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NYC TAXI AND LIMOUSINE COMMISSION
PUBLIC MEETING
held on Thursday, February 8, 2007
40 Rector Street
5th Floor
New York, New York

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Public Meeting convened at 9:50 a.m:

P R E S E N T:

MATTHEW W. DAUS, COMMISSIONER/CHAIR
ELIAS AROUT, COMMISSIONER
NOACH DEAR, COMMISSIONER
HARRY GIANNOULIS, COMMISSIONER
IRIS WEINSHALL, COMMISSIONER
HOWARD R. VARGAS, COMMISSIONER
EDWARD GONZALES, COMMISSIONER
LAUVIENSKA POLANCO, COMMISSIONER
CHARLES FRASER, GENERAL COUNSEL

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CHAIRMAN DAUS: Good morning. Sorry
to keep everybody waiting. We are going to be
working from the revised agenda that was

4 revised on February 5th for today's meeting.

5 The first item is the Chair's report,
6 and it starts off with some good news. First
7 of all, a round of congratulations to a few
8 people on our Board.

9 First and foremost, Iris Weinshall,
10 our Commissioner of DOT, is being appointed
11 the Vice Chancellor for the City University of
12 New York. Congratulations, Iris

13 COMM. WEINSHALL: Thank you.
14 (Applause.)

15 CHAIRMAN DAUS: The bad news is that
16 she is leaving the DOT and the administration
17 where she has done a fantastic job. The good
18 news is, especially for CUNY alumni, I think
19 we have a majority on this Board of CUNY
20 alumni, Lauvie and I think Howard are John Jay
21 graduates; myself, Iris and Noach are Brooklyn
22 College graduates. So even though I think we
23 all collectively believe CUNY is in great
24 shape, it is going to be in even better shape
25 as Iris goes to manage an over \$3 billion

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1 construction budget. And certainly it is
2 going to enhance the value of our degrees, so,
3 thank you, in advance, Iris, and
4 congratulations.

5 And the good news is that Iris will
6 be staying with us on the Commission. I
7 believe her departure date is in April from
8 DOT, but she will be staying with us on the
9 Commission as a Commissioner Member, and we
10 are thankful for your continuing expertise.
11 You have been a tremendous support for us at
12 the TLC. I don't think we could have done 95
13 percent of what we have done over the last
14 couple of years with you, and so, I thank you
15 for your counsel and your guidance and your
16 supervision and all the support you have given
17 us.

18 COMM. WEINSHALL: Thank you, Matt.

19 CHAIRMAN DAUS: You are very
20 welcome.

21 And also we have a new Commissioner
22 that is recently inked. The Mayor just signed
23 her letter the other day, and the Council
24 approved her last week. Lauvie or Lauvienska
25 Polanco, she likes to be called Lauvie.

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1 Commissioner Polanco, congratulations and
2 welcome.

3 Commissioner Polanco is taking
4 Stanley Michael's seat. Remember Stanley was
5 representing Manhattan. She is the Manhattan
6 representative, a Council appointee. She is
7 also a lawyer. It is nice to have another
8 lawyer on the Commission.

9 COMM. WEINSHALL: I am not too sure
10 about that.

11 CHAIRMAN DAUS: Well, speaking as a
12 lawyer, I guess I am a little biased in that,
13 but also it is nice to have another woman on
14 the Commission.

15 COMM. WEINSHALL: Exactly.

16 CHAIRMAN DAUS: And somebody who
17 knows the neighborhoods. Lauvie, in addition
18 to her work with the Supreme Court where she
19 works full time as a principal court clerk,
20 also has worked in a law firm and at the civil
21 court, so she brings a breadth of judicial
22 experience to us. But also, in terms of her
23 role as a Manhattan representative, is very,
24 very involved in the community, whether it be
25 Bar Associations or neighborhood groups,

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1 including a neighborhood advisory board,
2 something that we both know with our
3 background at the Community Development
4 Agency, where he understands the needs of the
5 people, not just in Washington Heights but in
6 all of Manhattan for some of her work that she
7 has been doing.

8 So that will, I think, be a
9 tremendous value, and I would like to welcome
10 you. We were able to get you, on short
11 notice, your badge done, thanks to Lou Tazzi.
12 Congratulations and welcome.

13 COMM. POLANCO: Thanks.

14 (Applause.)

15 CHAIRMAN DAUS: More good news, the
16 technology enhancement testing program is
17 going very well so far. We have live beta
18 testing continuing which started on December
19 18th. Of the four vendors that have been
20 authorized, they have collectively put 110
21 systems on the road. We also have proposed
22 rules and regulations that will be considered
23 at our March meeting, which the Commissioners
24 have already received copies of and will be
25 briefly thoroughly on.

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1 We put an extra long comment period
2 by publishing it well in advance of the date
3 of the hearing so that people can digest them.
4 They are voluminous and they are mostly
5 technical, and it basically implements a lot
6 of things that are required in accordance with
7 our contract and a lot of technical aspects of
8 the program.

9 So we would also welcome your
10 comments in advance, so if you can get them to
11 us even before the due date, we would
12 appreciate that. We will be having the public
13 hearing on March 8th.

14 The rule review and update project,
15 we have a revised RFP that will be released
16 soon; hopefully, before the end of February.
17 So we will keep you posted on that.

18 Another reminder, just really to mark
19 your calendars and we will be providing you
20 with more details over the next month, but
21 just to remind everybody this is the 100th
22 anniversary of the motorized metered taxicab
23 in New York City, and we will be celebrating that
24 with what we call Taxi '07 and Taxi Week. We
25 will be focusing events around the New York

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1 International Auto Show and there will be a
2 lot of things going on in the city which we
3 will talk about, but if you could just mark
4 your calendars, it will start on Friday, April
5 6th through Sunday April 15th, we will be
6 celebrating Taxi Week. The first time ever in
7 the City of New York.

8 Part of that celebration will include
9 unveiling the cab that will be consistent with
10 the Garden in Transit project. I spoke about
11 the flower of murals that will be painted on
12 the cabs by children across the city. To that
13 end, there is another event coming up if
14 anybody is interested in throwing some jeans
15 on and doing some painting over the next
16 couple of weekends, there is going to be a
17 24-hour Garden in Transit paint-a-thon
18 beginning Saturday, February 24th at 10:00
19 a.m., and it will end at 10:00 a.m. on Sunday,
20 the next day, February 25th. So if you want
21 more details, you want to volunteer or suggest
22 someone to volunteer, call 311.

