New York City
Taxi & Limousine Commission

2002 Annual Report
to the
New York City Council
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter to City Council Speaker</td>
<td>iii</td>
</tr>
<tr>
<td>Mission of The New York City Taxi &amp; Limousine Commission</td>
<td>1</td>
</tr>
<tr>
<td>Industry and Agency Overview</td>
<td>5</td>
</tr>
<tr>
<td>Strike Contingency Plans</td>
<td>9</td>
</tr>
<tr>
<td>Queens Private Bus Strike</td>
<td>9</td>
</tr>
<tr>
<td>Threatened Illegal Transit Strike</td>
<td>9</td>
</tr>
<tr>
<td>Decline in Complaints</td>
<td>11</td>
</tr>
<tr>
<td>Medallion Complaints Fall to Lowest Levels in Over a Decade</td>
<td>11</td>
</tr>
<tr>
<td>Impact of September 11, 2001</td>
<td>13</td>
</tr>
<tr>
<td>TLC Recovery Plan</td>
<td>13</td>
</tr>
<tr>
<td>Expedited Licensing</td>
<td>13</td>
</tr>
<tr>
<td>License Renewal Extension</td>
<td>14</td>
</tr>
<tr>
<td>Vehicle Retirement Hardship Extension</td>
<td>14</td>
</tr>
<tr>
<td>Welcome Back Program</td>
<td>14</td>
</tr>
<tr>
<td>Job Expos</td>
<td>14</td>
</tr>
<tr>
<td>Enhanced Access to Lower Manhattan</td>
<td>15</td>
</tr>
<tr>
<td>New Taxicab Stands and Black Car Staging Areas</td>
<td>15</td>
</tr>
<tr>
<td>Single Occupancy Ban Exemption for TLC-Licensed Vehicles</td>
<td>15</td>
</tr>
<tr>
<td>Combating Unlicensed For-Hire Vehicle Activity</td>
<td>15</td>
</tr>
<tr>
<td>Financial Assistance</td>
<td>16</td>
</tr>
<tr>
<td>Operation Free Transportation</td>
<td>16</td>
</tr>
<tr>
<td>September 11th Memorial Medallion</td>
<td>17</td>
</tr>
<tr>
<td>TLC Web Site</td>
<td>18</td>
</tr>
<tr>
<td>Customer Service Initiatives for the Public</td>
<td>19</td>
</tr>
<tr>
<td>Service for Persons with Disabilities</td>
<td>19</td>
</tr>
<tr>
<td>Newer and Larger Taxicabs</td>
<td>20</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>New Taxi Passenger Information Map</td>
<td>21</td>
</tr>
<tr>
<td>Taxi Rooftop Displays</td>
<td>21</td>
</tr>
<tr>
<td>Credit Cards</td>
<td>22</td>
</tr>
<tr>
<td>In-Taxi Video System Pilot Program</td>
<td>22</td>
</tr>
<tr>
<td>Celebrity Talking Taxi Program</td>
<td>23</td>
</tr>
<tr>
<td>Customer Service Initiatives for TLC Licensees</td>
<td>23</td>
</tr>
<tr>
<td>Opening of TLC Staten Island Facility</td>
<td>23</td>
</tr>
<tr>
<td>Adjudications</td>
<td>24</td>
</tr>
<tr>
<td>Streamlining Operations and Reducing Waiting Time</td>
<td>24</td>
</tr>
<tr>
<td>Videoconferencing Project</td>
<td>25</td>
</tr>
<tr>
<td>Licensing</td>
<td>26</td>
</tr>
<tr>
<td>LiveScan</td>
<td>26</td>
</tr>
<tr>
<td>Expedited Licensing Program</td>
<td>26</td>
</tr>
<tr>
<td>Electronic Rate Card Services</td>
<td>26</td>
</tr>
<tr>
<td>Vehicle Affiliations</td>
<td>27</td>
</tr>
<tr>
<td>March Madness</td>
<td>27</td>
</tr>
<tr>
<td>Medallion Transfers</td>
<td>28</td>
</tr>
<tr>
<td>TLC Driver Programs</td>
<td>28</td>
</tr>
<tr>
<td>Safe Driver Program</td>
<td>28</td>
</tr>
<tr>
<td>TLC Health Insurance Program</td>
<td>29</td>
</tr>
<tr>
<td>Persistent Violator /Critical Driver Programs</td>
<td>30</td>
</tr>
<tr>
<td>Driver Focus Groups</td>
<td>30</td>
</tr>
<tr>
<td>Management Programs</td>
<td>31</td>
</tr>
<tr>
<td>Management Accountability and Productivity Program (M.A.P.P.)</td>
<td>31</td>
</tr>
<tr>
<td>Hands-On Management Experience Program (H.O.M.E.)</td>
<td>31</td>
</tr>
<tr>
<td>TLC Budget and Agency Performance</td>
<td>32</td>
</tr>
<tr>
<td>Enforcement</td>
<td>33</td>
</tr>
<tr>
<td>Operation Refusal</td>
<td>33</td>
</tr>
<tr>
<td>Hotels</td>
<td>34</td>
</tr>
<tr>
<td>Operation Street Hail</td>
<td>34</td>
</tr>
<tr>
<td>Operation Bus Stop</td>
<td>34</td>
</tr>
<tr>
<td>Padlocking of Unlicensed Bases</td>
<td>35</td>
</tr>
<tr>
<td>Safety and Emissions Upgrade</td>
<td>35</td>
</tr>
<tr>
<td>USB Enforcement Professionalism Training</td>
<td>36</td>
</tr>
<tr>
<td>Legislation</td>
<td>36</td>
</tr>
<tr>
<td>Stretch Limousine Law</td>
<td>36</td>
</tr>
<tr>
<td>Rulemaking</td>
<td>37</td>
</tr>
<tr>
<td>JFK Flat Fare</td>
<td>37</td>
</tr>
<tr>
<td>Vehicle Retirement Hardship Extension</td>
<td>37</td>
</tr>
<tr>
<td>Larger Taxicabs Mandated</td>
<td>37</td>
</tr>
<tr>
<td>Stretch Limousine Rules</td>
<td>37</td>
</tr>
<tr>
<td>Public Hearings</td>
<td>38</td>
</tr>
<tr>
<td>Group-Riding at JFK Airport</td>
<td>38</td>
</tr>
<tr>
<td>Amendments to the Taxicab Agents’ Rules</td>
<td>38</td>
</tr>
<tr>
<td>Proposed Taxicab Fare Increase</td>
<td>38</td>
</tr>
<tr>
<td>TLC Forging National and International Partnerships</td>
<td>39</td>
</tr>
</tbody>
</table>
January 13, 2003

Honorable A. Gifford Miller
Speaker
New York City Council
City Hall
New York, NY 10007

Dear Speaker Miller:

It is my pleasure to submit the New York City Taxi and Limousine Commission's (TLC) Annual Report to the City Council, as required by the New York City Charter.

The enclosed report details the TLC's activities and accomplishments from the date of my confirmation as Commissioner/Chair by the City Council on August 22, 2001 through the end of calendar year 2002.

The past sixteen (16) months have been particularly challenging and rewarding for the TLC. This report highlights many of these achievements, including the following:

- The TLC’s transit strike contingency plans;
- The decline in complaints against taxicab drivers;
- The TLC-assisted recovery of its regulated industries from the economic effects of 9/11;
- The expanded use of technology to better communicate with the industry and to enhance service for passengers; and
- Customer service initiatives for both the riding public and for licensees at the TLC.

The accomplishments of the staff at the TLC are particularly commendable given the impact 9/11 had upon all of us. Slightly over two (2) weeks into my term, the attack on the World Trade Center dislocated us from our headquarters and staff was immediately deployed to assist in the City’s emergency and recovery efforts. Despite these setbacks, and the ensuing fiscal impact upon the City, the TLC finished Fiscal Year 2002 under budget while also exceeding many productivity goals and implementing many new
initiatives. Throughout 2002 the TLC implemented its plan to assist in the post-9/11 recovery of its regulated industries. In addition, the TLC successfully implemented its portion of a contingency plan for the Queens private bus strike during the summer of 2002, as well as the preparation of a more comprehensive plan for the transit strike deadline in December 2002.

