?

MR. CHOWDHERY: I am president.

CHAIRMAN DAUS: And you developed this software and this technology?

MR. CHOWDHERY: Yes, we have dispatching software with the electronic debit card, you can read very easily. I believe that is a great idea, it will relieve unnecessary work on the TLC and the drivers to communicate lost items. This is a great ideas but we need to spec it out properly. That's all I am saying.

CHAIRMAN DAUS: Thank you, sir.

COMMISSIONER GIANNELIS: Sir, it might be helpful, I know you are busy, but we would all appreciate it if you take some time to write down
some of these ideas that you have and some of these experiences that you have with the technology and share it with us. It would be helpful.

MR. CHOWDHERY:  Sure, thank you, I will do it.

CHAIRMAN DAUS:  Linda Rosado?

Clifford Adler?

Michael Levine?

Next three speakers are Leon Attschuler, Asrad Zamon and Jahangeer Allan.

MR. LEVINE:  Ladies and gentlemen, my name is Michael Levine, I am vice president of Ronard Leasing Taxi Fleet. I am also vice president of the Committee for Taxi Safety. But the comments I make here are my own and nobody elses. I speak for myself, and it used to be this side of the room that would breathe a sigh of relief at that, but now it's this side of the room.

I am basically here to speak about technology issues, as most of you know, I have been testing a lot of them over the past couple of years so I probably have more experience with them than anybody else and I can give you some practical answers as to some of the questions that have been
asked up here. I first want to address some quick

questions to some of the other issues, though.
There was a lot of talk about the lease cap, I think
most people don't realize that if you don't raise
the lease cap at some point, even though the drivers
are making more money, the product that goes out on
the street is going to be worse. If you take a
restaurant and average all the prices in the
restaurant industry and say we will take an average
meal price and go up 15 percent from that and that's
what a restaurant can charge, you are going to go
Peter Lugers and get a Happy Meal, and that's not
going to make anybody happy.

Also some of those organizations that
claim that owners don't really need a fare increase,
I encourage you, please come, lease all of my
medallions from me, go buy cars and see what the
costs actually are running a fleet. And you will
know that while we understand what the drivers'
problems are, you need to take a look and see what
the fleet owners' problems are as well. That being
said, let's move on to technology.

I was working with my daughter a couple
of nights ago and she had that project that
everyone's kid gets at some point where you have to
make a volcano. And the sheet said, "Build a

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volcano, put this in," and so we did. But it didn't
give us any specifications and so what happened is
we wound up with Bart Simpson with a hole in his
head and he breathed fire out of his nose, which was
really innovative and it looked great, but it
wasn't, I don't think, what they imagined to begin
it. I think that is a lot of the problem that we
are going to have with the specs here, there really
are no specs. We have to go back and see what the
problems of the usage were with the test project in
order to answer what we need to do going forward.

Mr. Diaz mentioned, I am just going to
try to answer some questions and comments from
people before. Mr. Diaz mentioned that only 13
percent of transactions are viable. I don't know
where he got that number from, but empirically we
have seen that over 90 percent of the transactions
are viable. And we set up a system whereby if the
communications in the car doesn't work, a driver can
call in with his telephone, give us the numbers and
we run it through our computer right away, which
adds another 5 percent to the viability. So right
now it is about 95 percent viable. And the others, we have had very few fraudulent credit card issues. We have had very few situations where when the credit card didn't work, driver didn't get cash.

Although the biggest complaint that we have had from drivers is that on a long fare, when you are going out to Westchester or Jersey where the communications aren't going to work, we need to have some ability to pre-approve a credit card because a driver will take a flat fare for like $60, and they get to the destination and the guy will swipe his credit card, and whether he knows or not, or whether the communications don't work, the card doesn't work for some reason and now they are stuck.

If the guy is at the airport, he should be able to pre-approve the credit card, show that there is money on there, and then take him to his destination. Because if the guy doesn't have cash in his pocket, you are going to have a fight at the other end of the trip. That's the biggest problem that we have had overall.

The actual cost of the system if you have to buy a new meter and put the whole thing in including the GPS, right now is somewhere around...
$1,200. The GPS we have just begun testing, it is probably $1,200, somewhere in that range. That is not including the screen in the back seat, although it was very interesting to me that when

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they were testing the pilot program for the screens in the back seat, the companies were offering us $100 apiece to put them in the back of our car, and now they are telling us that it is going to cost us $2,500 to put in the back of car. So I don't know what's going on with that.

But it's about $1,300, including the GPS which we are just beginning to test now.
The problem is everybody who has GPS in their car knows that some places in Manhattan, GPS works, and some places it doesn't. And somebody mentioned earlier some systems to enhance the GPS, and I think one of the systems that Taxi Tronic had talked to me about is you could by a gyroscope in your car which tells you which direction you are going, and if you are hooked into the meter, the meter is hooked into the transmission cable and it can tell you how fast the car is going. So you can basically estimate from that between hits of the GPS where the car is going.
What problems have we seen so far? We have had no communication problems, but like I said, we can call into the garage. Many drivers have asked in addition to pre-approval, for a minimum fare for usage. I haven't seen too many trips under

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$10, but there are some where somebody gets in the car, gets a $4 fare and pulls out a credit card. And when there is a 30 cent transaction fee on top of the percentage the driver is paying, it gets expensive on a $4 fare. I think if we make like a $10 minimum fare and with the fare increase, that should satisfy most of the trips so we really shouldn't have too many issues with that.

Installation and cost issues, I think part of the problem people have with the proposal is the time frame doesn't allow for retirement of vehicles. So, for instance, if it costs me $250 to install a new meter, even if I already own it, I have to now install a new meter and then when I retire my vehicle I have to install a meter again to put in the new vehicle.

I have a couple of other quick things if you want me to go through it, otherwise --

COMMISSIONER WEINSHALL: If you could
start to summarize, that would be great.

MR. LEVINE: What we are asking for is
to somehow (A) wait until there is more than one
vendor in the market before you require it so that
costs will go down by market issues. And (B) do it
on a retirement basis. When I retire my vehicle, I

have to put a new system it, maybe put a date
somewhere along the line where everybody has to have
it beyond that.

GPS and trip cards, that was a pipe dream
of mine. I know I spoke to some of your staff about
it, and I should learn to keep my mouth shut because
here it is. The bottom line is we are beginning to
test it now, we are just beginning the GPS portion
of it. We haven't even started to test the trip
card portion of it. There is some great advantage
to it, stolen vehicles you get back. We have
already gotten one back with GPS. Safer cars, you
can hook the GPS into your trouble light system, you
will know where your driver is instead of having a
little light beeping on and off that nobody looks.
And you've got future programs such as the automated
trip cards. The automated trip cards are great too.