23 There will be opening ceremonies at
24 9:30 a.m. on Saturday the 24th, and a closing
25 ceremony at 9:30 a.m. on Sunday, the next day

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1 when we end.

2 Also, two of our staff members are
3 missing, they are down in Florida at a
4 National Mobility Equipment Dealers
5 Association Conference learning more about
6 wheelchair accessibility. This is the trade
7 organization that basically provides dealers
8 with information about new products. As we
9 all know, we have a medallion sale coming up
10 with 150 more accessible medallions to be
11 sold. We want to make sure that in accordance
12 with the specifications the Commissioners
13 passed over the last month or two, that we get
14 every opportunity to get every manufacturer
15 who might be interested in getting us good
16 quality products as New York City taxicabs
17 interested in what we are doing. So not only
18 are they down there to spread the word about

19 what we are doing and what our needs are, but
20 also to gather important information about
21 these vehicles that are being manufactured so
22 that we can understand what will work best in
23 New York City as a taxicab.

24 Also, for those who haven't used it
25 yet, we have, thanks to our Constituent

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1 Management Office, Public Affairs Office and
2 our MIS Department, we have on our website now
3 a TLC e-mail subscription center. A lot of
4 people used to get mailings from us about when
5 we are having Commission meetings and industry
6 notices in the mail, and it was time consuming
7 for us to get it out and sometimes things
8 didn't get where they were supposed to in
9 time.

10 Well, most people have computers now,
11 and the best way, I think, to get apprised of
12 what is going on at the TLC, including
13 Commission meeting agendas, updates, industry
14 notices, is to sign up for our subscription
15 center e-mail list.

16 If you go on our website, which is
17 www.nyc.gov/taxi, go to the left-hand side of
18 the home page, and if you click on the e-mail
19 subscription center, you will enter some basic
20 information and you will be able to get any
21 information that you want. You will be able
22 to choose from a variety of different types of
23 information. And what will happen is you will
24 automatically get an e-mail when we are having
25 a Commission meeting and we send our agenda

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1 out and you will have the information at your
2 fingertips. So, anyone who is interested in
3 signing up, please take advantage of the
4 opportunity.

5 In terms of upcoming meetings, our
6 next meeting will be on Thursday, March 8th.
7 We will have three rule makings that will be
8 put forward for a public hearing, and
9 potentially Commission action. Like I said
10 earlier, we will have the taxicab technology
11 customer service project rules. We will also
12 have a clean-air and a accessible vehicle
13 retirement incentives that are enacted in
14 accordance with some local laws that were
15 signed by the Mayor and passed by the City
16 Council before the end of last year. And
17 that's something that we actually need to move
18 on because I think we have to get that out
19 there and comply with the law.

20 And, also, at the last Commission
21 meeting we had a presentation about for-hire
22 vehicle markings, inspections and posting of
23 credentials. And that's something that we

24 actually were able to pull our rules together,
25 thanks to the hard work of Chuck Fraser and

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1 his staff. And they have been published. So
2 we will be having a public hearing on the
3 items that were discussed during the
4 presentation last month.

5 Also, another save the date item,
6 there is going to be our Annual Driver
7 Recognition Ceremony that will be held on
8 Thursday, March 29th at the Rooftop Gardens at
9 620 Fifth Avenue. That is a facility operated
10 by Tishman-Speyer and Top of the Rock, where
11 we had last year's ceremony. And we will be
12 taking time out of our busy schedules, all the
13 Commissioners are invited, and we are
14 basically going to be honoring those cab
15 drivers that go above and beyond. Every
16 single day we have cab drivers that go above
17 and beyond the call of duty, doing the right
18 thing. We don't hear of every single story,
19 and sometimes in the news we will hear of some
20 stories, but there are so many of them, we are
21 choosing just a few of the many, many good
22 hard-working people that do the right thing
23 day-in and day-out.

24 Each year we are honoring them and
25 giving them their due, giving them some nice

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1 prizes and some gifts, but also having some
2 great food at a great location. So many
3 thanks to all of you.

4 And on that note, many of you may
5 have read in the papers or seen on TV over the
6 last day or two that we have another cabby who
7 did a heroic deed and act of integrity, Mr.
8 Osman Chaudry. I was informed that he is
9 here today. He is here today.

10 (Applause).

11 CHAIRMAN DAUS: Osman,
12 congratulations.

13 For those of you who haven't been
14 reading the papers over the last day or two,
15 Osman actually found \$300,000 worth of diamond
16 rings in the back of his cab, spent a
17 tremendous amount of time basically tracking
18 down the owners and doing the right thing.
19 And we thank you for that. And we, actually,
20 when we found out that you were going to be
21 here, Alan was able to throw together just a
22 quick award which I would like to give you
23 right now:

24 Congratulations.

25 MR. CHAUDRY: Thank you.

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1 CHAIRMAN DAUS: The best tip that
2 you can ever get is just basically doing the

3 right thing. That's all anyone ever expects of
4 you, and you did it. Congratulations.

5 MR. CHAUDRY: Thank you, everyone.
6 (Applause.)

7 CHAIRMAN DAUS: Thanks for joining
8 us. And, Osman, we would ask that you mark
9 the date on your calendar for March 29th. We
10 would love to have you join us at our ceremony
11 again. Thank you.

12 That concludes my report. Any
13 questions, comments, concerns, issues?

14 COMM. DEAR: Two things. One, I
15 just would appreciate it, I know that they
16 e-mailed this. I didn't have a chance even to
17 download it. I wasn't near a computer for
18 over 24 hours already. Just in the future,
19 when stuff comes on at the Commission, I would
20 just like to get it a little earlier so we can
21 know what is going on and just to review it,
22 so we have a chance to discuss it
23 intelligently. So in the future, please, if
24 you have it sent to us rather than last minute
25 to e-mail it.

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1 And the other thing is, just as a
2 comment, I am not going to talk about it, I
3 just notice more and more people are rumbling
4 about it, this report that is out there
5 supposedly by the Design and Trust. I call it
6 the Communist Manifesto or the Cuban Plan.
7 But this is something that I would like that
8 this stuff should be shared with us before the
9 public gets, so I know what is going on and
10 not to be confronted with it. And also I am
11 concerned that the report that is put out by
12 that group, if they somehow represent us, I
13 have some big questions about them because it
14 is not the way we think here in the United
15 States of America.