The TLC has and will continue to work well with members of the Council and other City agencies. It is truly a privilege to collaborate with such proactive and cooperative government partners to benefit our licensees and the riding public by ensuring safe, convenient and reliable for-hire transportation for the people of the City of New York.

We look forward to working with you, your staff and all the Members of the City Council and its Transportation Committee to continue our progress during the new year.

Sincerely,

Matthew W. Daus
Commissioner/Chair
MISSION OF THE NEW YORK CITY TAXI & LIMOUSINE COMMISSION

The New York City Taxi and Limousine Commission (TLC) was created pursuant to Local Law 12 of 1971, and is charged with “furthering the development and improvement of taxi and livery service in New York City, establishing an overall public transportation policy governing taxi, coach and car services and wheelchair-accessible vans, and to establish certain rates and standards.” The Commission’s Board consists of nine members, eight of whom are unsalaried Commissioners. The salaried Commissioner/Chair presides over public meetings, and serves as the Chief Executive Officer of the agency. The TLC’s Chair, Matthew W. Daus, was confirmed by the City Council on August 22, 2001.

New York City Taxi and Limousine Commission (TLC) Regulatory Mandate

The TLC was created in 1971 to:

- License vehicles, drivers and businesses authorized to transport passengers for hire.
- Establish licensing criteria and standards for conduct.
- Establish and enforce standards for vehicle and public safety and business accountability.
- Develop a comprehensive transportation policy applicable to vehicles for hire.
- Set taxicab rates of fare.

On the date of the Chair’s confirmation, he articulated three primary goals for the agency. First was a hands-on, grassroots approach to communicating and working with the TLC’s regulated industries. The second was a commitment to streamline operations and improve customer service. The third was to prioritize enforcement against illegal for-hire activity, which presents a safety risk for the public and a threat to the business of legitimate licensees.
While these goals were originally conceived as being part of a long-term vision for the agency, the events of September 11, 2001 necessitated that the TLC focus on them immediately in the days and weeks following this tragedy. The implementation of methodologies to achieve these goals sooner than originally anticipated has worked to the City’s benefit, as well as to the benefit of the TLC’s licensees and the riding public.

Grassroots outreach became critical to the implementation of the TLC’s Industry Recovery Plan after 9/11. Aspects of the plan, which took shape as early as September 12, 2001, included working with the New York City Department of Transportation (DOT), the New York City Police Department (NYPD) and the Office of Emergency Management (OEM) to enhance access to Lower Manhattan by TLC-licensed vehicles and the creation of black car staging areas to facilitate service. The TLC also streamlined its licensing process, and participated in Job Fairs to promote available career opportunities. Most recently, this approach served the City well in allowing the TLC to work more closely with its regulated industries to weather a work action by Queens private bus carriers last summer, as well as to prepare for the threatened transit strike in December 2002.

New methods of communicating with its regulated industries have allowed the TLC unparalleled opportunities to listen to and better understand these businesses in order to improve the ways in which the agency does business. Ideas, many of which have been successfully implemented, have been gleaned from such new initiatives as Driver Focus Groups – in which drivers from each TLC regulated industry meet to discuss various issues and ideas with the Commissioner – Industry Summit Meetings, and TLC visits to fleet garages, for-hire vehicle bases and airport taxi holding lots.

Communications were also paramount to maximizing the knowledge and experience of the TLC’s Board of Commissioners and the members of its many Advisory Boards, from whom many ideas and much important feedback flow. Working Boards with active subcommittees, and TLC Commissioners working on assignments specific to their areas of expertise, have successfully tackled a number of important issues. This exercise speaks to the value of utilizing every resource available to the agency, both internally and externally.

Outreach has also proven to be an effective way to listen and work more closely with the many communities throughout the five boroughs of New York City. Closer relationships with civic organizations, elected officials and community boards have allowed the TLC to benefit from the ongoing collection of unparalleled amounts of information on illegal for-hire activity and quality-of-life problems, the goal of which is effective and efficient redress.

Finding ways in which to focus and funnel customer service enhancements to both the public and TLC-regulated industries was also a challenge that saw the agency’s outreach and customer service goals intersect to a large degree. By reallocating staff and resources, and redefining the role of the TLC’s Consumer Relations Unit, the agency created a
Customer Service Call Center that offered consumers and licensees alike one-stop shopping for information and services by calling (212) NYC-TAXI.

The genesis of the expansion of the TLC call center was the offer of real-time traffic conditions and access to information for licensees in the critical days following 9/11. The concept led to the creation of an “all-purpose” Customer Service Hotline, offering TLC licensees and members of the public a single outlet for all TLC-related information and services. This, in turn, led to the creation of a Correspondence Unit composed of employees culled from other areas of the agency. Not only did this initiative offer employees an opportunity to demonstrate previously untapped talents and skills in writing and research, but it also helped the TLC to more quickly and efficiently respond to increasing numbers of e-mail and traditional mail inquiries.

In December 2001 all TLC employees attended in-house customer service training seminars. The all day seminar was an interactive workshop designed to prepare employees at all levels to provide improved customer service to the TLC’s licensees and the riding public. Employees were taught how to create “win-win” situations and maintain a positive attitude, as well as advanced telephone answering techniques.

The virtual redesign of the TLC’s official web site has also significantly enhanced the agency’s outreach and customer service capabilities by offering a far greater range of information to the public. One example is the listings arranged by ZIP code of all licensed car service, black car and limousine bases and commuter van authorities. Through constant update and re-tooling, the web site has also become an important means of soliciting public feedback on TLC initiatives through surveys, and, most recently, was a crucial resource for the public in preparation for the threatened transit strike.

Greater use of the TLC’s official web site has also enhanced the TLC’s ability to directly interact with both licensees and the public. By tailoring certain web applications to fit our licensees’ needs, the TLC has significantly increased the number of services available to licensees electronically, while proportionally decreasing the amount of traffic into and from TLC facilities.

Similar philosophies with respect to the prioritizing of communications have paid dividends internally as well, allowing the agency to function more efficiently and do more with less. While the agency-wide establishment of suggestion boxes for both employees and licensees was a tried and true means of getting the ball rolling, programs such as H.O.M.E. and M.A.P.P. helped these efforts make a quantum leap forward.

In M.A.P.P. (Management Accountability and Productivity Program), which was originally based on the NYPD and Department of Correction’s respective COMPSTAT and TEAMS programs, agency managers meet and work together to pinpoint and track problem areas to maximize resources while enhancing agency performance. As part of the “M.A.P.P.
Guest Program,” employees are invited to attend and participate in each meeting, offering them a global view of agency operations and how each division and unit contribute to the whole. Following the meeting, these employees meet privately with the Commissioner/Chair, absent other managers, to discuss issues and ideas, and share their perceptions of the program and their work at the agency.

In H.O.M.E. (Hands-On Management Experience), the TLC’s senior management team visits, in turn, the agency’s many centers of operation to learn more about the functions unique to each. These managers set aside time to work side-by-side with employees to learn and perform their functions. In a twofold benefit, managers have the opportunity to experience and evaluate day-to-day processes throughout the agency, and non-managerial employees have the ability to highlight the value of their contributions.

The advent of a “zero tolerance” approach to unlicensed activity has allowed for the design and implementation of such innovative new enforcement programs as “Operation Street Hail” and “Operation Padlock.” While these and other similarly conceived initiatives at first supported our regulated industries through their most challenging period, they offer the continued value of enhancing public safety while decreasing legitimate licensees’ competition from unlicensed “poachers.” It is also true that for a TLC license to have meaning and relevance, the penalty for illegal operation must be seen as more than merely the cost of doing business. These more effective enforcement initiatives will help to convey the message that TLC licensure and lawful behavior are the only viable options.

