

**Testimony of Matthew W. Daus
NYC Taxi & Limousine Commissioner/Chair**

City Council Finance & Transportation Committee

March 22, 2010

Good morning, Chairman Vacca and members of the City Council Transportation Committee. My name is Matthew Daus, Commissioner/Chair of the New York City Taxi and Limousine Commission (TLC). Joining me is Ira Goldstein, our Chief of Staff and Louis Tazzi, our Deputy Commissioner for Finance and Administration. Before I deliver my testimony for the TLC's Fiscal Year 2011 Preliminary Budget, I would like to congratulate James Vacca on his recent appointment as Chairman of the Transportation Committee. Chairman Vacca, today is the first time you will be presented with testimony from the TLC, and this is the last day I will present testimony to the Council in my capacity as TLC Commissioner & Chairman. After serving the TLC for 14 years, 8 of which were as agency head, I thank you for the opportunity to testify one last time.

At the outset, before we discuss the preliminary budget and agency operations, I would like to address the questions surrounding our announcement last week that we have uncovered a large number of instances of Rate Code 4 – or the meter code for fares in Westchester or Nassau Counties, which double the in-city metered fare. When I first learned of the case of one taxi driver who was found to have repeatedly overcharged passengers by thousands of dollars, I ordered a full-scale review of the trip data collected from taxicabs. I was shocked to discover the number of drivers who had switched the meter on in-city trips to reflect a higher, out of city rate.

What we know is that our GPS records showed a significant incidence of Rate Code 4 uses during trips that occurred within the five boroughs. We immediately forwarded the issue to the NYC Department of Investigation (DOI), along with the relevant data set, and they are investigating the most egregious cases. The TLC is proceeding along a parallel track with administrative licensing actions for those cases where criminal charges will not be pursued. Of course, as we continue to drill down into the data, we will learn more about the scope of the problem, and I am pleased to note

that, while we have yet to confirm the specifics, it appears that a fairly significant number of Rate Code 4 uses on at least one meter model took place at the end of the ride, therefore resulting in no overcharge.

This does not surprise us, as we had said from the beginning of this process that these drivers should not be painted with a broad brush, and that investigative efforts were ongoing. This, of course, does not detract from the culpability of those who have knowingly cheated their passengers, and they will be facing significant administrative, civil, and possibly even criminal charges depending on the depth of their actions.

That having been said, the TLC's Budget for Fiscal Year 2011 is \$31,221,877. This amount includes \$24,482,806 for Personal Service (PS) and \$6,739,071 for Other than Personal Service (OTPS).

TLC has undertaken many initiatives over the past year in order to enhance safety and service to the riding public, which I will now describe. As of February, the TLC licenses 105,536 drivers and 54,841 vehicles throughout our six (6) regulated industries. TLC-licensed drivers include 48,345 medallion taxicab driver licenses, 53,712 for-hire vehicle (FHV) driver licenses, and 3,479 commuter van and para-transit operator licenses.

In April 2009, the TLC passed a new for-hire vehicle (FHV) accountability rule package to enhance safety and customer service for the riding public. Following the Board of Commissioners' approval of the rules, the TLC initiated an extensive outreach campaign to educate FHV base owners, drivers and industry representatives on how to comply. The reforms include: new vehicle decals; visual inspections at the TLC's State-certified Safety and Emissions Facility in Woodside, Queens; a new penalty point system that holds bases accountable for their affiliated vehicles and the actions of their drivers; the display of driver licenses; a new Livery Passengers' Bill of Rights; and exterior base affiliation markings to ensure passengers can quickly and safely identify a licensed TLC vehicle and driver. To implement these new rules, we revamped the Web Site to provide additional customer service by allowing base owners to request inspection appointments, review confirmed appointments and open summonses, as well as monitor vehicle and driver penalty points at the click of a button. Our Web site now also includes

a “Passenger Only” section where the riding public can find informational materials about the new livery rules in English, Spanish Russian, French and Arabic. Since September 2009, 11,146 for-hire vehicles have been vigorously inspected.