The reliability of the data people have
complained about where you don't know exactly where
the GPS is. Well, how reliable are the trip cards
that we get now? Most people don't even fill in one
line. Some fill in one line and don't fill in the
others. If you look at the back, there are like 34
trips listed on the front, 8 trips listed on the
back. So the reliability of data has to be better

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than what we have now.

What else? No storage of trip cards, no
more phantom accidents. You can actually tell where
the vehicle is. Someone can't say, "This car hit my
car." No more improper drivers. The driver swipes
to get in the car. It is not like they can give it
out to their friend who doesn't even have a hack
license.

That's pretty much it.

COMMISSIONER WEINSHALL: Thank you, Mr.
Levine. Any questions?

COMMISSIONER MICHELS: One question. As
a backup, is there any problem with a driver having
hand processing credit cards? You call to see if
the card is good and then you hand process?

MR. LEVINE: From my standpoint, the
only problem is if you are going to call to see if
the card is good, you don't need a hand processor.

COMMISSIONER MICHELS: You have to give them a receipt.

MR. LEVINE: That comes out of the meter from my system. Different systems have different --
my system, they swipe the card, the meter actually prints out something for them to sign and also will print them out a receipt.

COMMISSIONER MICHELS: If that doesn't work, you normally use a hand processor.

MR. LEVINE: If that doesn't work, the meter didn't work, in which case, you know what I am saying? From my standpoint, it doesn't make a difference because I don't need it. Some of the other systems you might. That would be a TLC issue more than anything else.

COMMISSIONER WEINSHALL: Mr. Levine, how many of your cars have credit card capability?

MR. LEVINE: I've got 292 in the fleet, I would say there is about 25 of those that don't.

COMMISSIONER WEINSHALL: So the majority of them do.

MR. LEVINE: Yes.

COMMISSIONER GIANNØULIS: Can I ask a
question. Do you own a product?

MR. LEVINE: No, I am not hawking a product. I bought the product, I paid for it. I thought it was a good idea to have in my cabs.

COMMISSIONER GIANNOULIS: Does the product have a name?

MR. LEVINE: I am using the Taxi Tronic product.

COMMISSIONER WEINSHALL: Thank you.

COMMISSIONER MICHELS: We will be able to get the information from them as to the results of his own pilot project?

MR. LEVINE: My office is always open. Like I said, your staff has been there. I can show anybody through the entire system, how it works.

COMMISSIONER WEINSHALL: I have been down there. I am sure that Mr. Levine would be happy if any other Commissioners want to come down.

MR. LEVINE: Even if guys are having a meeting, I think Amos has mobile system, if I am correct.

COMMISSIONER MICHELS: It would be good to have a report from him as to how the system works.
MR. LEVINE: Or we could bring a mobile system and actually show you on the computer at one of your meetings how it works.

COMMISSIONER WEINSHALL: Maybe at the next meeting, Mr. Levine.

COMMISSIONER MICHELS: Thank you.

COMMISSIONER WEINSHALL: Leon Altschuler?

Asrad Zamon?

MR. ZAMON: Most of the thing I was going to talk is already covered. I would just like to say we are asked to come to office, parents go to make money, children go to the school where they might have exam. So right now at 9 o'clock we are asked to come the office, evening at 5 o'clock, we go back to home, or maybe go to restaurant or go to theater. So if $1 increase in rush hour in the afternoon, so $1 increase should be happening in the morning rush hour too.

So now you can ask me a question that is it because of shifting time? You add another 2,000 cabs in the morning and another 2,000 cabs in the afternoon. You will see the same thing, people hailing for the cab. And another thing, I have been
driving since 1989 and one thing is always a problem
is multiple stop. I didn't like it at all.
Sometimes people say go from there place to all the
way west to east, east to west, 5 o'clock, 6
o'clock, and they don't care. I don't mind if you
include at least $1 for every multiple stop, so I am
making some money at least. It is not making money,
it's getting in my head, it is not making money.

And, finally, while you are talking about
solving the problem with rush hours, you are
creating another problem by sticking another meter

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in the cab, another credit card in the cab, credit
card technology in the cab. When other guy is
waiting rush to get in cab, somebody says, "Let me
sign the credit card," so this is another problem
for 3, 4, 5, $10. And when that fare is going to
increase, you will see a lot of $8, $9 customers.
So if we have to keep signing, it's going to create
another problem. It will happen that by installing
this we are not helping the rush hour, but instead
of that, we are making problem for it. That's all
of my comments.

CHAIRMAN DAUS: The next speaker is
Jahangeer Allan and after Mr. Allan, we have Oscar
MR. ALLAN: Thank you very much. I want to talk lot, but I know I have only five minutes time so I want to come to basics.

You know, TLC, all the newspaper and everything I know, but I will only say there is two kinds of driver, day driver and the evening driver. So I am the evening driver, I live in Queens.

Normally I walk to my garage, so when I am coming to the garage it's 5:30. Then I am checking my car, writing down the trip sheet. I am coming to Manhattan, 6:15. 6:15 to 8 o'clock, maximum I will get six fares. I am making $6. Forget about the day driver because they have to go home 4:30. So I am making $6, but from 8 o'clock to 6 o'clock morning if I make 25 fare, I am making $12.50. So I am losing $6 over there. So I don't think it's a good idea.

And wherever the fare increase, I thank you very much for that because we have been waiting eight years and something is better than nothing.

And I work all night last night, I slept two hours, I came over here, I bought a Metrocard, $7, one time limited. Used to be $4. So $3, I don't know how
many hundred persons did this. Also, I have a
cchild, eight years old, with my wife and three
members of my family. Last Sunday, I picked up two
gentlemen with the wedding tie and coat with a bunch
of flowers. One I dropped Queens Boulevard and
Grand Avenue, another one is 88th Street and 35th
Avenue, $17 fare. The second gentleman get out of
the car and went to the building without paying me.
It happened $27 last Thursday night also.

Then I call the cops. Cop came in and
she said, "I can't help you. If he wants to kill
you, then I can help." So I ask her, "You want him
to kill me. Thank you very much for coming over

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here." Honestly, that Sunday night I drove nine
hours and I didn't even make one, single U.S. penny
for me. This is more than 100 percent true. I wish
I could talk to Mr. Chairperson for a couple of
hours, but still I am happy to talk five minutes.

Another thing I called 311, you know,
"Can I talk to the TLC Chairperson. They have the
procedures for saving the drivers money?" And they
say, "You need to call the headquarters. Do you
want the telephone number?" I said, "No, I have the
telephone number."
CHAIRMAN DAUS: We do have focus groups. We do meet regularly with drivers on all sorts of issues. It's absolutely horrible what happened to you, and I can tell you it does happen to other drivers and the passengers are just plain wrong. And I think that the advice you may have received from that police officer was certainly wrong.

I have seen complaints for theft of services prosecuted for cab drivers who press their complaints. If you know where the person is, I would urge you to do that. We have seen those situations brought to conclusion, so we are supportive of that. It's wrong what they did.