16 And I think I have some grave concern
17 about that report. Even though it is a
18 preliminary report, I have some very serious
19 problems with it. The fact that we are
20 associated with it, because our name is all
21 over it, I want to really disassociate
22 ourselves with that report.

23 COMM. AROUT: Excuse me for
24 interrupting, I haven't seen anything like
25 that. Can I get a report on that?

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1 COMM. DEAR: The Chairman will get
2 it to you. That's how I got it.

3 COMM. AROUT: I would like to read
4 it, that's all.

5 CHAIRMAN DAUS: Sure. We can get it
6 to you. Basically what happened is the Design
7 Trust put a report out, which is very

8 preliminary that we hadn't even seen yet. As
9 part of their process, I think they shared it
10 with some industry members, and we didn't feel
11 that it was in a final form and we didn't
12 actually comment or do anything on the report.
13 It was basically just their ideas and,
14 actually, I think you knew about it before I
15 even did at some point.

16 So if you are interested, we will get
17 it to all the Commissioners.

18 COMM. DEAR: I said you gave me a
19 copy. And I read it.

20 CHAIRMAN DAUS: But what I am saying
21 is a lot of the members of the industry,
22 because this is an independent organization, I
23 mean, they have a committee of people that are
24 in the industry that they are working with.
25 So even before things get to my doorstep and

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1 our doorstep, they are getting preliminary
2 comments from the industry.

3 Which, with all due respect to them,
4 quite frankly, you are damned if you, you are
5 do damned if you don't. If they didn't
6 basically go out to the industry beforehand
7 and gave us a report of their thoughts without
8 getting their feedback and before delivering
9 it to us, we would be criticizing them for not
10 listening to the industry.

11 COMM. DEAR: But the fact --

12 CHAIRMAN DAUS: I know you may
13 disagree with some of the concepts that are in
14 there, Commissioner, and I am not saying that
15 anybody here agrees with them. They are
16 preliminary, we hadn't seen it, and I think
17 what they did basically is they gave it to the
18 industry before to get their input before they
19 presented it to us, which is the right thing
20 to do.

21 COMM. DEAR: My comment is when they
22 to us and we wanted to work with them to
23 design a car, that was the idea. I have no
24 problem with that.

25 But once they went off on a tangent,

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1 they had a political motive. This is a
2 horrible political statement on our behalf,
3 because they are using our imprimatur, they
4 are using our name, and we are giving them
5 credence to it. And I want to tell you, I
6 myself want to distance myself from that.
7 This is the worst form of any time of report
8 anyone can do. I think it is the Communist
9 Manifesto. I call this Karl Marx written by
10 some children, people who believe in Karl Marx
11 because it should not even be seen.

12 Our name should be removed

13 immediately from it and they should be told if
14 you want to stick to what you are supposed to
15 do, don't start becoming a political someone
16 for somebody, a political person to act for
17 somebody. Someone put them up to this and I
18 am fuming about it.

19 CHAIRMAN DAUS: All right, if the
20 Commissioners want to see the preliminary
21 draft, which we haven't even commented on, I
22 am happy to give it to you if you want to see
23 it. But just so you understand our
24 motivations, I don't want to waste the
25 Commissioners' time with a first of probably

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1 ten different drafts before we even would put
2 our name on it. That's why it was not sent to
3 you folks.

4 And, quite frankly, I do believe that
5 they did the right thing. Whether you agree
6 or disagree with their ideas, by the Design
7 Trust actually going out to the industry
8 first, that's what they agreed to. There are
9 industry members on their Board, so by the
10 industry calling us and letting us know that
11 this was happening first, I don't really have
12 a problem with that.

13 And, again, our name is not on it
14 now. We have not seen it, we have not agreed
15 with anything that is in it. In fact, Andy
16 has been having meetings since the report came
17 out to express our issues and our thoughts,
18 and it is by no means final.

19 COMM. DEAR: Who from the industry
20 is on the Board?

21 CHAIRMAN DAUS: I believe Michael
22 Levine is, there's several drivers.

23 COMM. DEAR: Everybody is shaking
24 their heads no.

25 CHAIRMAN DAUS: He was a participant

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1 in the panel discussions.

2 AUDIENCE MEMBER: He is not on the
3 Board.

4 CHAIRMAN DAUS: No, but he is a
5 participant in the Design Trust activities.

6 AUDIENCE MEMBER: But he is not on
7 the Board.

8 CHAIRMAN DAUS: Well, there are
9 industry people that are being obviously put
10 in touch with them; is that correct?

11 Obviously this went to the industry,
12 that's how Commissioner Dear first heard about
13 it. The industry contacted him to let him
14 know that they are upset about it.

15 So they are doing their job. You
16 know, with all due respect, Commissioner Dear,
17 I understand your concerns about the subject

18 matter, but the process is transparent, it is
19 good. I can't tell you, of the ten years I
20 have been involved with this agency, the
21 biggest complaint I get from the industry is:
22 You don't listen to us. You don't consult
23 with us.

24 Now we have this outside group that
25 is actually consulting with them, and then,

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1 oh, we don't like what they said. This is
2 crazy. What are they doing?

3 COMM. DEAR: They are going beyond
4 their scope. They were supposed to talk about
5 a car. They are not supposed to talk about
6 the industry. That's starting to redefine
7 this industry, again, to use those words, the
8 vernacular, in the Communist system is not
9 what we are here about. This is the United
10 States of America.

11 COMM. AROUT: Mr. Chairman, I
12 apologize if I interrupted like that, but I
13 think he made a point, send us a copy of it
14 and let it go from there. We will discuss it
15 at a further date. Thank you.

16 CHAIRMAN DAUS: Okay, very good.
17 Item three on the agenda --

18 COMM. VARGAS: Mr. Chairman, may I
19 ask you a question?

20 CHAIRMAN DAUS: Sure.

21 COMM. VARGAS: As it relates to
22 the revised RFP for the rule change, is that
23 possibly something you can share with me and
24 possibly the rest of the Commission that might
25 be of interest, because I certainly would like

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1 to have a little input as it relates to when
2 we do decide to change some of the rules and
3 how we end up implementing that process,
4 whether we go with an outside firm or
5 something like that. I would like to see
6 that.