In sum, the policies, initiatives, and innovative programs undertaken by the TLC in the reporting period have successfully built on the agency’s considerable existing foundation, and created the infrastructure necessary to take it to the next level. While maintaining and building on the successes articulated in this report is a challenge in and of itself, the TLC, with its dedicated and talented employees, remains ready for new challenges to come.
INDUSTRY AND AGENCY OVERVIEW

The TLC is responsible for licensing and regulating the 12,187 medallion taxicabs authorized to accept hails from passengers within the five boroughs of the City of New York, as well as for-hire vehicles, authorized to accept passengers by radio dispatch. For-hire vehicles include community car service vehicles, black cars (that primarily serve corporate clients), and luxury limousines with a seating capacity of up to twenty (20) passengers. The TLC also licenses and regulates wheelchair-accessible ambulettes (also known as paratransit vehicles), and commuter vans, which are vehicles with a seating capacity of between nine (9) and twenty (20) passengers that are authorized to transport passengers within approved geographic areas.

The TLC also licenses and regulates businesses that manufacture, install or repair taximeters used in New York City taxicabs, brokers that assist buyers and sellers of taxicab medallions, and agents that operate taxicabs on behalf of owners. The following Chart depicts the number of active, current licenses issued by the TLC as of December 31, 2002, compared with the end of the previous year.

<table>
<thead>
<tr>
<th>License Type</th>
<th>December 31, 2002</th>
<th>December 31, 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Licenses</strong></td>
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<td></td>
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<tr>
<td>For-Hire Vehicle Bases</td>
<td>513</td>
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<tr>
<td>Luxury Limousine Bases</td>
<td>109</td>
<td>105</td>
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<td>Black car Bases</td>
<td>53</td>
<td>51</td>
</tr>
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<td>Taximeter Businesses</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td>Taxicab Brokers</td>
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</tr>
<tr>
<td>Taxicab Agents</td>
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<td>72</td>
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<tr>
<td><strong>Vehicle Licenses</strong></td>
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<td></td>
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<tr>
<td>Taxicab</td>
<td>12,187</td>
<td>12,187</td>
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<tr>
<td>For-Hire Vehicle (Tier I)</td>
<td>45,286</td>
<td>49,485</td>
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<tr>
<td>Paratransit</td>
<td>2,222</td>
<td>2,204</td>
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<tr>
<td>Commuter Van</td>
<td>380</td>
<td>401</td>
</tr>
<tr>
<td><strong>Drivers' Licenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxicab Driver</td>
<td>40,586</td>
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<tr>
<td>For-Hire Vehicle</td>
<td>59,882</td>
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<td>Paratransit</td>
<td>1,258</td>
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<tr>
<td>Commuter Van</td>
<td>365</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td>162,966</td>
<td>165,628</td>
</tr>
</tbody>
</table>

One of the more significant licensing trends during 2002 was the more than nine percent (9%) increase in the number of licensed taxicab drivers during the past two years. After 1998, the number of taxicab drivers licensed by the TLC declined. During 2002 however, the TLC, working with segments of the taxicab industry, undertook a number of initiatives to simplify the licensing process and to reduce processing times. These initiatives and other factors, such as the economy, are believed to have contributed to a reversal of the recent trend.
The following chart tracks livery vs. taxicab drivers licensed by the TLC from 1998 through 2002.

Vehicles licensed by the Taxi and Limousine Commission transport nearly 350 million passengers each year and generate approximately $2 billion per year in fare revenue. During 2001, the last year for which current data is available, approximately fourteen percent (14%) of all passengers transported in New York City by public transportation travelled in vehicles licensed by the TLC. The following chart depicts the significant role TLC licensees play in transporting New Yorkers.
The industry most familiar to New Yorkers is the medallion taxicab industry, with 12,187 licensed taxicabs. The number of taxicabs is fixed by law. Unlike other licenses issued by the TLC, taxicab licenses are transferable, and may be pledged as security for loans. Since this license provides the holder with the exclusive right to accept street hails in the City of New York, the license has a considerable value. Although licenses are purchased and sold in private sales, the TLC reviews and approves each transaction to ensure that the purchaser meets all of the criteria for licensure, and that the seller's creditors and claimants have been paid from the proceeds of the sale. While maintaining the price of the medallion is not a regulatory purpose of the TLC, a strong medallion industry may be viewed as a barometer of the overall health of the industry. The following chart depicts average medallion sales prices from 1947 to the present.

In December 2002, the average sales price for a corporate medallion was $250,000, an increase of fifteen percent (15%) from the prior year. The average price of an individual medallion was $211,000, an increase of eleven percent (11%) from the prior year, as depicted in the following chart.
The TLC has begun the process of performing an environmental review and assessment relating to the need for additional taxicab medallion service in New York City. To this end, the TLC has issued a Request for Proposals from qualified firms to perform an environmental assessment of the need for additional medallion taxicab service. After this review is completed, the TLC will issue a final environmental impact statement which can be used by the City to determine whether the need for additional medallion taxicabs exists.

Taxicabs are also newer and larger than ever. In late 2001, the TLC approved the new "Stretch" Crown Victoria, a sedan with approximately six (6) more inches of rear compartment legroom. There are presently more than 3,000 of these vehicles in service. In 2002, the TLC completed the full phase-in of its vehicle retirement program, wherein most taxicabs were replaced with new vehicles within three or five years of being placed into service, depending upon type of vehicle ownership and operation. As a result of the vehicle retirement program, the average vehicle age of a taxicab is now less than 2.5 years. Newer vehicles have translated into fewer vehicle inspection failures. The following chart shows that inspection failure rates have declined from fifty-one percent (51%) in 1997 to approximately thirty-four percent (34%) in 2002, primarily as a result of the mandatory replacement of older taxicabs.
**STRIKE CONTINGENCY PLANS**

**Queens Private Bus Strike**

During 2002, the TLC and its regulated industries were called upon to assist in the movement of nearly 100,000 daily riders affected by the strike of private bus carriers in Queens. The Mayor executed an emergency order authorizing licensed commuter van operators to accept passengers by means other than pre-arrangement along affected bus routes and at bus stops. For-hire vehicles and commuter vans, normally prohibited from accepting street hails, were permitted to accept hails from passengers in areas impacted by the strike. The TLC worked closely with DOT and NYPD to assist in the movement of affected passengers during this job action. By the time the strike ended on August 7, it had lasted seven weeks. Over the period of the strike the TLC issued 1,900 permits to commuter vans and for-hire vehicles, allowing them to pick up passengers without prearrangement.

**Threatened Illegal Transit Strike**

In December 2002, the TLC and its regulated industries were again called upon to assist the City in the movement of nearly seven (7) million daily riders who would have been affected in the event of an illegal job action by Local 100 of the Transport Workers Union. Together with DOT, NYPD, the Mayor’s Office of Emergency Management (OEM), and the Port Authority of New York and New Jersey (PANYNJ), the TLC prepared for the mid-December transit strike that thankfully was averted. TLC staff conceived and implemented a comprehensive strategy that served as a major facet of the City's overall strike contingency plan, which included the creation of a network of medallion taxicab group ride sites and commuter van staging areas and loops. It also required planning for the suspension of a number of TLC regulations and local laws that would maximize the use of all types of TLC-licensed vehicles to help the largest number of displaced commuters, as well as the design of an alternative fare structure to support these efforts. To accomplish this, the TLC became a 24-hour operation, with staff members working around the clock at the already busy Customer Service Call Center.
It was also crucial to communicate the specifics of the plan to the public and the industries whose cooperation would be key to its success. With the TLC being the regulator of more than 150,000 entities, a comprehensive approach, which included mailings, faxes and e-mails to licensees was clearly needed. Never was the TLC web site so critical and more frequently updated, resulting in its being viewed by an average of more than 100,000 visitors per day during the week prior to the threatened strike. To galvanize its plan and to provide current information on group ride locations, commuter van routes and passenger loading zones, the TLC convened an industry summit meeting on December 11 at LaGuardia Community College, attended by more than 500 industry representatives and leaders. Further, to close any potential lapses in outreach, TLC employees staffed agency telephones to personally call our licensed bases with critical information.

Despite the fact that the "strike clock" was paused in time to allow for a normal commute on Monday morning, December 16, TLC Uniformed Services personnel were stationed throughout the city, surveying and staffing our network of emergency taxicab and commuter van sites to ensure that all was ready.