MR. ALLAN: I appreciate that. I read (212) 349-9692 TANKOOS REPORTING COMPANY (516) 741-5235 newspaper every day, I listen to the radio, I mailed an e-mail to you about two months ago about the fare raise. My name is Allan, if you know about that. This is not about talking. I will finish with the one joke. Where I was born, joke is if wait for us to bring the food to you, and who didn't eat all day, cook for him. That means we are all talking about the technology, the credit cards, most of the taxi fare is $3.20. If you are good ride, you can pay that by cash. I want to learn about the
computer, about the technology, but let me make some
more money, then I can go to part-time university
and learn about the computer science and technology.
I don't have to work seven days and then I can work
four days and three days go to the school.

All people talking over here technology,
credit cards. With all respect, Mayor Guilliani
used to say taxi driver doesn't speak English. We
don't need to learn about the technology. We don't
need to learn about the English. We need money to
send my son to go to better school, to buy the
medication. Then we will think about the credit
card, the technology after ten years when I finish
my school. That's all. Thank you very much.

CHAIRMAN DAUS: Mr. Michels?

COMMISSIONER MICHELS: He is pointing
out something that may be prevalent that we don't
know about, the theft of services and lack of
enforcement by the police department. We had a
similar thing like this in the City Council with
respect to domestic violence.

May I suggest that you contact the police
department and ask whether there is a protocol, and
if there is a protocol for theft of services, that
they publicize it and emphasize it to the cab drivers, and to the police department who are on the streets that they most enforce these type of complaints.

CHAIRMAN DAUS: We will work on that. The only thing I would disagree with is I wouldn't classify this one instance as a lack of enforcement.

COMMISSIONER MICHELS: I am not saying it is. I am saying inquire into whether or not the police have a protocol and whether that protocol is given the proper publicity so that the police officers on the street will enforce this type of complaint.

CHAIRMAN DAUS: I certainly agree.

COMMISSIONER MICHELS: I think this is something that should be done. We don't know what's going on.

And they weren't doing it as far as domestic violence. We had hearings on it, we insisted on it, and it was done. And there should be an arrest in that type of situation.

CHAIRMAN DAUS: I agree.

MR. ALLAN: I have lot of thanks to all the people over here, and I am so happy I get five
minutes time to talk to you. But I want to tell you something, I have been driving since 1996, it has happened to me before. I lost $96 with $5 Lincoln Tunnel tolls.

COMMISSIONER MICHELS: I am not questioning that. I am saying you are pointing out the problem, I want to know what the police department is doing about it. I want to know if there is a protocol which instructs the police on what to do when you register a complaint. You shouldn't be told that they can't enforce it. They can enforce it and they should.

MR. ALLAN: I appreciate that.

CHAIRMAN DAUS: Commissioner Michels is 100 percent right. We will do everything we can.

MR. ALLAN: Can I ask one question?

CHAIRMAN DAUS: Mr. Allan, I'm really sorry but we have a lot of speakers. We will talk later.

MR. ALLAN: Thank you.

CHAIRMAN DAUS: Oscar Muzzi?

The next three speakers are Osman Chowdhery, Marselino Huerias and Walde Marian-Yoma.

MR. MUZZI: I wasn't really prepared to
talk. Almost everything has been said so far. The only thing that is not said very clear is that I came here from this (indicating). I don't want to hear that you want sell me meters, you want to sell computers, you want to sell partitions to me. The last time, the last increase you sell us a new cab every five years. Now we are going to get increase and we have to pay for all these things.

I give you permission to put whatever you want in my car, anything you want, but you pay for it. It is not fare that every time we have a little like this, you take a little like that. The car, we had a conversation about the cars not long ago. You say the car after a time, the pollution. That's baloney. If my car is not working right, the engine, because the body is perfect, I put a engine in the car. I don't have to go every five or six years to change my car.

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The other point that I let you know the last we have a meeting, you lost totally control, you don't have the manpower to control the black cars that they are taking our passengers in the morning. We have every day more groups in the street because you collect fees, they put a new car,
you get fees, the insurance company makes money.

With the 900 medallions which I think is going to be
the biggest rip-off of the TLC, because right now if
that person comes with the savings of his life,$
$50,000 to invest them, and it cost $37,000 a lease
a year to run an individual car, that person is
going to go out of business in less than a year.
Hopefully, if he doesn't have an accident, he is out
of business. He is going to lose his $50,000 and
forget about -- I would like the Commissioner to
mention me one right, just one that the driver has,
that the owner drivers has. Only one. Mention,
please, one right that I have with my passengers or
as a driver?

                   CHAIRMAN DAUS: One right?

                   MR. MUZZI: Yes, one right that I have.

The passengers have the right, the TLC have the
right, the police have the right.

                   Give me one right that I have?

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You know, I have an ulcer that I name it
TLC, because every time I see those three letters or
I have to go to the inspections, I have to go
through the torture. Not even Jesus Christ in the
Passion goes through that.
Somebody mentioned respect before. There is no respect for a taxi driver. None at all. Not from the passengers. Forget about it after 9/11, the whole thing changed. Believe it or not, I have 33 years driving my cab, and I was always very happy to ride. I choose that because I love to drive. But TLC, they didn't do anything for me, but getting and getting. We are the only one who pays $1,000 a year in taxes. Why we pay $1,000 when everybody else pay 250 or $400 a year? I would like to get an explanation for that.

And, please, for the individual owners or for the small mini fleet owners that own two cars, if they take good care of their cars, if the car pass inspection, it should be staying on the road. Why have to go through another expense if the car is running perfectly?

What else I want to say, there is too many things. It's so frustrating to come here. Actually, since I am 62 years old, probably next week I will put my medallions for selling because I can't afford it anymore. The way that you people come with everything, one bulb, $50 fine. We pay the highest fines. A drug dealer, they go to court,
they sign and go free. We don't. It's amazing.

I heard a few good things. Mr. Sapone talked very good about us because he has been in the business for many years. But we are at the point where the taxi drivers lost total respect from everybody. And that's a shame after 33 years, that I am leaving my business sad. Something that I was very happy to do for many, many years.

CHAIRMAN DAUS: Sir?

COMMISSIONER DEAR: You are an individual owner, do you belong to LOMTO?

MR. MUZZI: Yes, sir.

COMMISSIONER DEAR: LOMTO represents you in a sense on all the issues that you are concerned about. How many years are you in the business?

MR. MUZZI: 33 years, sir.

COMMISSIONER DEAR: And all 33 years were torture?

MR. MUZZI: No, no. The first 20 years with the taxi industry were beautiful. People were beautiful, the business was great. You used to make (212) 349-9692 TANKOOS REPORTING COMPANY  (516) 741-5235

a very decent living, even if you were a driver. Actually the drivers made more money than the owner,
in the pocket. The owner, I make 200, tomorrow I have to pay 350 because something went wrong with the car.