7 CHAIRMAN DAUS: Okay, if we can
8 share it with you, we will. Chuck is going to
9 make sure it is consistent with the
10 Procurement Policy Board Rules.

11 MR. SALKIN: I think you are asking
12 two different questions. One is, do you want
13 to see the RFP before it goes out? And, two,
14 as part of the process of redoing the rules,
15 you want to make sure you are consulted and
16 involved. Those are the two things I heard
17 you say.

18 COMM. VARGAS: Correct, those two
19 items.

20 CHAIRMAN DAUS: We will check on
21 that.

22 MR. SALKIN: The RFP piece, we will

23 check and make sure, but certainly on the
24 piece of rewriting the rules, all of the
25 Commissioners are going to have to be involved

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1 and instrumental in making sure that happens.

2 COMM. VARGAS: But the RFP is a
3 public document that gets sent to everyone, so
4 why wouldn't that be shared with us?

5 MR. SALKIN: If you are asking to see
6 it before it goes out or not. That is what
7 they have to make sure of.

8 COMM. VARGAS: So it hasn't gone out
9 yet?

10 CHAIRMAN DAUS: No.

11 COMM. VARGAS: Okay.

12 CHAIRMAN DAUS: Well, there was one
13 that went out. We revised it and we are
14 issuing a second one to clarify some issues.

15 COMM. WEINSHALL: I think the issue
16 is, Commissioner Vargas, there are certain
17 rules regarding the PPB and who can see an RFP
18 before it goes out, and I think counsel is
19 just going to check. I think we are
20 considered like staff and we can see it, but I
21 think that we should just have -- because we
22 don't want to jeopardize the RFP.

23 COMM. VARGAS: Certainly, okay.

24 COMM. DEAR: On the issue of the
25 rules, rule changes, I concur with my

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1 colleague Commissioner Vargas. It is about
2 time we have rule changes, it comes to us in
3 its final version after the discussion. I
4 think we should be part of that discussion.
5 Maybe part of the preliminary. Not the RFP, I
6 am talking about rule changes.

7 COMM. WEINSHALL: I understand that,
8 but let's understand what is going on here.
9 The TLC has something like 3,300 rules, okay.
10 3,300 rules, I would dare say that probably
11 there is no one alive who even knows the
12 significance of all 3,300 rules.

13 The purpose of this is to streamline
14 those rules and make them more understandable,
15 more relevant so the public can understand it,
16 the drivers can understand it, and we, as
17 Commissioners, can understand it without
18 having a team of lawyers to explain it to us.

19 So I think that you are way ahead
20 already. I think we need to identify the firm
21 that is going to be able to develop these new
22 rules for us, and, clearly, there will be
23 discussions, not only with the Commissioners
24 but with the industry and with the riding
25 public and the drivers to really figure out

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1 what rules make sense here. So this is not

2 going to be done in a vacuum.
3 COMM. DEAR: No problem, thank you.
4 CHAIRMAN DAUS: Thank you.
5 Any other questions?
6 (No response.)
7 CHAIRMAN DAUS: Okay, item two on
8 the agenda is the adoption of the minutes from
9 the January 11, 2007 Commission meeting.
10 Do we have any questions, comments,
11 changes?
12 (No response.)
13 CHAIRMAN DAUS: Okay, do I have a
14 motion to adopt?
15 COMM. WEINSHALL: So moved.
16 CHAIRMAN DAUS: Okay, a second?
17 COMM. VARGAS: Second.
18 CHAIRMAN DAUS: All in favor?
19 (Chorus of "Ayes.")
20 CHAIRMAN DAUS: It's unanimous, thank
21 you.

22 Item three, we have a staff
23 presentation today. It is going to be about
24 advertising on TLC licensed vehicles. It is
25 going to be delivered by Eric Kim. We are

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1 going to be reviewing, just to give you a
2 little bit of background on this, you know, I
3 have been on the Commission now since I think
4 2001, and we kind of looked at the make-up of
5 the Commission now compared to when the last
6 time we, as a policy matter and as a Board,
7 looked at advertising. And there are only two
8 of the sitting Commissioners, not including
9 myself, I was counsel at the time, who
10 actually dealt with the issue of advertising
11 and made any type significant policy
12 statement.

13 So we basically have had a major
14 change in personnel, which I think is
15 important to maybe take a fresh look, an
16 objective look at the whole concept of
17 advertising. And I just want to reiterate
18 that this is not, if some people are confused,
19 a public hearing. This is not any official
20 consideration of any pilot program requests.

21 This is simply an educational session
22 for the Commissioners to bring them up to
23 speed on the history of the advertising issue,
24 the rules and regulations and laws that led up
25 to it, as well as to just give them a

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1 sampling, an overview of some of the pilot
2 programs which have not even been considered
3 by me at this point. They are still at a
4 staff level.

5 So with respect to the information
6 that was sent the other night, we didn't wait

7 and sit back and send it at the last second
8 because we felt that that was what we wanted
9 to do. We had made the decision, because of
10 the light agenda in February and the heavy
11 agenda in March, that this would be a good
12 time to consider this issue since it has been
13 kicking around for a while.

14 So I apologize for the late notice,
15 but we only decided last week, pretty much, to
16 add this to the agenda. And I was thinking
17 Commissioner Giannoulis might want to have a
18 copy, as he usually does, in advance of some
19 of the proposals, so I said let me send it out
20 to you in advance. I know you probably didn't
21 have the time to read it because you only got
22 the e-mails yesterday. But, again, you are
23 not considering them today, you are not voting
24 on them. You may not be considering them for
25 several months.

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1 We are basically at the stage now
2 where we are doing fact-finding, and before I
3 make my decision on whether to recommend
4 approval or denial of all the five advertising
5 related petitions, I wanted to get your input
6 on the policy of advertising in general so
7 that I could be more in lockstep with what you
8 would like to do, but, even more importantly,
9 if you have any good suggestions of follow-up
10 issues that you would like the staff to
11 research before I make my final decision and
12 recommendation to you, that's the purpose of
13 this.

14 So I would just recommend that if you
15 haven't had the chance to read some of the
16 pilot programs, they will be summarized in
17 addition to a lot of the materials that Eric
18 is going to present. I would encourage you to
19 ask any questions and if you like us to do any
20 follow-up on any particular matters, just let
21 us know now or after the meeting, okay.