The TLC’s component of the City’s contingency plan was launched at approximately 4:00 a.m. that Monday, to a large extent as a "dry run" in the event a strike did occur later that day or the next. Although the plan was not fully implemented, it was an opportunity for those industries regulated by the TLC to demonstrate their concern and ability to mobilize for the city we all serve, and for TLC staff to demonstrate their ability to respond to a crisis with planning, professionalism, and resolve.
DECLINE IN COMPLAINTS

Medallion Complaints Fall to Lowest Levels in Over a Decade

The TLC received significantly fewer medallion driver complaints in Fiscal Year 2002 as compared to Fiscal Year 2000, a testament to the constant improvement in the caliber of licensees due to TLC driver licensing reforms. Accordingly, the number of complaints fell consistently in areas such as driver rudeness, which declined by as much as fifty percent (50%) cumulatively over the past two fiscal years. This decrease is rendered more significant by a number of factors. First among these is the fact that there are more drivers today - an increase of nine percent (9%) since Fiscal Year 2000. Also of note is the fact that access to the TLC has been significantly enhanced through the installation of twice as many incoming phone lines at our Customer Service Call Center. There has also been an increase in visits to the TLC’s official web site of over seven hundred percent (700%) since its inception. Lastly, taxicab ridership has seen a steady increase. Initially covered by the New York Post on October 7, 2002, the news received both national and international attention as much as a month after its reporting.

The decrease in complaints may be attributed to the confluence of many initiatives, with the primary three being the creation of stricter guidelines (e.g. the Persistent Violator and Critical Driver Programs), a revamped educational curriculum for medallion taxicab drivers that includes continuing education after one year on the job, and the TLC’s use of positive reinforcement to promote enhanced levels of customer service. Notwithstanding the impact of 9/11 upon agency operations, these initiatives facilitated a consistent decrease in medallion passenger complaints in Fiscal Year 2002.

Continually improving both our initial and continuing education curricula was key to this success by providing a solid foundation of skills for drivers to draw on at the beginning of their careers, and then returning them to the classroom environment after a probationary year to receive additional training. The continuing education aspect has been particularly successful. While many drivers initially approached the course with a cynical eye, they came away refreshed and with new perspective. Through the course, drivers have the opportunity to "role play" and see through the eyes of passengers, learning new ways to connect with the rider and potentially turn negative experiences into positive ones. While concentrating on the delivery of customer service in general, the course also focuses specifically on service to persons with disabilities, shining a spotlight on areas that are sometimes vague to service providers. Most importantly, the TLC continuing education course gives drivers tools that will serve them over the long course of a career, building on the strong foundation of their initial 80-hour education.
There was also a major shift at the TLC to expand the definition of customer service to include our licensees, making their professional lives easier and more fulfilling. One example is the TLC’s recently instituted Driver Recognition Program, which saw hundreds of drivers receiving awards and the City's heartfelt thanks for their good work. Drivers additionally receive letters penned personally by the TLC Chair, letting them know that someone took the time and effort to write the TLC about their good work, and acknowledging their actions as a job well done. While the careful monitoring of complaints against drivers has allowed us the ability to closely track their decline, the TLC has now seen the need to track driver compliments -- which are on the rise.
The events of September 11, 2001 directly affected everyone in New York City. Like most agencies, the fulfillment of the TLC's mission was challenged by this tragedy. TLC Headquarters, located about two blocks from "Ground Zero," was closed to the public for six weeks and, by necessity, the operations and focus of the agency were adjusted to deal with the aftermath of this attack.

**TLC Recovery Plan**

At the October 27th Commission meeting, the TLC unveiled its Recovery Plan, designed specifically to address the issues relating to the impact of September 11th. The following is a summary of the major initiatives in this plan.

**Expedited Licensing**

The TLC created a process whereby driver license applicants who are referred by taxicab and base owners would have their applications processed more quickly. The TLC allows prospective licensees who are identified by owners as having a job waiting for them, to be placed at the "front of the line" in order to expedite the licensing process. This public/private partnership assists the industry in maximizing its capacity, by matching qualified job seekers with a worthwhile career opportunity and, ultimately, enhances the industry's level of service to the public. To facilitate this process, the TLC reached an agreement with the New York State Division of Criminal Justice Services (DCJS) to "fast-track" fingerprint checks, allowing new driver applicants to receive their licenses more quickly. For taxicab operator license applicants, this prioritized licensing process will take place while they are attending taxi school, as the TLC has arranged for the immediate enrollment of each applicant on the Monday following their application. This system allows applicants to receive their licenses immediately following passage of their final examination. For the yellow taxicab industry, the timeframe for issuance has been reduced from an average of between six to eight weeks, to approximately two weeks. For-hire vehicle (FHV) license applicants can now receive their licenses within a few days of their application's submission. In a further development, the TLC "LiveScan" program will now enable fingerprints to be transmitted electronically to DCJS, thereby further reducing the time to complete necessary criminal background investigations.
License Renewal Extension
To assist the taxicab and for-hire vehicle industries, the TLC temporarily modified its license renewal policy to allow all drivers to renew their licenses up to six (6) months beyond their license expiration date. This reform allows more former licensees to return to their industry without having to file an application as a new licensee.

Vehicle Retirement Hardship Extension
In October 2001, the TLC's Commissioners enacted the Chair's proposal to amend its rules relating to the mandatory retirement of vehicles. Under rules previously in effect, it was required that each taxicab be replaced with a new vehicle every three to five years, depending upon vehicle operation. The amendment enacted by the Commissioners permits individually owned and operated vehicles to apply for an additional one year on the road in cases of demonstrated economic hardship. To qualify, the owner must demonstrate an economic or other hardship, and the vehicle must continue to pass regular inspections. As anticipated, individual owner/operators were able to demonstrate such hardships - primarily due to the aftermath of 9/11 - allowing these most experienced of drivers to continue their service to the City. Without the Commission's amendment to the existing rule, these drivers would have had been hard-pressed to incur the additional burden of purchasing new vehicles in the year of their originally-mandated retirement.

Welcome Back Program
Former TLC licensees are welcomed back into the taxicab industry with an expedited procedure to streamline education and training requirements. Individuals who completed taxi school after January 4, 1999 and passed the examination are no longer required to take the mandatory 80-hour training course (since these former licensees previously completed the course). Any other individual who held a hack license for at least three (3) years and whose license expired after January 1, 1989 is permitted to attend a three-day (24-hour) refresher course in lieu of the 80-hour course required for new applicants. However, these applicants must still pass the consolidated English proficiency and final examination to ensure that the TLC's licensing standards are maintained.

Job Expos
In an effort to assist unemployed New Yorkers with jobs in the taxicab, for-hire vehicle and paratransit industries, the TLC also participated in a number of job expos. These expos allowed the agency to highlight its expedited licensing program and other streamlining measures designed to make a career in the TLC's regulated industries more attractive than at any time in the past. Among these events were the extraordinarily successful Twin Towers Job Expos, sponsored by the City of New York to assist post-9/11 job seekers, and a TLC co-sponsored taxi industry-specific fair with the same goal. At this series of events, TLC employees and the TLC Commissioner/Chair personally introduced
hundreds of displaced employees to representatives of each of the TLC's regulated industries, and also distributed license applications and answered questions about the availability of jobs as TLC-licensed drivers.

Enhanced Access to Lower Manhattan

Working closely with DOT, NYPD and OEM, as well as TLC Commissioners and industry leaders, the TLC succeeded in arranging enhanced access to restricted areas by TLC licensed vehicles. This special access allowed taxicabs, livery and black cars, commuter vans and paratransit vehicles the ability to serve their clients in areas restricted to other non-emergency vehicles. Not only did this arrangement assist those TLC licensees most severely affected into rebounding more quickly from the devastating effects of 9/11, but it also facilitated numerous free rides in the area of Ground Zero for emergency workers through Operation Free Transportation.

New Taxicab Stands and Black Car Staging Areas

To assist TLC-regulated industries in providing maximum service to the public, especially in Lower Manhattan, the TLC worked with the Downtown Alliance Business Improvement District, DOT, NYPD and OEM to establish and authorize a number of taxicab stands and black car layover zones and staging areas (on- and off-street) to maximize service availability in areas with limited access.

Single Occupancy Ban Exemption for TLC-Licensed Vehicles

Working closely with DOT, NYPD and OEM, the TLC arranged for all TLC-licensed vehicles to be allowed into Manhattan at bridge and tunnel crossings below 62nd Street without an additional passenger, as required for other vehicles. This exemption to the City's single occupancy ban assisted all TLC-regulated industries by allowing for increased passenger pick-ups, and added to the City's overall recovery by more quickly bringing service availability to pre-9/11 levels.