Last year I spent $5,000 just fixing my car. Forget about the gas. Gas is 20 percent that goes there. So I with the interest that we pay for the loans and everything, between 27 and $30,000 goes to the car and whatever the expenses are. So right now, this guy is going to buy this medallion, 250, 230, they are not going to make a living. You have to put a driver, the insurance -- that is another thing, insurance. Why so expensive? I used to have like now in July, I take one month vacation, I went to insurance company and I say I want to put a driver. Okay, one month, and I didn't have to pay any extra or go to Workers' Compensation or anything like that. That's finished.

Now I have to find out, if I don't sell my medallion what I have to do July and August, my wife is a teacher so we are going away, what can I do to put my plates and everything in storage so I don't have to pay insurance.

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COMMISSIONER DEAR: I just want to say that I have to sympathize and empathize with your
issues. I have had this conversation many times with the Chairman and I speak about it publicly, and I think that the individual driver who makes up a good portion of this industry should have more of a voice.

MR. MUZZI: Not every driver is listed and every owner. But taxi drivers they are not united. Since they are not united, you come up with any ideas every year and because they are not united, you get whatever you want.

CHAIRMAN DAUS: Commissioner Arout has a question.

COMMISSIONER AROUT: Can I ask you how much insurance you pay for a single driver?

MR. MUZZI: It is almost $4,000.

COMMISSIONER AROUT: And it doubles if you have --

MR. MUZZI: $7,600, Workers' Compensation is $1,600. Another thing, I don't know what we pay two years for the inspection in advance. If I sell my medallion, I already pay $1,400, forget about the other $700. They don't give it back to me.

You have a very good business, Mr.
Chairman.

CHAIRMAN DAUS: Thank you.

The next speaker is Osman Chowdhery.

Marselino Huerias, Walde Marian-Yoma.

MR. CHOWDHERY: My name is Osman Chowdhery, I have been working since eight years.

Mr. Chairman, you want new drivers in the system, but no new drivers. I have been working eight years. The driver is not benefitted. If any driver loses license 6 points, they lose for one month the hack license. What for? If you are coming from Houston, east side, you want to make left turn on Third Avenue, there is no light. All Houston traffic going southwest, no stopping. You make U-turn, you lose 3 points. Now how are we driving if you lose 6 points?

One more thing. We need to stop the Laguardia Airport slow day, there is a lot of traffic at the central terminal. The driver don't get a chance. There is only three or four cabs and they are inside. Cops giving the summons there. What for? I got no notice, there is no room there.

CHAIRMAN DAUS: They think you are cutting the line?
MR. CHOWDHERY: Yes.

CHAIRMAN DAUS: We will look into that.

If you could see Alan Fromberg before you leave and we will take your specific complaint.

MR. CHOWDHERY: Also all the time the fighting passengers. We don't fight the passengers, we give them service. We are fighting the rush hour, east side, west side, telling the driver what to do that time. We need to stop that. The owners don't care about the driver even. I have explained, 2001 I have the highway accident. I have a passenger. What can I do? It's my fault? You go to DMV, they see you have the accident, they enforce the guilty.

Last October I get two summons. It is only for nothing that they are hurting me.

CHAIRMAN DAUS: You have a lot of issues, but in the interest of moving the hearing along, what are your positions or comments on any of the rule proposals?

MR. CHOWDHERY: I don't think DMV should take 6 points --

CHAIRMAN DAUS: That's something in local law. That's not up for discussion today.

MR. CHOWDHERY: How am I driving, East...
Houston and coming to West Houston, if I make a left on the Bowery going southbound, there is no arrow. How can I make a left? Passenger is pushing, "Make left. Make left." This is very dangerous for driver. I am making left turn, police give me the summons.

CHAIRMAN DAUS: Thank you.

Marselino Huerrias. Next three speakers are Walde Marian-Yoma, Abel Malbranch and Mohammad Rashid.

MR. HUERIAS: Hi, everyone, Mr. Matthew Daus and other Commissioners. Basically what I would like to say is I guess I get not respect. The dollar increase between 4:00 and 8:00 should be also in place in the morning rush hour between 7:00 and 10:00. I think it makes a lot of sense since I am one of the few drivers that works 16 hours. And the reason why is because I have a family and as owner-driver that is hours that are required. Actually, when they ask me how many hours that I work, I say, "It's up to my legs."

The additional 50 cents should be in lace at night. I think night drivers deserve that because they are actually at a higher risk driving.

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at night. Also, technology is good but you have to look first from point of view of the driver. If that's going to generate or increase my income or other drivers' income, then it's a good idea. But if it is not, if it's going to take money out of my table then I don't think it's great. So any rules, ideas of technology that the Commissioner wants to bring it up to improve the service of the taxi here in New York, it should be from the taxi driver's point of view and the public, but based on safety and economy.

Basically, that's all I would like to say.

CHAIRMAN DAUS: Thank you.

Walde Marian-Yoma?

MR. MARIAN-YOMA: Thanks for this opportunity to talk to you one more time. First of all, I like to thank the Mayor's office and the DOT Commissioner's office and all the 37 City Council members who finally took a stand on the side of drivers.

Right now I would like to talk about credit card and it seems like all those people who are interested in making money off of the drivers' I guess beleaguered condition are circling the water
because they are smelling something good. But we want most of the money to come to ourself. And this credit card issue I think should be kept in the rear, because like other driver said, it's going to create a lot of congestion, and if we are going to pick up customers and drop them in front of Rockefeller Center or Wall Street, all the traffic congested parts of the city, this transaction will take at least two or three minutes, and the police will be coming, giving us tickets. The customers will be frustrated, the possibility of accidents will increase. Therefore, I think the credit card issue should probably be properly looked at.

Secondly, the difference between the costs to drivers and the cost to garages. And the garages are claiming the scratch-free, see-through partitions and the Global Positioning System is going debilitate their income. However, as you know, it is a one-time fixed expense. It's a capital improvement which they can take as a tax deduction. And they can recoup this cost probably within six months.

On the other side, drivers face a permanent destabilizing expenses. For example, the ever increasing cost of gasoline, the ever
increasing cost of tolls, the ever increasing cost of living in New York City. And the vehicle break downs and the noise in the city which has a cost on our nerves, and the non-paying customers like my fellow driver said who take off after you take them to their destination, be it New Jersey, Brooklyn, or whatever. So our costs are permanent, but theirs is a fixes, a one time capital improvement cost which at the end will probably improve their assets.

If you look at 20 years history of the taxi industry, medallion value has consistently appreciated in value. Even I remember in 1987 when we had the Wall Street economic down turn, they call it almost a crash, it was called Black Monday in '87 October. The medallion value still went sky high, better than the Market, even better then the Treasury Bill. Most people when there is economic crisis, they invest in the T Bills. Medallion values do better than the Treasury Bills. This is all done through exploiting drivers excessively.