Another important, recently enacted safety and customer service initiative is the TLC’s Distracted Driver Rules. The TLC was the first agency in the United States to ban handheld and hands-free cell phone use while driving in 1999. Due to improvements in technology, our rule proved difficult to enforce over the last few years. In response to growing concerns about the dangers of distracted driving and widespread illegal cell phone use by drivers, in December 2009, the Commission passed new rules which are among the strictest cell phone laws in the country. The new rules require all new drivers to receive training upon licensure, and every driver who receives a violation must also attend a safety class. The new rules changed the penalties from a “5-strikes” to a “3-strikes and you’re out” system if convicted within a 15-month period. I am confident that over time, these new rules will deter illegal cell phone use, prevent accidents and save many lives.

The TLC Adjudications Division has conducted 39,793 hearings, since the beginning of fiscal year 2010. As of last year, thanks to GPS data, consumers have been able to participate in hearings via telephone. The TLC also provides a free translation service to licensees called “Language Line.” At the licensee’s request, a translator can be provided to assist during the hearing process. So far, the most requested languages for translation have been Spanish, Bengali, Mandarin, Korean, and Russian.

As announced in Mayor Bloomberg’s 2009 State of the City Address, the TLC developed pilot programs that endeavor to increase efficiencies and financial rewards for both passengers and drivers. Thanks to our partners at the Department of Transportation (DOT), three taxicab group ride stands have been established throughout Manhattan, allowing two or more passengers to share a taxicab to their destination along a specified route. The TLC is continuing its outreach program to inform passengers and drivers about the benefits of sharing a ride as well as the locations of the stands. We are currently collaborating with the Port Authority of New York and New Jersey to provide additional group ride stands at LaGuardia Airport and the Port Authority Bus

Terminal and we are working with Business Improvement Districts to establish stands at Penn and Grand Central Stations.

On March 15, the TLC released a Request For Proposals (RFP) with our partners at DOT and the Economic Development Corporation (EDC) to seek livery operators to provide exclusive dispatch livery service at the St. George Ferry Terminal in Staten Island. The RFP will allow the successful proposers to create a combination of on-site dispatch during peak demand hours and a 24-hour phone service for non-peak hours at this busy transportation hub. The deadline to submit a proposal is April 14, 2010.

In late 2009, the TLC released a Request For Proposals (RFP) for its "Taxi of Tomorrow" program to seek a highly-qualified original equipment manufacturer (OEM) to create and design a purpose-built taxicab that is safe, fuel-efficient, wheelchair accessible, durable, and iconic in design, and which meets the needs of the industry and the riding public. The first of its kind, this RFP offers the winning proposers the right to exclusively sell vehicles in the NYC taxi market for 10 years. The deadline for submission of proposals has been extended to May 14, 2010.

The testimony I shared with you today is a brief outline of the TLC's continuous commitment to provide the riding public with innovative and safe ground transportation as well as to deliver exceptional customer service to our licensees. However, before I conclude, I must acknowledge that the enhancements made to improve our regulated industries and internal operations would not have not been possible without the dedication of TLC staff and the relationships we established with the Mayor's office, our agency partners, and the City Council. It has been a privilege to be part of an agency that regulates such a diverse group of industries and people who collectively work together to deliver their services to the riding public. Over the years, the TLC and its regulated industries have faced many challenges that helped us to become stronger and better than ever before. My tenure started just a few weeks before 9/11, and the events that transpired thereafter included taxi strikes, transit strikes, blackouts, lawsuits, recessions and driver shortages, medallion sales, fare increases, border wars with other TLCs, lost musical instruments, meter zappers, and the list goes on and on....you name it - we saw it - and handled it with dignity and resolve. Our accomplishments are too

many to mention, but some might point to the taxi technology systems, placing clean air hybrid taxicabs on the road, establishing accessible dispatch services by calling 311, and launching the “Taxi of Tomorrow” project as some of the most prominent. It has been a long road of personal sacrifices, and no one can dispute the blood, sweat and tears that my staff and I put into this job over the years. While nobody and no agency is perfect, I did the best I could, holding myself to the highest ethical standards and making decisions with compassion, common sense and a sense of fairness. While there was virtually never a time when everyone agreed with my decisions - that is the nature of this job - trying to balance innumerable competing public and private interests. Overall, I leave the TLC in a better place than I found it – and am proud that it is recognized as the best ground transportation regulatory agency in the world.

Thank you for the opportunity to testify today about the programs and initiatives that reflect the TLC’s preliminary budget for fiscal year 2011. I would also like to thank Mayor Bloomberg and the City Council for the opportunity and privilege to serve the City as your TLC Commissioner for the last 8 ½ years. I would now be happy to answer any questions you may have.

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