22 Eric?

23 MR. KIM: Thank you, Mr. Chairman.

24 Good morning, Commissioners. As the
25 Chairman mentioned, I have been asked to do a

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1 presentation regarding advertising on TLC
2 licensed vehicles. I will be talking about a
3 brief overview of some of the proposals that
4 we have received recently, and I will also be
5 doing some more detailed on the advertising
6 that is currently in use on TLC licensed
7 vehicles, which is only on medallion rooftops.

8 First, let me just say that the
9 proposals that we have received so far for
10 advertising have all been in the form of pilot
11 programs, and pilot programs are something

12 that the Commission adopted rules for last
13 March. They are Chapter 14 of our rules. The
14 rules set forth a very straightforward
15 evaluation and criteria and time line for
16 reviewing pilot programs that differ from what
17 is already approved in our rules.

18 We have received several proposals so
19 far. Some of them relate to equipment, some
20 of them have been brought before the
21 Commission already, lithium ion batteries,
22 cell phone testing, cellular networks, things
23 like that. We have also received requests to
24 do different types of advertising on TLC
25 licensed vehicles. I will give you an

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1 overview of some of those proposals, and,
2 again, as the Chair mentioned, this is just
3 going to be an overview. We are not asking
4 the Commission to take formal action at this
5 time, that will happen at a future Commission
6 meeting and we will be presenting these again
7 for that formal action.

8 So first I will describe the
9 proposals we received for interior advertising
10 on vehicles. There are several types. The
11 picture you have in front of you now is from
12 Clear Channel Taxi Media. They propose
13 publication pockets in the rear seat of
14 taxicabs. This is I think a picture of what
15 they have in Boston, pockets along the
16 partition with information that can be
17 distributed to passengers.

18 Second, this is a proposal that we
19 have received from Taylor Media to place
20 decals on the interior of commuter vans,
21 specifically on the seat backs and pillars.
22 None of the stickers in this proposal would be
23 on windows or anything like that.

24 I will talk now about some of the
25 proposals we have received for the exterior of

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1 vehicles. We have a proposal from Athlete to
2 put advertising on the hubcaps of taxicabs.
3 We have also received another proposal from
4 Taylor Media to do additional commuter van
5 advertising on the exterior, wraps, either
6 full vehicle wraps or partial wraps, as you
7 see in the picture in front of you now, just
8 along parts of the vehicle, certain panels.

9 Finally, we have received multiple
10 proposals to do advertising on the rear
11 windows of vehicles, putting decals on the
12 rear windows. I should not that there is an
13 apparent conflict with the New York State
14 Vehicle Traffic Law for these proposals. That
15 law requires that anything that is placed on
16 the front windshield or rear windshield of a

17 motor vehicle be approved by the Commissioner
18 of New York State DMV. And as far as we know
19 at this time, these proposals do not have such
20 approval.

21 So that's an overview of some of the
22 proposals we have received so far via pilot
23 program request.

24 I will talk a little bit now about
25 the advertising that is currently in use on

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1 TLC licensed vehicles, which is just on
2 medallion rooftops. We have about 5,200
3 permits issued to medallion owners for rooftop
4 advertising. The vast majority are issued to
5 Clear Channel Taxi Media, they have about
6 5,000 of those permits. There are two other
7 companies that currently have advertising,
8 Astro Media and Adapt Media.

9 The advertising you see in front of
10 you now is just one type. It is the sort of
11 billboard, the most common type of advertising
12 I think that you will see out there. The
13 pictures you have, first on the left is a
14 picture of the front view of the advertising
15 unit, and on the right is more of a
16 three-quarters view, but it is a very standard
17 billboards type advertising, tent shape.

18 Next is another type of billboard
19 type advertising, also static. This is a more
20 rectangular unit. You will see this out there
21 now as well.

22 The next picture we get into the
23 digital advertising unit. These are a more
24 recent development. This example is from
25 Adapt Media, this is a full digital unit which

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1 is basically all digital information.

2 And, finally, we have units that
3 combine digital and static information as we
4 have here in this picture.

5 Advertising on TLC licensed vehicles,
6 the approval for it comes from several
7 mechanisms. First, in the Administrative Code
8 of the City of New York there are explicit
9 provisions that allow for advertising on TLC
10 licensed vehicles. They require that there be
11 permits from the TLC for any exterior
12 advertising. It sets a very clear fee of \$50
13 for the permit. It authorizes the Commission
14 to establish rules about the content or size
15 of the advertising, and also authorizes the
16 Commission to revoke any advertising permits
17 for content, and I am going to quote from the
18 Administrative Code here, "that is offensive
19 to public morals."

20 We also have rules on advertising
21 that come from the Administrative Code based

22 on that. Taxicab Owners Rules, Section 135
23 requires that any interior or exterior
24 advertising be approved by the Commission.
25 Requires that the advertising be maintained in

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1 good condition. And I should not that there
2 are no specifications in the rules for the
3 unit size or standards. That's traditionally
4 been done through separate legal agreements or
5 memorandums of understanding. And I will talk
6 a little bit about what those are and where we
7 are with those.

8 We have FHV rules on advertising as
9 well. They also require that any interior or
10 exterior advertising on FHV's be approved by
11 the Commission. They explicitly prohibit
12 rooftop advertising on FHV's. Again, there are
13 no rules on the standards or the size of the
14 units.

15 Finally, we actually have rules for
16 paratransit advertising that say very similar
17 things, require that any interior or exterior
18 advertising be approved by the Commission.
19 And, again, there are no rules for the
20 standards or the size of those units.

21 I mentioned that we have legal
22 agreements or MOUs regarding advertising. And
23 this is basically where the specifications for
24 standards and size have been set forth. We
25 have approval letters issued by the TLC to

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1 various advertising companies indicating that
2 a certain type of unit is approved for use.
3 We have MOUs with advertising companies and
4 the TLC authorizing generally limited pilot
5 programs for different types of advertising
6 units. And, again, specifying what type of
7 unit is to be used, the different standards
8 for it. And for some of these units, we
9 actually have documentation of engineering
10 review that was done by the City's Department
11 of General Services, which is now the
12 Department of Citywide Administrative
13 Services.

14 In terms of the value added and the
15 benefits from the advertising that is
16 currently in use on medallion taxicabs, it
17 comes in several different ways. First, for
18 licensees, it is pretty straightforward and
19 pretty direct. They get a benefit, they get a
20 monthly revenue stream which varies. The
21 revenue generally goes to medallion owners,
22 agents, fleets. As far we know, there are no
23 direct benefits that accrue to drivers for
24 advertising right now.