Another issue I want to discuss here, I just want to mention I saw an article about how New York City has the least vehicular accidents and deaths in the whole country. I think 38 or 39 compared with all the cities in the United States.
Everybody blames drivers for causing accidents, for being reckless, for being dangerous. But when you look at the statistics, a city which is full of yellow cab drivers has the least amount of accidents. So drivers should be given credit instead of harassed.

Additionally, liveable income. The final point is, Commissioner Daus, you said that healthcare is provided to your organization. However, sir, with all due respect, workers who work 12 hours, six days a week should not go on the dole at the expense of taxpayers, to get healthcare at the expense taxpayers. We work hard, we make enough money, we generate enough wealth, over $1 billion a year. And we should be allowed to cover our own expenses, not take money from the government. We didn't come to this country to be on welfare or to use state funds or federal funds. We work hard, let's be compensated fairly and give us a liveable wage. We don't want your healthcare, sir, with all due respect.

Finally, the 50 cent surcharge is an absolute necessity; otherwise, the night drivers will be absolutely driven out of the market. And
We are anticipating, in fact, the Commissioners will finally decide that it will six month medallions from the owners for six months and turn it over to drivers so that they be recoup all the losses for the years, but that's only a dream. The least you can do, ladies and gentlemen, is give us a six month freeze so we can get a little benefit of this liveable wage increase. Thanks again.

CHAIRMAN DAUS: Thank you.

Evel Marash?

Mohammad Rashid?

The final three speakers are Maer Yolos, Michael Higgins and David Pollock.

MR. RASHID: Good afternoon, my name is Mohammad Rashid. I only want to speak on the proposed amendment to the taxicab owners to the maximum these days that may be charged to the driver. As I am driver, I am paying Thursday, Friday, Saturday, $115 for lease, $30 for gas, water and soda 3 to $5, dinner $10, dispatcher $2, round trip from the garage to my home $10. It's 160 to $165 part of my expense.

After those expense, it is very hard to
keep some money in my pocket. That means all the
drivers for themselves. So it is my honest request,

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think about the driver, not for owner. I believe
owner invest to make money, but driver also work
hard for make money. I work day before yesterday,
after paying garage money, I make myself only $30.
It's very hard after ten hours working, it's only
$30. It is hard work, so think about the driver.
Thank you everyone.

COMMISSIONER GIANNOULIS: Quick
question. How much is on your meter and how much do
you have in tips on those days that you referred to?
Just give me average.

MR. RASHID: Thursday, Friday and
Saturday I pay $115.

COMMISSIONER GIANNOULIS: I know how
much you pay. I said how much do you have on your
meter and how much do you have in tips?

MR. RASHID: I pay $100 for the day, $17
for gas. And 129 for Sunday I pay and I make $30.
That means $160 for ten hours.

COMMISSIONER GIANNOULIS: Thank you.
CHAIRMAN DAUS: The next speaker is Maer
Yolos. Then Michael Higgins and David Pollock.
MR. YOLOS: Hello, to everyone. First of all, I would like to say that I give TLC a grade of A plus in regulating the taxi industry in the area of having clean drivers in the industry, safe drivers in the industry, they go through drug tests, they speak English. And I also give A plus in keeping New York City cabs beautiful, clean, dent free. You don't see many totally scratched up cabs. It's very pretty for the city, it's pretty for the public. They are going a great job in that area.

But in handling a fare increase in the past eight years, I give them a B. This industries needs, the way I look at it, don't get mad, a 30 percent fare increase because the next increase might be in ten years. Anything could happen, guys. The fare increase should not be less then 30 percent because fuel prices are up, a barrel of oil used to be $10, today it is $37. There is talk it might go higher.

A gallon of gas used to be $1.05. Today you see $2.10, other areas you see more. That has doubled. Auto insurance is up, health insurance is up. Of course, repair and maintenance is up. Pump prices are up. Does anybody agree with me?
VOICES: Yes.

MR. RASHID: Apartment rents are up. In New York City when you are a landlord, you get rent increases, you could get them every year, every two years. But people who own houses, apartments are doing fine, there are comfortable. They are okay. The only thing that is not up in the city is drivers' income or the owners' income. And the population of New York City. I think in Florida it's growing, in Nevada it is growing, in California it is growing. When the population grows, the taxi industry, the drivers' income over there grows. So I really think the increase should be a very good and fair increase so that everybody is happy. We are all a family, we are all together. The TLC, the Commission, the inspectors, we are all one unit. We are a family, we all have to work together and everything should be in proportion.

You follow the regulations, the drivers, and the TLC should make everybody happy where everybody will be comfortable financially and it should all be fair with how things are handled with the summonses. I am an owner and sometimes I am a driver. A lot of times with my driver, I have to be
a psychologist because the drivers are really stressed. First of all, you enter a cab, you can from out of the state, the first thing you see in the biggest letters, complaint number, hotline taxi, complaint number. I tell you, people come out, I am sure they remember, complaint number. Talking about partitions, maybe complaint number and also hotline excellent experience. The driver can earn good points on their hack license if somebody calls, "This driver helped me carry the luggage to the door and the poor driver, he got $115 ticket." Or, "I had a great experience with a driver. I was paying the credit card and it was no parking and he got a summons for standing in no parking for too long and the officer said talk to the judge. He got $115 ticket."

You know, driver checks his rear brake lights, he went driving, the brake light went out, and if the driver is the owner also he got a ticket for $100 as being a owner and the equipment, the bulb is out, guilty. He also got $25 ticket as the driver. But when he left the bulb was fine. So they are very stressed out. So I really think it should also say if you had a great experience, call
this number also. Not just for complaints.

I have been a passenger in cabs around
the country, and I have never seen such a big sign
in other cabs, "Call complaint number." Really, it
is in people's heads, I think it is one of the most
popular numbers in the country.

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CHAIRMAN DAUS: We did, sir, put
committes on their as well. And we are actually
getting a lot of committes. We have more probably
more people than you could imagine for the next
driver recognition ceremony. So I personally do
write a letter to each driver that I get committes
on. We know it's a stressful job, that's why you
are entitled to liveable income.

MR. RASHID: Another thing I would like
to mention, talking about safety, I think New York
City taxicabs should be modified where the signal
light on a roof light, you don't really see if that
cab is turning and if you are really close to them
it is a blind spot. I think that there should be a
light on the fender like European cars or I think
all mirrors should have lights as signals. That's
it, thank you very much.

CHAIRMAN DAUS: Mr. Michael Higgins?
MR. HIGGINS: First of all, I would like to tell the Chairman, Matthew Daus, a lesser chairman would have went on the DL, but thank you very much for showing up with your broken paw.

CHAIRMAN DAUS: I guess we will see you on New York One tonight?

MR. HIGGINS: You can only keep your fingers crossed.