Combating Unlicensed For-Hire Vehicle Activity

One important way to assist and support legitimate, law-abiding TLC licensees is to prevent their businesses from being reduced by unlicensed vehicles and operators. In addition to the TLC's current focus on unlicensed activity, innovative new enforcement strategies and agency policies that maximize current resources were designed and implemented to address the problem decisively and with the greatest long-term impact. One such program is "Operation Street Hail," an undercover initiative designed to enforce against both licensed and unlicensed drivers and vehicle owners who accept passengers by means other than pre-arrangement. Another is the TLC's successful padlock program, which identifies bases dispatching vehicles for hire without the required license. During the Fiscal Year that ended June 30, 2002, padlock proceedings were initiated against 56 bases, including those operating from storefronts, offices, residences and other locations.
Financial Assistance

Financial assistance information was disseminated by the TLC, in conjunction with other Federal and local agencies, in recognition that many of its regulated industries were particularly hard hit by the events of September 11th. To this end, the TLC worked with public sector entities such as the Small Business Administration (SBA) and the Federal Emergency Management Administration (FEMA), as well as private, not-for-profit entities to disseminate information to licensees and affected industries concerning the availability of loans and other forms of relief. The TLC hosted three seminars featuring speakers from FEMA and the SBA to provide information on low-interest recovery loans and other available government assistance. The TLC also provided information to the industry concerning other forms of disaster relief for its regulated industries.

OPERATION FREE TRANSPORTATION

Shortly after the devastating September 11th attacks, the TLC became aware that many of its licensees were looking for a way to help the city in its time of need. Licensees are in the business of providing transportation, so it was logical that the benefit they could provide the city would be transportation-related. The TLC conceived and launched Operation Free Transportation, giving direction and purpose to the industries’ strong desire to help their fellow New Yorkers. Volunteer drivers provided free taxicab and for-hire vehicle transportation to and from hospitals, bereavement centers and blood donation sites for the benefit of victims and their families, emergency workers, and other volunteers.

TLC personnel coordinated the effort, established and staffed designated free-transportation stands, and dispatched passengers to vehicles. Thanks to the hard work and dedication of these volunteers and TLC staff, many thousands of victims, their families, emergency aid workers and blood donors received free transportation and a helping hand when they needed it most. Through Operation Free Transportation, the drivers of New York City’s taxicabs, livery and black cars, limousines, commuter vans and paratransit vehicles became active partners in New York City’s recovery. There was an unparalleled display of unity not only among the TLC’s industries, but also between the TLC and its licensees. This initiative encouraged drivers to get back on the road at a time when some were concerned about their safety, though the need for their services was most acute.
On September 13, 2002, the TLC hosted a well-attended Memorial Ceremony to mourn those we lost, but also to honor the many TLC licensees who contributed their time and their energy - at great personal cost - to donate many thousands of free rides to victims' families and emergency aid workers through Operation Free Transportation. It was a fitting time to unveil what will be a tangible, lasting memorial to the victims of our greatest tragedy - a new taxi medallion featuring a stark white background and a simple red, white and blue ribbon of remembrance that will be installed on each of the city’s 12,187 medallion taxicabs.
TLC WEB SITE

The Commission expanded the use of its web site to disseminate information to the riding public and the industries regulated by the TLC. Information of interest to the public and regulated industries that is posted and regularly updated includes:

- Public notices, industry notices, press releases and Chair’s message;
- Emergency information and notices;
- All TLC rules;
- Listing of bases licensed by the TLC, with addresses and phone numbers;
- Selected licensing and other forms; and
- Public surveys.

In addition, base owners, taxicab agents and fleets can obtain current licensing and adjudication information concerning their businesses, as well as information for their affiliated drivers and vehicles, by obtaining a confidential password from the TLC. The status of a license, pending summonses, and other licensing and adjudications information may be obtained on-line without calling or visiting the TLC.

The TLC web site has proven invaluable to both the industry and the public. The number of web site "hits" has increased from approximately 76,000 during Fiscal Year 1999 to more than one-half million in 2002. During the period immediately preceding the threatened transit strike, the average number of daily web site hits increased from approximately 3,000 to more than 8,000, as passengers and licensees used the TLC web site to obtain current, up-to-date information concerning the TLC strike contingency plans and alternative available transportation. During the month of December 2002 alone, the TLC recorded 203,400 web site hits, nearly one-half the total number recorded during the entire previous fiscal year.

Each base owner, taxicab agent, and fleet has been required to furnish the TLC with a current E-mail address. This will enable the Commission to better communicate with its licensees to distribute critical information. Using this e-mail system will improve communication with our licensees as well as reduce postage costs when sending out agency correspondence such as Industry Notices.
The TLC has a very active Disability Advisory Board, comprised of members of the disability community, public representatives, and representatives of transportation service providers, that meets regularly to discuss issues affecting the disability community as it relates to for-hire transportation. The Board advises and assists the TLC in fulfilling its commitment to be attuned and responsive to the needs of the disability community and to ensure the availability of wheelchair-accessible for-hire service for those seeking it. The members are working partners and active participants in researching and implementing critical programs.

In 2000, the TLC enacted a rule that requires each for-hire vehicle base to provide service upon request to persons with disabilities. Such service can be provided either by purchasing an accessible vehicle, or by contracting with another licensed base to provide service. The rule has no precedent in the United States in the scope and breadth of its requirement. The TLC has begun enforcement of this rule for the black car segment of the industry, and in 2003, plans to further expand implementation to other industry segments.

In the medallion segment of the industry, the TLC has initiated an innovative pilot program in which wheelchair-accessible minivans are being road-tested as medallion taxicabs. These vehicles, which were retrofitted for wheelchair accessibility, are being evaluated for their roadworthiness in the 24-hour per day/7 day per week double-shifted environment in which medallion taxicabs operate.

The TLC will continue to work with its regulated industries and the disability community to identify and implement ways to enhance service.
Newer and Larger Taxicabs

The TLC has responded to the demands of consumers for larger, roomier and more comfortable taxicabs by working with a vehicle manufacturer and the taxicab industry to develop a longer, more comfortable, purpose-built taxicab. In 2001, the TLC approved the Ford “Stretch” Crown Victoria, which featured six (6) inches of additional legroom. Response has been highly favorable, and as of December 31, 2002, 3048 of these vehicles have been introduced into service. In December 2001, the Commission enacted a rule amendment mandating that all future vehicles placed into service be at least as large as the new “Stretch” Crown Victoria.

In addition, the Commission continues to test minivans, which have proven popular with passengers, and enacted a rule amendment authorizing the TLC Chair to approve specific minivan models. As of December 31, 2002, 706 minivans have been approved for and placed into service. Of the various minivans authorized, all 2002 and 2003 models of the Honda Odyssey have been equipped with rear warning lights to caution oncoming vehicles and bicyclists when passengers are exiting. These and other similar warning devices will be tested as part of TLC pilot programs.
New Taxi Passenger Information Map

In May 2002, a revised taxi map was made available to all taxicab owners. This map, displayed in the rear passenger compartment of all taxicabs, includes major thoroughfares in the City, principal streets in Manhattan, and many highly frequented tourist attractions. This map also includes many new tourist attractions since the publication of the last map and new icons to easily identify those destinations. The size of the map was expanded from 86th Street to 125th Street in order to include Harlem. The site of the World Trade Center was marked with a red, white and blue ribbon in memory of all those lost in the tragic attacks of 9/11. The TLC Complaint Number, (212) NYC-TAXI, is now used for "Compliments" as well as “Lost Property and Complaints” and the new taxi map reflects that change officially for the first time.