25 For the City there is a permit fee.

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1 That is, again, outlined in the Administrative
2 Code, of \$50. That is meant to cover
3 administrative expenses. And for the public
4 there is the general cost or benefit that is
5 associated with any form of outdoor
6 advertising. There are, of course, other ways
7 -- I'm sorry?

8 COMM. GIANNOULIS: The more typical
9 one, the rooftop advertising, what are the
10 fees generally received by the owners?

11 MR. KIM: We don't have good
12 information on that. What we anticipate is
13 that in the future Commission meetings we may
14 have an opportunity for some of the
15 advertising companies that participate
16 testify, and we hope that they will be able to
17 answer those questions in more detail then.

18 As I was mentioning, this isn't the
19 only model. There are other ways to do
20 advertising. The City of Chicago presents an
21 interesting model, they just adopted rules and
22 specifications for advertising this past year,
23 2006. And they did several things when they
24 made that approval.

25 First, they tied approval of
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1 advertising on taxicabs to increased
2 requirements for accessible and clean-air
3 taxicabs. Second, they established a revenue
4 sharing model where they insured that drivers
5 got very explicit benefits for advertising,
6 and those come in the form of lower lease caps
7 for vehicles with advertising on them.
8 Finally, they set forth very clear standards
9 on the size of the advertising units, the
10 materials that can be used, and where
11 advertising can be placed on taxicabs.

12 I will talk a little bit about some
13 sort of emerging trends that we have seen on
14 taxicab rooftops. What I have here is a
15 picture of taxi top extensions. This is a
16 picture from Clear Channel Taxi Media's
17 website. The advertising extends a few inches
18 above the actual unit itself.

19 And we have a picture here of what we
20 call four-sided advertising. In the past,
21 advertising had generally been limited on
22 rooftops to the sides of the advertising unit.
23 More and more now we are seeing it on both the
24 front and the back as well of the advertising
25 unit.

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1 The Commission has obviously talked
2 about advertising on TLC licensed vehicles
3 before. I know we have many new Commissioners
4 so I will try to give a brief context for some
5 of those discussions. Some of the

6 Commissioners that are sitting now were part
7 of those discussions. Hopefully, they can
8 offer some input as well.

9 First, on aesthetics and public value
10 of advertising, concern had been raised in
11 prior Commission discussions about the visual
12 clutter that could be associated with
13 advertising and that might come from it. The
14 idea of TLC licensed vehicles being moving
15 billboards and whether that was appropriate
16 and to what level that was appropriate.

17 A related point, the use of the
18 public domain, taxicabs, for private purposes.
19 Taxicabs are licensed by the city and
20 regulated by the city. Allowing them to be
21 used for private purposes is a regulatory
22 question, and is one the Commission was
23 concerned about and wanted to think about.
24 One of the Commissioners, in fact, suggested
25 that we seek the input of the city's Municipal

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1 Art Society to get some guidance about what
2 their thoughts are on what the appropriate use
3 of the public domain would be for advertising.

4 There was also extensive discussion
5 about advertising on other TLC licensed
6 vehicles. For a long time, medallion rooftops
7 were the only form of advertising that were
8 permitted at all, and referenced in our rules.
9 So there were concerns, obviously, about
10 whether other types TLC licensed vehicles
11 should be permitted to have advertising,
12 whether it was unfair if only medallions had
13 rooftop advertising.

14 There were also concerns raised about
15 whether allowing rooftop advertising
16 specifically would blur the distinction
17 between FHV's and medallion taxicabs. And,
18 finally, there were concerns raised about the
19 industry economics of advertising on TLC
20 licensed vehicles. Was there a way to ensure
21 that different segments of the industry --
22 owners and drivers -- were able to share in
23 the benefits and revenue streams that came
24 from advertising.

25 What we hope to have now is a

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1 discussion amongst the Commissioners. I have
2 outlined some sort of general discussion
3 points and things to keep in mind. I am happy
4 to answer any questions, but let me just go
5 through some of the key things we would like
6 the Commission to keep in mind and consider as
7 you are talking about this issue today.

8 First, for medallion rooftop
9 advertising, the safety issues associated with
10 it, what kind of standards should be in place,

11 should they be done via rules, should they
12 continue to be done through legal agreements
13 or MOUs.

14 The aesthetics of advertising. What
15 is the balance that the Commission should
16 strike on that question. Content, what level
17 of regulation should we have in terms of
18 content.

19 The public value offered by
20 advertising. What is that? Is it
21 appropriate?

22 And the industry economics, are the
23 different segments of the industry benefiting
24 the way that we think they should be
25 benefiting from advertising?

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1 And, specifically, on the other types
2 of advertising proposals that we have
3 received, questions about what types of
4 vehicles should be permitted and allowed to
5 have advertising on them. Whether the review
6 for advertising proposals should be done
7 through the pilot program process, as has been
8 proposed so far, or through separate
9 rule-making action entirely, which can be done
10 as well.

11 And, again, the questions of safety,
12 aesthetics, content, public value and industry
13 economics for advertising.

14 That concludes the presentation for
15 today. We hope the Commission will have an
16 active discussion. I would be happy to answer
17 any questions that Commissioners may have.

18 COMM. GIANNOULIS: I just have a
19 quick question because I am missing a page
20 here. The taxi technology, the new equipment,
21 are there some of the cars on the street
22 already?

23 CHAIRMAN DAUS: Yes. There are 110
24 cars on the street already.

25 COMM. GIANNOULIS: They have

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1 advertising?

2 CHAIRMAN DAUS: Yes.

3 COMM. GIANNOULIS: But it is not in
4 this presentation?

5 MR. KIM: It is not covered in this
6 presentation. This was discussion advertising
7 that's currently in use and permitted. Those
8 are still in testing stages, and those related
9 mainly to the interiors. I focused on the
10 exterior advertising for this presentation.

11 CHAIRMAN DAUS: I believe the
12 Commission, when we voted on the last set of
13 rules, had specifically authorized advertising
14 as a method to offset cost of these systems.
15 So that is specifically authorized currently

16 under the rules.

17 COMM. GIANNOULIS: Yes, I just find
18 it strange that it is not in this
19 presentation.

20 COMM. WEINSHALL: Because it's a
21 whole different form of advertising and it is
22 still in the testing stage, right, Andy?