I think everything under the sun has been covered at the meeting except for the disparity that exists and will continue to exist with the rate structure on the rolling time versus the waiting time. Let's look at the numbers, the meter rate of waiting time for New York City yellow cabs is currently $12 an hour. At that rate, the waiting time is now about equal to what an average lease drivers' expenses are to operate a cab for a 12 hour shift, of which only about 10 hours can actually be hacked. Therefore, whenever a driver is sitting at a red light, he isn't even making minimum wage. He is making zip, zero, nada.

You talk about living wage, every time a cab driver is sitting in traffic or at a red light he is not even making $5 an hour. He is not making
$2 an hour. He is making zero because it is straight lined with his expenses. Goes for the owners of cabs as well.

Conversely, the driver sailing out to Kennedy Airport with the current rate can earn a legal metered rolling time of up to $75 an hour based on the current meter rate of $1.50 a mile. The metered waiting time in yellow cabs has been $12 an hour for the last 14 years. The only change in the waiting time in that last fare increase was when it went from 25 cents per 75 seconds to the current 30 cents for 90 seconds a/k/a $12 an hour. In fact, a driver, before the last fare increase, made more money from waiting time based on the quicker meter click than he does today with the slower click. And the new proposed fare increase will make it even less than that. So we are looking at possible the waiting time remaining constant for 16 years.

Basically the math here is that the city street speed limit is 30 miles an hour, with the driver earning a meter rate of $2 a mile. You are giving him an incentive to make $60 an hour on city streets. If he is on the FDR Drive at 40 miles an hour, times $2 a mile, you are giving him an
incentive to make $80 an hour, and at the new
proposed rate of $2 a mile, going out to Kennedy
Airport you are giving him an incentive at 50 miles
an hour to make $100 an hour, but at the same time
the $12 an hour waiting time is going to remain
constant.

I hope Commission will close the
disparity between the rolling time and the metered
waiting time because you don't want to get into a

situation where you are giving drivers incentive to
run red lights and speed, because right now you have
a huge disparity too, and I am afraid that reckless
driving may be built into the meter if you don't
raise the waiting time. Thank very much.

CHAIRMAN DAUS: Thank you.

The last speaker, Mr. David Pollock.

MR. POLLOCK: Thank you for saving the
best for last. I have here, it starts good morning
but I will say good afternoon, Mr. Chairman,
Commissioners, guests. As the last person, I will
thank all the drivers that came down here to speak,
all the industry advocates.

My name is David Pollock, and I am the
executive director of the Committee for Taxi Safety,
an association that represents 2,500 taxi medallions
and the 5,000 men and women who drive their taxis.
I am also a third generation taxi driver. I brought
my hack license.

The rate of fare, the Committee supports
the proposed fare increase. In addition to the
proposed $1 rush hour surcharge, the Committee
believes the existing 50 cent night surcharge should
not be eliminated. With the inclusion of the
surcharge, the Committee proposes an increase in the
long-term lease cap adding to the $24 per week
initially proposed. We believe the statement of
basis and purpose should also state that enforcement
of illegal pickups throughout the City will be
increased to ensure that taxi drivers receive the
full benefits of this fare increase.

We propose a mandatory annual review. A
lot of this may sound redundant because Mel was
impatient and decided to speak first and he read my
testimony, so please bear with me. We propose a
mandatory annual review of costs and service
improvement, similar to the Rent Guidelines Board
which, as you know, reviews the landlords' expenses
annually and determines a fare percentage of
increase in lease rates for apartments throughout the city.

Lease rates. The Committee for Taxi Safety supports the proposed regulations concerning lease caps if such increase is predicated upon an additional increase above the initial proposal which should be proportionate increase for the entire industry. Management companies pay for the ever spiraling costs of liability insurance, Workers' Compensation insurance and accident claims in excess of coverage. In numerous cases when a DOV driver totals a taxicab, it is the management company that pays the balance of the vehicle lien.

Change of partitions. The Committee for Taxi Safety is not opposed to installing new partitions, but we question both the timing of installations and if they will achieve the intended results. Most of our members, every time they hack up a new taxicab, put in a new meter and put in a new partition, so we are really proposing that rather than wait to November 2005, if we started this November 2004 but use the retirement date, the new hack up of vehicles to install the partitions, I think it would more cost effective and better.
As far as credit card meters, Michael Levine did an excellent job explaining everything about it. He certainly knows more about it than I do or anybody else in this industry because he lives with it every day. But we support the proposal for taxi meters to have credit card capability. The timing of the implementation, once again, allows for a lead time of 18 month, but mandates all installations within four months thereafter.

We suggest the lead time for implementation be shortened and that implementation be instituted upon vehicle retirement, one again

November 2004 with the implementation taking place as taxi vehicles are retired on or after that date. Gradual implementation is not only cost effective but any problems that arise can be dealt with without affecting the entire industry.

Additional specifications need to be set forth so that considerations like the placement of the credit card reader can be thought out and uniform. Also we talked about mandating all major credit cards, I am not going to be redundant, it certainly is a big thing. We believe that it should be eliminated. One thing Mike did mention is
American Express wanted to charge a fee and when Mike did away with American Express, they came back and reduced the fee. You have little more flexibility. If it's mandated, there is no competition and they can shove things down your throat. I think that is what we really want to say.

Transmission of required trip data.

Although the Committee believes that service improvement to be an excellent concept, we are concerned as to whether the technology is ready for industry-wide implementation at this time. To our knowledge, it is the first time it is being tested and there is no pilot program. One of our members has begun to test technology, and from what I understand, they have expressed doubt as to the reliability for the purposes of the TLC mandate. Once again, specifications need to be set forth on how trip data can be transmitted. Passenger information monitor, the bottom line is once again, do we need it? To sum up, the last monitors installed under a pilot program were supposedly met with overwhelming negative public opinion. If it's just the GPS system, well, here we are saying put a clear partition so we can see where
we are driving, but we are going to put a GPS system
so people can look like this. Are they going to
fail to buckle up and put their head near the
partition and if there is a short stop be injured?
There are some safety concerns as well. We fail to
see the need for this passenger information monitor
and believe it may present a dangerous condition for
the passengers.

As far as the penalties, we oppose any
final suspension for equipment problems and propose
that the owner be given sufficient time to correct
conditions prior to any penalties. We appreciate
being allowed to make these comments at this
hearing, and once again, I would like to that thank

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the Taxi Commission, I would like to thank the 37
and the 14 Council Members and everybody else who is
responsible, for this is truly an historic day as
long as we come out of this with a rate fare
increase. Thank you very much.

CHAIRMAN DAUS: That the concludes our
public hearing. I want to thank everybody for their
patience, and the Commissioners for the long day. I
would like to recognize Commissioner Judalis.

Before I do that, we have given some
thought to how we want discuss these proposals and it might make sense for us to discuss all the service improvements together and the fare increase and the lease cap separately since they are related.

Commissioners Giannoulis asked to recognized.