Taxi Rooftop Displays

New Yorkers are familiar with taxicab rooftop advertising, which has been a feature of many New York City taxicabs for years. During 2001, the TLC pilot-tested several forms of “electronic” rooftop advertising. The first of these was the “AdRunner,” which features a system that may be remotely controlled for updates of text and graphic messaging via a secure Internet connection. The system further employs Global Positioning System (GPS) technology for the transmittal of messages that are tailored to the location of the taxicab. This device was authorized by the TLC following the completion of the pilot test period, and has been installed on a total of 148 taxicabs. The TLC also pilot-tested a second rooftop system known as the “SmartTop” unit, which is comprised of three flat screen televisions mounted on each side of the rooftop. These units are powered by an onboard computer mounted within the trunk of the taxicab, which sends graphics and text messages to the screens. The TLC continues to monitor the progress of these systems.
Credit Cards

During 2001, the TLC tested as a pilot program, and ultimately approved for use, a taximeter that accepts credit cards for the payment of taxicab fares. Credit card payments are already a standard feature in black cars and some other for-hire vehicles, but had not previously appeared in the New York City taxicab market. By the end of 2002, 324 taxicabs were equipped with taximeters capable of accepting credit cards. In December 2002, three (3) additional units manufactured by different companies were authorized for further testing in taxicabs during 2003.

In-Taxi Video System Pilot Program

The TLC authorized a pilot program in which video and interactive touch-screens may be installed in the rear compartments of taxicabs for passenger use. The systems allow passengers such varied options as the opportunity to “surf” interactive offerings such as real-time news and weather, movie listings, restaurant listings and reviews, museum exhibits and more; or simply sit back and watch comedy vignettes, independent film segments or documentary-style reports on New York City institutions. Interspersed with advertising, these systems also offer public service announcements mandated by the TLC, which initially include such messages as “Please buckle up for safety,” “Please remember to exit at curbside,” and “Please watch for bicyclists and pedestrians as you exit this cab.” The pilot program authorizes the participation of seven companies, each testing unique products, with a total of 167 units currently in operation. Each system is equipped with controls to allow passengers to raise, lower or mute the volume for a silent ride. With safety testing having been accomplished prior to the launch of the program, the goal is now to solicit public feedback that would allow the TLC to make an educated decision as to whether the technology should ultimately be allowed, and, if so, what services it should offer passengers in the future. This is being accomplished, in part, through an interactive survey on the TLC’s official web site.
Celebrity Talking Taxi Program

On August 1, 1997, the TLC launched its “Celebrity Talking Taxi” program, in which celebrities reminded taxicab passengers to buckle their seat belt prior to the commencement of their trip, and to take their receipt and property at the conclusion of their trip. These public service announcements, activated by the taximeter, were mandated to encourage passengers to use seat belts and to remember to take their personal belongings. Celebrity voices were changed regularly to keep the talking taxi program fresh and timely.

In October 2002, the TLC commenced a passenger survey to assist in evaluating the effectiveness of the talking taxi program. Over 3,500 individuals participated in this survey, which included both E-Mail responses to the survey questionnaire posted on the TLC website, as well as passenger surveys conducted in the field by TLC staff. The TLC is evaluating the results of the survey and will use the results in assisting the agency to reach a decision in early 2003 with respect to the continuation of the Celebrity Talking Taxi program. In addition to the survey results, the TLC will be reviewing available accident and claims data and lost property statistics to assist in evaluating the effectiveness of the electronic public service announcements.

CUSTOMER SERVICE INITIATIVES FOR TLC LICENSEES

Opening of TLC Staten Island Facility

On June 3, 2002, the TLC opened a new facility located at 1893 Richmond Terrace, Staten Island. This facility will process licensing transactions, including new and renewal driver license applications, and for-hire vehicle licensing. In addition, the Staten Island adjudications tribunal will process summonses issued by TLC enforcement personnel. This facility is less crowded than the TLC licensing facility in Long Island City, and is more convenient for residents of Staten Island, south Brooklyn, and New Jersey.
ADJUDICATIONS

Streamlining Operations and Reducing Waiting Time

For many years, the TLC Adjudications Tribunal was a place characterized by long lines, crowded waiting rooms, and a generally unpleasant environment for both respondents and staff. Prior to 1996, the Tribunal was located in a cramped, crowded warren of rooms located near Times Square. Even when the Tribunal was moved in large part to Long Island City, the systemic problems associated with it remained. As part of its commitment to customer service, the TLC undertook a series of bold initiatives in 2002 to reduce waiting times at the Tribunal and to streamline operations. Several policy changes were made, including:

- Waiving the requirement that a licensee post a cash bond equal to the potential fine amount prior to the hearing;
- Opening a new customer service window to expedite the processing of guilty pleas;
- Streamlining adjournment procedures; and
- Changing procedures for processing decisions of Administrative Law Judges, including streamlining of data entry functions to reduce the time to process a decision after the hearing has been completed.

All employees in the Adjudications Division received hands-on training in order to enhance customer relations. As a result of these reforms, the waiting time for respondents appearing at the Tribunal has been reduced from an average of three hours (in some instances) to less than thirty minutes (in most cases). Customer service initiatives commenced in 2003 will now focus on eliminating the need to visit TLC facilities through expanding the use of the TLC’s website by its licensees.
Videoconferencing Project

The TLC commenced a highly successful videoconferencing project, using state of the art technology to permit NYPD Officers to testify before the TLC Tribunal without appearing at Long Island City. Equipment purchased by NYPD and set up at both the TLC Tribunal and the Police Department Surface Transportation Enforcement Division (STED) in Midtown Manhattan is used to enable Police Officers to appear at live hearings from their Manhattan Headquarters, thereby eliminating travel times and improving Officer efficiency. The Administrative Law Judge conducting the hearing, and the respondent and/or his representative, can see and hear the live testimony of the Officer and question the Officer concerning the charges.
LiveScan

The TLC purchased and installed new equipment that will enable it to electronically transmit fingerprints of applicants directly to DCJS. The use of this LiveScan equipment will reduce the time necessary to complete the criminal background investigation of licensees, thereby reducing the time necessary to process license applications.

Expedited Licensing Program

This program was conceived and implemented in cooperation with industry leaders immediately after September 11, 2001, and was designed to assist individuals to obtain a taxicab or for-hire vehicle license quickly. Individuals who can demonstrate that they have been offered employment by a taxicab or base owner or agent qualify for this program. Criminal background investigations are processed on an expedited basis, and applicants who meet all of the qualifications for licensure can obtain their licenses in an average of 15 days for taxi drivers and 7 days for FHV drivers (as opposed to 38 days for taxi drivers and 20 days for FHV drivers under standard license processing).

Electronic Rate Card Services

During 2002, the TLC streamlined procedures for adding or deleting information concerning medallion “drivers of record” (i.e., individuals authorized to operate a particular taxicab). The TLC maintains records of drivers authorized to operate particular taxicabs to assist in identifying drivers in the event of a report of lost property, accident or consumer complaint. Previously, a taxicab owner or agent was required to file documents in person at the TLC’s Licensing Facility in Long Island City each time there was a change to the vehicle’s driver(s) of record. Under the new procedures, a change in driver is now filed online by visiting the TLC’s official web site, thereby eliminating the need to personally appear at the Licensing Division. This simple procedure has helped to reduce the number of persons required to transact business in person at TLC’s Medallion Unit by more than thirty-five percent (35%), in turn reducing waiting time for those persons who must visit the TLC.
**Vehicle Affiliations**

Procedures were simplified for notifying the TLC of when a for-hire vehicle, paratransit or commuter van is no longer affiliated with a TLC-licensed base station or authority. This information may now be filed by a base owner on-line. Previously, documents were filed either in person, or by mail or facsimile. All vehicle owners must be affiliated with a licensed base and accept calls solely through radio or other means of dispatch from their base.