23 MR. SALKIN: It is still in the
24 testing stage.

25 COMM. GIANNOULIS: It's approved,

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1 though?

2 MR. SALKIN: The idea here is, we
3 got all these pilot proposals and we really
4 didn't know what to do with the pilot
5 proposals and we wanted to get some direction
6 from the Commission.

7 On the passenger information
8 monitors, the Commission has already provided
9 clear direction, which was as far as media can
10 be used to offset the expenses, that that is
11 something the Commission thought was good --

12 COMM. GIANNOULIS: I just think if
13 we are talking about educating Commissioners
14 who weren't necessarily here, the fact that we
15 talk about rooftop advertising and the fact
16 that we don't talk about that there is going
17 to be a huge screen in the back of a seat that
18 is going to be all about advertising is
19 disingenuous.

20 CHAIRMAN DAUS: I think it is a fair
21 point. I think it was just an unintentional
22 omission because it was something --

23 COMM. GIANNOULIS: That's the
24 biggest new advertising thing that we are
25 doing in yellow cabs and it doesn't make it

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1 into the report. I just find that strange.

2 MR. SALKIN: One of the things we can
3 certainly add to future conversations, and
4 there is going to be another conversation to
5 talk about the PIMS and give an update on how
6 the PIMS are going to work.

7 COMM. GIANNOULIS: Part of my
8 question is, I guess, we have never received
9 any report as to what that advertising is. I
10 have been asking this question for like two
11 years at this point, but I still have no idea
12 what that advertising is. I have no idea what
13 is being advertised. I have no idea of the
14 form it is being advertised in.

15 CHAIRMAN DAUS: We did show you, all
16 the Commissioners, the units. But we can
17 provide some more detailed information and
18 have a report on what exactly -- how much
19 advertising they are using and get some more
20 information for you.

21 I don't think the staff, in their
22 defense, are being disingenuous. With all due
23 respect, this may have been something that
24 they should have put in there, but I think,
25 like myself, I just automatically assumed that

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1 we all remember that we did this just last
2 year.

3 COMM. GIANNOULIS: I know that there
4 is rooftop advertising, I see it every day on
5 the street, but it's in the report. I just
6 find that a little weird.

7 COMM. WEINSHALL: I think also,
8 Harry, the Commission staff is being barraged
9 by different consultants who are coming in
10 and, beyond what we approved with the pilot
11 program, what is in the cabs, they are being
12 deluged every day by these consultants who
13 have different advertising ideas. And I think
14 intent of this presentation is to sort of put
15 it in some context.

16 Am I right, Andy?

17 COMM. GIANNOULIS: My simple point
18 is, and I think it is a good one, which is, if
19 we are talking about taking a look at these
20 proposals and taking a look at impact that
21 advertising is going to have and how much
22 advertising we are going to have in a vehicle,
23 we just put a big TV screen in the car, and it
24 is not in the report. I just find that to be
25 weird.

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1 CHAIRMAN DAUS: You are right. I
2 think it was an unintentional omission.

3 COMM. GIANNOULIS: Because, quite
4 honestly, that puts into question how much
5 advertising we want in a vehicle. We just put
6 a screen in --

7 CHAIRMAN DAUS: Clearly, one of
8 these proposals, the one by Clear Channel,
9 clearly interferes with what we authorized
10 last year, because they are looking to put
11 publication pockets in the back seat, which,
12 if you look at this photo, would basically go
13 on top of the screens. So, certainly, it's a
14 relevant point.

15 COMM. WEINSHALL: Quite frankly, if
16 I had my way, I think we should let the
17 experiment that is going on in the cabs sort
18 of have their time. Andy is beginning to
19 collect all this data and information, and we
20 should sort of wait and see and move from
21 there.

22 But, as I said, the staff here is
23 being overwhelmed by all these requests, and I
24 think that was the purpose.

25 Andy, maybe you want to talk about

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1 the testing period?

2 MR. SALKIN: Sure. There is the
3 testing period that we are doing with the
4 passenger information monitors. There is a
5 roll-out process, and the thing there is the
6 Commission spoke very clearly about using
7 media to offset cost. And one of the things
8 the Commission did by saying --

9 COMM. GIANNOULIS: Actually, we
10 didn't, but I am not going to get into a fight
11 with you about that, Andy.

12 COMM. WEINSHALL: Yes, we did,
13 Harry.

14 COMM. GIANNOULIS: Okay, great.

15 MR. SALKIN: The concern, again,
16 with what we have here with the pilots is
17 exactly what is the Commission interested in
18 testing, what is the Commission interested in
19 trying on the rooftops as well --

20 A lot of the rooftops have been done
21 through previous MOUs and agreements that
22 spoke to a very specific time, some over ten
23 years ago. Is the Commission interested in
24 thinking up a policy that kind of sets a
25 standard and then allows standards to go

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1 forward? What is that standard going to be?

2 If someone want to do a new rooftop,
3 even though 5,200 vehicles have it, what's the
4 way that it gets approved? Does each proposal
5 have to get approved? If someone changes
6 their technology a little bit, do they have to
7 come and get that approved or is it just a
8 standard that the Commission says as long as
9 it meets the safety standard, then it can be
10 up there?

11 There is a lot of things that we
12 could use some guidance on and I think there
13 are a lot of things that we don't know all the
14 answers to, that perhaps we could have some
15 people come and share some of their expertise
16 exactly about how this works. And what we are
17 trying to get today is a sense from the
18 Commission, here is an example of some of the
19 pilots that we have gotten. You are all
20 familiar with the rooftops, what are your
21 thoughts about this? How much time should we
22 spend on this? Where should we go next? What
23 are some of the steps that you are thinking
24 about that we should be thinking about so that
25 we can make sure the education process is

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1 appropriate so that as decisions get made,
2 that they reflect not only the needs of the
3 Commission but that of the public and the
4 industry.

5 CHAIRMAN DAUS: Commissioner
6 Gonzalez?

7 COMM. GONZALEZ: Two things. One,
8 as far as advertising in the back seat, I
9 think I share some of the sentiments of
10 Commissioner Giannoulis. I think the screen
11 is probably adequate enough, given that we
12 also have maps and other information that is
13 TLC related. Anything else that you throw in
14 the back seat is probably overkill.

15 And, two, just so everyone is on the
16 same page, the only beneficiary currently of
17 advertising are the medallion owners?