COMMISSIONER GIANNOULIS: I have a proposal to put on the table for a vote with regard to the fare increase and the lease cap, if we can deal with that first.

I think that we all agree that what we are trying to do here is make sure that the drivers have a living wage. That was the intent of the Mayor and the City Council and certainly is the intent of everybody here. At the same time, we have heard over time we have received good information from industry, fleet industry that costs have risen. We are trying to create a balance here. At the same time I think we heard a lot of testimony today concerning the 50 cent night surcharge and everybody in the industry seems to want that. Fernando Mateo has been lobbying for that and has done a good job and others.

So I think we could try to put everything
together and serve everybody's needs, and my
proposal is as such: In terms of the fare increase,
I move to amend the fare increase proposal as
published in the City Record. I propose that
Section 170-B be further amended through the
addition of the following end at that section, it
should say, "An 50 cents for all trips beginning
after 8 p.m. and before 6 a.m. on all days." That
would reinstitute the 50 cent night surcharge.

I also think that we should make a small
adjustment to the lease cap, so I make a motion that
proposed rule 178-A-1 as published in the City
Record as amended, be further amended to provide
that the maximum lease rates shall be as follows:
$105 for all day shifts, $115 for the night shift on
Sunday, Monday and Tuesday nights, $120 for the

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night shift on Wednesday night, $129 for the night
shift on Thursday, Friday and Saturday nights.

I further propose an amendment to Section
178-A-2 to delete the number 638 from the proposed
rule and replace it with the number 666.

I further propose an amendment to Section
178-A-3 to delete the number 766 from the proposed
rule and replace it with the number 800.
I think this is a good compromise. I think we have also talked today about coming back and looking again at these rate issues on a more continuous basis. I think it makes a lot of sense and I think, hopefully, we won't be in the situation we are in today where it has been eight years since we looked at this.

COMMISSIONER DEAR: Could you explain this in English now?

COMMISSIONER GIANNOULIS: I will explain it to you so that you understand it clearly.

I am suggesting that we put back the 50 cent surcharge. And I am proposing that what you saw in the public record and what you have in front of you, we are going to change the lease cap adjustments.

Do you want me to walk through them again?

COMMISSIONER DEAR: No.

COMMISSIONER GIANNOULIS: That is all I am proposing.

COMMISSIONER DEAR: No, the other two changes.

COMMISSIONER GIANNOULIS: The other two
changes are relevant to the rule numbers.

COMMISSIONER WEINSHALL: And the
weeklies will go up proportionately.

COMMISSIONER DEAR: I understand that.

COMMISSIONER GIANNOLIS: That's it.

COMMISSIONER DEAR: No, the other two
rule changes, 666 and --

COMMISSIONER WEINSHALL: That's the
weekly amounts.

COMMISSIONER GIANNOLIS: That is just
the weekly amounts proportionately. The number 638
will become 666. The number 766 will become 800.

CHAIRMAN DAUS: Any questions?

It sounds to me like this proposal, if
you put the 50 cent surcharge back in, would be
giving the drivers more per hour than under our
original proposal; is that correct.

COMMISSIONER GIANNOLIS: That would be

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my hope.

What we have heard today is that the 50
cent surcharge, it seems, is the number one priority
of the drivers. In terms of the ideas of lowering
the lease cap and freezing the lease cap, that's
silly. At the end of the day, the lease cap
ceilings aren't reached now and there is no reason to believe that they are going to be reached on Wednesday morning.

CHAIRMAN DAUS: I would certainly support giving more money to the drivers and putting the 50 cent surcharge back. There may be some passengers that are displeased with it, but we don't want to take the chance that we are going to have any shortage of drivers in the evening.

VOICE: Good call.

CHAIRMAN DAUS: Things are not broken, there is no need to fix them.

COMMISSIONER DEAR: I second the motion.

CHAIRMAN DAUS: All in favor?

Point of clarification?

COMMISSIONER MICHELS: This is in addition to the $1 surcharge?

CHAIRMAN DAUS: That is correct.

COMMISSIONER MICHELS: I want people to be clear, this is in addition to the $1.

CHAIRMAN DAUS: To make sure we are perfectly clear before we poll the Commissioners, the $1 surcharge will be from 4 p.m. to 8 p.m. on weekdays. The night surcharge will be put back in
from 8 p.m. until 6 a.m. and also on the weekends.

VOICE: Good call.

COMMISSIONER GIANNOULIS: From 8 to 6?

CHAIRMAN DAUS: 8 p.m. to 6 a.m.

COMMISSIONER MICHELS: Point of procedure. You are now making a motion to amend the rules?

CHAIRMAN DAUS: That's correct.

COMMISSIONER MICHELS: Is there going to be another vote on all the rules all together?

CHAIRMAN DAUS: No. He is making a motion to vote on the rules with an amendment. Now under the procedure, we need to vote on that and if there are any other motions, we can consider them. But actually we had people voting.

COMMISSIONER GIANNOULIS: Let me make clear to the Commissioner. The rules on technology, I am not addressing those. That is not what we are voting on.

COMMISSIONER MICHELS: You are making a motion to amend the rules but we are not voting on the rule itself?

COMMISSIONER GIANNOULIS: To amend the rules as published in the City Record is what I
said.

COMMISSIONER MICHELS: We will have a separate vote on the rule itself.

COMMISSIONER WEINSHALL: No, this becomes the rules.

COMMISSIONER MICHELS: He said an amendment to the rule itself.

CHAIRMAN DAUS: We had motion on the table from Commissioner Giannoulis which was seconded by Commissioner Dear.

All in favor signify by saying "aye."

COMMISSIONER GIANNOULIS: Counsel is saying we have to vote on the actual amendment first.

COMMISSIONER MICHELS: This vote is on the amendment.

CHAIRMAN DAUS: You are absolutely right. We will restate for the record what Commissioner Giannoulis's motion is.

That the fare increase and lease rate rules as published in the City Record are being proposed to be voted on with an amendment to add back the 50 cent evening surcharge which will run from 8 p.m. to 6 a.m. every single day and on
weekends as well. And in addition, the lease rates
that he proposed.

COMMISSIONER AROUT: I make a motion.

COMMISSIONER DEAR: Second.

CHAIRMAN DAUS: All in favor?

(Chorus of "Ayes.")

CHAIRMAN DAUS: Any opposed?

(No response.)

CHAIRMAN DAUS: Okay, it's unanimous.

Thank you.

Do we have a motion to vote on the rules
for the sake of procedure?

COMMISSIONER SANDER: So moved.

COMMISSIONER AROUT: Second.

COMMISSIONER MICHELS: What are we
voting on now?

CHAIRMAN DAUS: The underlying rules,
which is what your point was. The fare increase and
the lease caps, for the point of the clarification.

Elias, you second that?

COMMISSIONER AROUT: Yes.

CHAIRMAN DAUS: All in favor?

(Chorus of "Ayes.")