**March Madness**

In the past, crowding, long lines, and customers turned away at the TLC’s Licensing Division facility in Long Island City historically commenced on or about the last week of February, and lasted throughout March and much of April, due to the expiration of all for-hire insurance policies and DMV vehicle registrations for taxicabs and liveries on February 28th of each year. In February 2002, the TLC instituted new temporary procedures for the month of March. At that time, new, transfer and renewal FHV and paratransit applications could be filed only by appointment. Requests for appointments were e-mailed or faxed to the TLC. The TLC scheduled appointments at which the base or vehicle owner appeared at the TLC to complete their transactions. Special bulk, drop-off and pick-up procedures for bases that had 50 or more affiliated vehicles were also part of the program. Further easing the force of March Madness was the TLC’s close working relationship with the New York State Department of Motor Vehicles (DMV), which assigned a number of its own staff members to the TLC’s licensing facility to assist applicants with DMV-related issues. As a result of these initiatives, there were no long waits or lines at the Licensing facility, although the TLC processed a similar number of transactions as in previous years. During 2003, the TLC anticipates that it will use its official web site to handle an even greater number of transactions, thereby further reducing waiting times, during March and throughout the year.
Medallion Transfers

The processing of medallion transfers is now handled by the TLC Legal Department, rather than the Licensing Division, in order to streamline the process and reduce processing times. Since July 2002, the average time for processing a taxicab medallion transfer has been reduced from fifty (50) to eighteen (18) days. This reduction in processing time has been achieved through reallocation of staff, and by conducting a seminar for brokers and lenders to advise them of TLC requirements. In addition, TLC staff now review paperwork at the time of submission, thereby insuring that complete transfer packages are filed with the TLC by buyers and sellers.

TLC DRIVER PROGRAMS

Safe Driver Program

One of the most pressing issues facing for-hire vehicle owners is the high cost of liability insurance. Although the TLC does not regulate insurance carriers and the rates charged to its licensees, the TLC has responded to the concerns of its licensees and has undertaken initiatives to reduce the cost of insurance.

To this end, the TLC has created the “TLC Safe Driver Certification Program,” the first of its kind by a government agency and a prime example of public/private partnering at its best. The purpose of this program will be to identify TLC licensed drivers who have met specific experience, training and safe driving criteria, and classify such drivers as “TLC Safe Drivers,” thereby enabling them to qualify for significant insurance discounts. The TLC is very aware of the high insurance premiums that apply to its regulated industries and remains committed to finding ways to assist its licensees in obtaining lower premiums.

Drivers meeting eligibility and training requirements will be certified. The Commission will forward a list of all drivers meeting these criteria to the insurance carriers that are participating in the program. Vehicle owners who permit their vehicles to be operated exclusively by TLC certified drivers will be eligible for a more favorable insurance rate, based upon the underwriting criteria of participating carriers.
TLC Health Insurance Program

The TLC Health Insurance Program, which is a part of the citywide HealthStat initiative, is a program designed to increase access to public health insurance for uninsured New Yorkers. In compliance with Local Law I, the TLC initially partnered with the Office of Housing Preservation and Development (HPD) in 2002 to promote the HealthStat initiative within the taxi and for-hire vehicle industries. Through the program, the TLC has been facilitating access to healthcare providers who are present at our Long Island City and Woodside facilities. The cost to the applicant is relatively low, or at no charge, and is based upon the applicant’s income. An ancillary benefit to the main goal of providing healthcare to those in need is the retention of experienced drivers through establishing taxi or for-hire vehicle driving as an attractive, long-term career option.

Due to its innovative outreach and commitment, the TLC was awarded the “Opening Doors” Award by the Mayor’s Office of Health Insurance Access (MOHIA) in December 2002. The TLC already has expanded outreach to previously untapped areas such as its own facilities, taxi schools, public meetings, and five-borough tours of livery bases and taxicab fleets, and will continue to expand throughout 2003. To date over 4,400 people have been enrolled in the program as a result of the TLC’s continuing commitment to this important initiative.
Persistent Violator/Critical Driver Programs

The point-based “Persistent Violator” and “Critical Driver” programs, which impose progressive discipline upon licensees who repeatedly commit either TLC or DMV violations, have created a greater degree of professional responsibility. Two hundred-twelve (212) drivers had their licenses revoked during 2001 pursuant to the Critical Driver program (which disciplines drivers who repeatedly commit DMV traffic violations). In total, fewer than 0.2% of all licensees have had their licenses revoked by the TLC pursuant to these programs, a testament to the quality of TLC licensees.

Driver Focus Groups

While there is much to be said for the input of talented and creative employees, it is a fact that some of the best ideas come from those who know our regulated industries best – our licensed drivers. Soon after his confirmation by the New York City Council, TLC Commissioner/Chair Matthew Daus instituted a Driver Focus Group program in which driver licensees from each of the TLC’s regulated industries are regularly invited to meet with the Chair and senior staff members. At these meetings, participants discuss issues and ideas, and the ways in which the TLC may improve the working experience for drivers, as well as their industries as a whole. Many of the ideas raised in these focus groups have been implemented by the agency, including enhanced methods of outreach and streamlining initiatives that have benefited the agency as much as they have its licensees.
MANAGEMENT PROGRAMS

M.A.P.P. Program

The TLC has participated in the Citywide Accountability Program (CAP) through the creation of the Management Accountability and Productivity Program (M.A.P.P.). This program is designed to ensure accountability by agency managers and supervisors, to share information and enhance communication, and to track critical targets and indicators. Each bi-weekly meeting addresses a different division or unit of the agency, identifying key indicators and requiring managers to address problems, identify plans for the future, redeploy resources and update staff on key issues. Critical statistical information is posted on the TLC web site. At the conclusion of each meeting, presenters find direction for improvement, with specific tasks and timetables to follow, and are asked to provide updates at subsequent M.A.P.P. meetings.

H.O.M.E. Program

Through the TLC’s H.O.M.E. (Hands-On Management Experience) program, staff have spent many an energized and productive day, and benefited from the ready circulation of ideas, opinions and mutual feedback. One of the major tenets of H.O.M.E. allows managers to learn and understand the entire operation of the agency by spending the day in a particular department and performing the work of all levels of staff. H.O.M.E. is a successful exercise in holding managers accountable for knowing how to perform all the duties of their departments (as well as other departments). While one H.O.M.E. exercise found TLC senior staff on the inspection lanes at the central taxicab inspection facility, learning the finer points of conducting taxicab inspections, another afforded the same managers the opportunity to accompany TLC inspectors on undercover enforcement operations. H.O.M.E. is an innovative and effective tool for motivating managers and staff, and for providing managers with an understanding of the challenges faced by their staff members.
The TLC, despite reductions to its Fiscal Year 2002 budget and despite redeployment of staff for an extended period to duties related to September 11, made significant achievements and, in some cases, even exceeded previous years’ output. The TLC accomplished its goals for both policy-making and day-to-day management purposes with a Fiscal Year 2002 budget of $23,276,729, comprised of $18,119,114 for personal services (PS) and $5,157,615 for other than personal services (OTPS). In addition, the TLC had an authorized headcount of 404, with an active headcount of 343 employees.

To address specific enforcement issues that came to its attention, the TLC created new and innovative operations. Maintaining its status as an expert regulator, the TLC embarked upon new programs to improve taxicab inspection and enacted rulemaking in response to medallion owners’ expressed hardship while continually improving the size and quality of the taxicab fleet. These accomplishments were made due to the commitment of TLC employees to its mission, and to management’s ability to motivate its staff despite the many obstacles.
ENFORCEMENT

The TLC’s Uniformed Services Bureau (USB) is primarily responsible for enforcing Administrative Code provisions prohibiting for-hire activity without a TLC license, as well as rules and regulations pertaining to the for-hire industry. USB inspectors also conduct Safety and Emission inspections for medallion taxicabs, and participate in special enforcement operations affecting all TLC-regulated industries. TLC enforcement inspectors, during fiscal 2002, were able to sustain a level of 45,284 vehicle stops (consisting of 37,683 for-hire vehicles and 7,601 medallion taxicabs), resulting in the issuance of 40,795 summonses.

Operation Refusal

During Fiscal Year 2002, NYPD retained primary responsibility for the enforcement of TLC rules applicable to medallion taxicabs and their drivers. However, TLC inspectors conducted several special operations focused on the medallion taxicab industry. In direct response to consistent complaints regarding taxicab drivers’ refusal to transport passengers to their chosen destinations, the TLC continued and expanded its “Operation Refusal,” in which undercover inspectors posing as prospective passengers hail taxicabs. The “passengers” may be individuals with babies in carriages, visually impaired persons with service dogs, or wheelchair users, and are of varied race, ethnicity and gender. On-duty taxicab drivers who refuse to stop for a passenger’s hail, or refuse to accept a passenger once stopped, are issued summonses with penalties that may include substantial fines and/or license suspension or revocation. During Fiscal Year 2002, Operation Refusal netted 3,276 tests, with a ninety-seven percent (97%) compliance rate by drivers, a cumulative ten percent (10%) increase in driver compliance since Fiscal Year 1998.
Operation Street Hail

For-hire vehicles licensed by the TLC are permitted to accept passengers only by prearrangement with licensed bases that dispatch affiliated vehicles. In December 2001, only two months after September 11, the TLC commenced “Operation Street Hail” as an enhanced enforcement initiative directed at livery vehicles soliciting fares along bus routes. Through December 2002, a total of 4,678 summonses have been issued under this program.