CHAIRMAN DAUS: Any opposed?
CHAIRMAN DAUS: Okay, very good. Thank you very much.

Now to move to the service improvements.

I would like to make a motion to amend the service improvements, as I stated earlier.

COMMISSIONER SANDER: Can I clarify, when will this take effect?

CHAIRMAN DAUS: This will take effect 30 days after it is published in the City Record, which, hopefully, will be published in the next day or two. We are talking about the first week of May the rate of fare being effective.

On the service improvements, I propose an amendment to all them which would replace any language which gives the Chair the authority to do specs on his or her own, to make recommendations to the Commission. I think the Commission has worked incredibly well together. I have never seen, and I have been here for eight years, such cooperation, congeniality and people working together toward a common purpose. All of our Commissioners, even though they don't make, with the exception me, a salary, and Commissioner Weinshall, they don't make
a penny doing this.

They spend a lot of time, they have been back and forth countless hours, and they actually have extracurricular projects they work on. I am impressed with all of you, I am proud to call you not only colleagues but friends, and I think you have done an excellent job. I have trust and confidence that when we make our recommendations, myself and staff to you, that you will do the right thing.

So I will ask counsel to consider an amendment to all taxicab service improvements which would replace any language that refers to me doing it all on my own, to doing it together with my colleagues.

COMMISSIONER SANDER: Can you read the specific words?

MR. MAZER: Yes, we will give you an example.

In the partition rule it says, for example, "The partition shall consist of a transparent portion that shall extend downward from the ceiling to a point determined by the Chairperson based upon the make or model. The transparent
portion shall be constructed of a bullet resistant material approved by the Chairperson."

Now it would say, for example, "bullet resistant material recommended by the Chairperson and approved by the Commission." And that same language would continue throughout the group ride, the partition and the technology.

COMMISSIONER MICHELS: Can we discuss?

CHAIRMAN DAUS: Sure.

COMMISSIONER MICHELS: You also mentioned the fact and I don't know if it is included there, that we would have a project manager for each one of these items.

CHAIRMAN DAUS: Point of clarification, the project manager will be working only on the technology piece, not on the group rides.

COMMISSIONER MICHELS: So we are not discussing group rides. This is technology now.

CHAIRMAN DAUS: We are discussion technology, the debit and credit cards.

COMMISSIONER MICHELS: So it is limited to the technology.

CHAIRMAN DAUS: That's correct.

COMMISSIONER MICHELS: Also
consideration should be how this will effect the
income of the drivers and of the garages. We want
to know that we are not giving them something in one
hand and taking it back with another. There has to
be an understanding of what the cost will be, and
that has to be one of the things studied to see
whether or not it is feasible.

With that understanding, I support this
motion.

CHAIRMAN DAUS: Thank you. You are
absolutely right, Commissioner.

I would also like counsel to reflect the
comments that I made at the opening of the hearing
regarding what time line is. And Commissioner
Michels' comments, I ask that that be reflected in
the statement of basis and purpose that accompanies
the rule published in the City Record.

COMMISSIONER MICHELS: Accordingly, the
cost to the drivers and to the owners should be a
consideration and factor in considering the
technology?

CHAIRMAN DAUS: Correct, as well as the
rationale for my motion, as well as the time line.

COMMISSIONER MICHELS: As well as the
partition and the other items.
CHAIRMAN DAUS: I think we had a motion on the floor. I made a motion, I believe it was seconded by Commissioner Giannoulis.

All in favor, signify by saying "aye."

(Chorus of "Ayes.")

CHAIRMAN DAUS: Any opposed?

(No response.)

CHAIRMAN DAUS: Okay, thank you.

MR. MAZER: Now we have to vote on the rule.

CHAIRMAN DAUS: We are now going to vote on the rule. Does anybody want to make a motion?

COMMISSIONER MICHELS: So moved.

COMMISSIONER RUBINSTEIN: Second.

CHAIRMAN DAUS: All in favor?

COMMISSIONER DEAR: One second. The issue here of implementation, what's going to happen now, I want it clarified, when they say Chairperson, staff is coming back to the Commission before we vote on it. So if we can't come to an agreement with something by the time that we are supposed to implement it, does that mean we don't implement that program then?

CHAIRMAN DAUS: Yes. We would have to create specifications, from what I understand the
intention is, and more rules would need to be adopted.

COMMISSIONER GIANNOULIS: More importantly, if enough of us don't agree, then we will change the rule to say you don't need credit cards. It's all about the majority.

COMMISSIONER DEAR: Obviously, you heard from people today and we are hearing continuously, and we don't have a fool-proof method, we don't have anywhere a model that has been working for two years. And it's important to us not to fall into that trap, where we are going to have something and the next thing you know, we have to undo it.

CHAIRMAN DAUS: Fair point.

Can we poll the Commissioners again on that vote?

All in favor, signify by saying "aye."

(Chorus of "Ayes.")

CHAIRMAN DAUS: Any opposed?

(No response.)

CHAIRMAN DAUS: Okay, am I free to thank people.

MR. MAZER: One more vote.

CHAIRMAN DAUS: I am sorry, the minutes.

MR. MAZER: We have to go back to the
minutes. We pulled the transcript. This is the question Commission Torres had on the minutes.

COMMISSIONER TORRES: Was it I?

MR. MAZER: I will read what you said.

COMMISSIONER TORRES: Quote, "When we look at a fare increase, it's basically to benefit the industry and how that is proportionate. When we look at regulations that benefit the industry, however, there are cost factors to that. I didn't notice that before."

COMMISSIONER TORRES: Okay.

CHAIRMAN DAUS: Are you comfortable with that?

COMMISSIONER TORRES: It is not the complete quote but I have no objection.

CHAIRMAN DAUS: It is what is in there.

COMMISSIONER TORRES: That's okay.

CHAIRMAN DAUS: I will let the record reflect that.

I want to thank everyone who participated in this process, especially my colleague Commissioner Weinshall, who I believe we could not have done this without. I thank you from the bottom of my heart. And all of our Commissioners, thank
you very, very much.

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Commissioner Weinshall's staff, Andrew Salkin, Liz Weinstein who also has done an outstanding job, and everybody else.

Motion to close the meeting?

COMMISSIONER AROUT: So moved.

COMMISSIONER GIANNOUNIS: Second.

CHAIRMAN DAUS: All in favor?

(Chorus of "Ayes.")

CHAIRMAN DAUS: Any opposed?

(No response.)

CHAIRMAN DAUS: It's unanimous for the record. Have a great day.

(Time noted: 3:04 p.m.)
CERTIFICATION

I, MARGARET EUSTACE, a Shorthand Reporter and Notary Public, within and for the State of New York, do hereby certify that I reported the proceedings in the within-entitled matter, on March 30, 2004, at 40 Rector Street, New York, New York, and that this is an accurate transcription of these proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand this day of , 2004.

MARGARET EUSTACE,
Shorthand Reporter