Operation Bus Stop

Also in December 2001, the TLC launched “Operation Bus Stop” as an enhanced enforcement initiative directed at livery vehicles soliciting fares at bus stops. Through December 2002, a total of 2,113 summonses have been issued under this program.

Hotels

The USB, to combat unlicensed and illegal activity at and around hotels, created a new squad dedicated to investigation and enforcement regarding illegal and unlicensed activity at hotels. This unit’s mission is to gather and evaluate information for future deployment, target quality of life violations, unlicensed for-hire vehicle activity and solicitation, and to enforce parking regulations in and around identified hotels in New York City. This enforcement unit is presently meeting and working with the Hotel Association and the management and security directors of a number of hotels. The new squad is now deployed on a daily basis, and since its creation in August 2002 has issued 544 summonses and seized 25 unlicensed vehicles.
Safety And Emissions Upgrade

In Fiscal Year 2002, TLC began renovations at its centralized inspection facility in Woodside, Queens, which will be equipped with a new state-of-the-art taxicab inspection/diagnostic system. The TLC will also be the first facility in New York State to conduct “On Board Diagnostic” (OBDII) emissions testing protocols. Phase I of the program, entailing two inspection lanes, is scheduled to be implemented in August 2003, with an additional four inspection lanes to be completed by December 2003.

Padlocking of Unlicensed Bases

During the first four months of Fiscal Year 2002, TLC made enforcement against unlicensed for-hire vehicle bases a critical component of its for-hire vehicle initiative. In Fiscal Year 2001, the TLC initiated 31 padlock proceedings against unlicensed bases, which was surpassed in Fiscal Year 2002 with 56 proceedings initiated, an eighty-one percent (81%) increase.
USB Enforcement Professionalism Training

All enforcement personnel of the TLC’s Uniformed Services Bureau received professionalism training similar to that received in the NYPD’s Courtesy, Professional and Respect (CPR) program. Among the topics covered in the training were methods of positively interacting with individuals that TLC Inspectors engage in the field by using special techniques designed to prevent confrontational situations.

LEGISLATION

Stretch Limousine Law

On December 27, 2001, former Mayor Giuliani signed into law an amendment to the Administrative Code which authorized the TLC to license and regulate vehicles for-hire with a seating capacity of up to twenty (20) passengers. This amendment, proposed and supported by the TLC, closed a loophole that existed in the law wherein for-hire vehicles with a seating capacity of more than nine (9) passengers were not licensed or regulated by local law. Vehicles with a seating capacity of greater than twenty (20) passengers are regulated as buses pursuant to State law. When the local law was enacted in 1971, most limousines did not have a seating capacity in excess of nine (9) passengers. In recent years, after-market manufacturers have been “stretching” the chassis of luxury sedans to increase length, weight and seating capacity. Drivers of such vehicles could operate for-hire as long as they held a state-issued chauffeur’s license, and these vehicles could operate on the streets if they passed the standard New York State safety inspections. There was no mechanism for the resolution of complaints by passengers.

With the passage of local law amendments, these vehicles must be licensed by the TLC to operate for-hire and accept passengers within the five boroughs of New York City. The TLC was empowered to promulgate regulations governing the licensing and conduct of these vehicles. Rules implementing the local law were passed by the Commission in June 2002.
RULEMAKING

During 2001 and 2002, several rules were proposed and approved by the TLC Commissioners after public hearings. The following is a summary of rulemaking initiatives enacted during 2002.

JFK Flat Fare

In 2001, the TLC increased the flat fare rate for a trip from JFK Airport to Manhattan from $30 to $35. The fare was adjusted to more accurately reflect the true cost of a trip from the airport to Manhattan.

Vehicle Retirement Hardship Extension

In October 2001 the Commission amended its vehicle retirement rules, effective as of January 1, 2002. Generally, a taxicab owner must replace his/her taxicab every three years, if it is double-shifted, or every five years, if it is operated by an individual owner-driver or a long-term lessee. The amendment approved by the Commission would enable an individual owner to apply for an additional year, provided the owner demonstrates an economic hardship and the vehicle continues to pass inspection.

Larger Taxicabs Mandated

On December 27, 2001, the Commission amended its taxicab specifications to increase the minimum legroom requirement in sedans that may be used as taxicabs, thereby ensuring that larger, roomier vehicles will be placed in service. This rule amendment also authorized the TLC Chair to approve specific minivan models for use as taxicabs.

Stretch Limousine Rules

On June 20, 2002, the Commissioners approved amendments to the for-hire vehicle rules authorizing the Commission to license and regulate vehicles for-hire with a seating capacity of up to twenty (20) passengers. These rules implement the amendments to the Administrative Code that were enacted into law in December 2001. Drivers of these vehicles must be licensed by the TLC, and meet all of the criteria to hold a TLC license, including mandatory drug testing and criminal background investigations. Drivers may have their licenses suspended or revoked if they commit serious infractions or accumulate an excessive number of "points" on their state-issued license. Vehicles must be licensed, inspected, and affiliated with a licensed business. Vehicles must also meet enhanced insurance requirements, including liability insurance of $1.5 million for vehicles with a seating capacity of from nine to fifteen (9-15) passengers, and $5 million for vehicles with a seating capacity of sixteen to twenty (16-20) passengers. Another provision of these rules relates to the safety of vehicles that have been "stretched" by after-market coachbuilders, and provides that no such vehicle may be licensed unless the after-market alteration was completed in accordance with a program approved by the original vehicle manufacturer.
PUBLIC HEARINGS

Group-Riding at JFK Airport

In 2001, the TLC held a public hearing on the "Share-a-Cab" proposal, which would authorize passengers to participate in group riding, for a reduced flat rate, for trips between JFK and Manhattan, during times when taxicabs are in short supply. A planned pilot program has been deferred as a result of the decline in the demand for taxicabs at the airports after 9/11.

Amendments to the Taxicab Agents' Rules

The TLC proposed amendments to the Taxicab Agents' Rules to better regulate the conduct of individuals and businesses that operate taxicabs on behalf of owners. These regulations would hold agents jointly responsible with owners for rule violations, and require that Agents disclose the terms of their agreements with owners and drivers.

Proposed Taxicab Fare Increase

A public hearing was held in December 2001 to receive testimony concerning the Metropolitan Taxicab Board of Trade's request for an increase in taxicab fares, as well as an increase in the maximum rates that may be charged drivers who lease taxicabs from fleets.
TLC FORGING NATIONAL AND INTERNATIONAL PARTNERSHIPS

As the largest and most active regulator of taxicabs and for-hire vehicles in the United States, the TLC enjoys a reputation as a pioneer both nationally and internationally and has become a significant source of both advice and example for fellow regulators. Delegations from Ireland, Japan, several provinces of China, Toronto, England, Australia and, most recently, Costa Rica, to name a few, have visited the TLC’s facilities to glean knowledge of TLC operations, programs and policies with an eye toward duplicating our successes in their own countries and cities. The TLC also maintains close working relationships with a network of sister regulators across the United States. More locally, the TLC worked closely with the municipality of Westchester to foster the creation of a Westchester TLC that mirrors in its entirety the New York City TLC’s licensing and regulatory system, allowing for a reciprocal relationship between our respective jurisdictions.

Another outgrowth of the TLC’s leadership standing is its active membership in the International Association of Transportation Regulators (IATR). At its November 2002 annual conference held in San Diego, TLC Chair Matthew Daus and General Counsel Peter Mazer were invited to deliver a keynote address on the topic of the recovery of New York City’s taxicab and for-hire vehicle industries from “September 11, 2001 and its Aftermath: Lessons Learned”.

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