18 MR. KIM: As far as we know
19 currently. That may not actually be the exact
20 case. We haven't seen copies of contracts,
21 things to that effect. So I would expect that
22 different members of the advertising industry
23 or taxicab industry would be able to share
24 additional information, possibly at future
25 Commission meetings. But as far as we know

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1 currently, the benefits accrue primarily to
2 medallion owners, fleets and agents.

3 CHAIRMAN DAUS: Right.
4 Historically, as Eric touched upon in his
5 presentation, former Commissioner McKeckney
6 (ph) had proposed to the Commission changes to
7 the rules that allowed taxi top advertising on
8 liveries and for-hire vehicles. The
9 Commission at the time rejected that, based
10 primarily on the fact that it might start
11 looking more like a yellow cab and people
12 might start hailing them.

13 And the only thing that was retained,
14 from what I recall, is there is an exemption
15 for Staten Island because there are not a lot
16 of yellow cabs in Staten Island. So basically
17 there are rooftop advertisements on the top of
18 liveries on Staten Island, but nowhere else in
19 the city. And the Commission had specifically
20 at that time rejected that plan, but left the
21 door open for other forms of advertising on
22 other parts of the car to be specified by the
23 Chair.

24 Since that time there has been very
25 little, if any other, interest for people that

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1 are serious coming forward with proposals
2 until we passed these pilot program rules.
3 Now we have a lot of people coming forward.
4 So I think that's why we are here today. Just
5 a little bit of historical context. I think
6 you were there at the time, Commission
7 Giannoulis and Commissioner Arout.

8 COMM. GIANNOULIS: I just have a
9 quick question. Iris, you probably know a lot

10 or a decent amount about the whole issue of
11 billboards and highways and the arterial
12 thing, 400 feet and all that jazz?

13 COMM. WEINSHALL: Right.

14 COMM. GIANNOULIS: It's about
15 safety, right? Is it supposed to be about
16 safety?

17 COMM. WEINSHALL: The answer is yes.
18 The DOT's position, both federal DOT, state
19 DOT and city DOT's position is there is so
20 much coming at people, you don't really want
21 them to be distracted when they are driving.
22 And that's why there are certain federal
23 guidelines about what type of advertising you
24 can put on highways and roads. Particularly
25 in New York City with all the billboards and

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1 all of the advertising coming at people. We
2 don't want them to be distracted. We want
3 them to focus on how they are getting from
4 their destination.

5 We don't want motor vehicles to be
6 distracted, the drivers of motor vehicles to
7 be distracted. So, yeah, from my perspective,
8 where I sit, I think there is more than enough
9 advertising out there. There is so much
10 coming at people, and now, on top of that, the
11 city is going to be putting an enormous amount
12 of advertising on bus stop shelters and public
13 toilets and news stands, not to mention all of
14 the other stuff that goes up on pay phones and
15 all the billboards that go up, the legal ones
16 and the illegal ones.

17 From my perspective, we have enough
18 already out there. We don't need more. Now,
19 of course, the advertising industry would
20 probably say what I am saying is blasphemy,
21 but...

22 COMM. GIANNOULIS: I was just
23 interested in that because I know that's an
24 issue I dealt with.

25 CHAIRMAN DAUS: Are those standards

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1 in DOT regs or contracts?

2 COMM. WEINSHALL: No. What happens
3 is --

4 COMM. GIANNOULIS: They cut funding.

5 COMM. WEINSHALL: -- exactly. You
6 get federal funding. And the federal FHWA
7 determines everything. They even determine
8 what your signs have to be, what size they
9 have to be, what color they have to be. And
10 they determine what type of advertising can go
11 on the highways.

12 And as a matter of fact, on some of
13 the streets, some of the larger streets in the
14 city where we use a lot of federal money. So

15 it all disseminates from the FHWA, the federal
16 government.

17 COMM. GIANNOULIS: Matt, addressing
18 your question earlier, for me, I don't
19 particularly have a position. I am not
20 against pamphlets but I think we have to be
21 careful because I just think that there is
22 going to be a lot of advertising in the
23 vehicle. And one of my concerns would be,
24 there is this -- I don't know where owners,
25 you know, owners always talk about the

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1 sanctity of the kind of yellow cab, which I
2 actually think is probably true, especially
3 when it comes to tourists and stuff like that.
4 But I have been in other cities, where a car
5 pulls up and you don't know if it is your cab
6 or you're getting pizza delivered. You really
7 don't know.

8 CHAIRMAN DAUS: Some actually do
9 both.

10 COMM. GIANNOULIS: I have been in
11 Albany where I just stare at the car, and it
12 is like, is this a cab or is this a pizza
13 delivery.

14 CHAIRMAN DAUS: In Hunter, the last
15 time I went skiing up there, many years ago,
16 they had a pizza place that was a taxi that
17 delivered pizza.

18 COMM. GIANNOULIS: So I don't know
19 if that's an issue for us. A lot of tourist
20 in this city, they get into cabs, I assume
21 they are pretty comfortable knowing what a cab
22 is and it is pretty distinctive on the street,
23 the yellow cab.

24 MR. SALKIN: You raise really
25 excellent points. And I think the question

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1 becomes: When does a cab no longer look like
2 a cab? Or when do you cross that line?

3 You also talked about the sanctity of
4 the cab. And I think there is the passenger's
5 view of what that is. I also think there is
6 the driver's view. Perhaps what we can do for
7 future Commission meetings is get some people
8 to offer an opinion from the public's point of
9 view, here is what we feel cabs are and here
10 is their place in the public realm, as well as
11 drivers who are both individual owners or
12 perhaps drivers who drive vehicles and get
13 some feedback.

14 COMM. GIANNOULIS: Are information
15 monitors prohibited in FHV's?

16 MR. SALKIN: Passenger information
17 monitors are regulated on the yellow vehicles,
18 I think, as far as if you go into the other
19 vehicles --

20 MR. KIM: The rules on FHV's require
21 that any interior or exterior advertising on
22 FHV's be approved by the Commission. It hasn't
23 been approved.

24 COMM. GIANNOULIS: There basically
25 is none?

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1 MR. KIM: There is none approved at
2 this time.

3 MR. SALKIN: And approval would be
4 based on the Commission standards, so then the
5 question is: Does the Commission want to
6 follow the same standards that were followed
7 in the taxi industry, which are pretty
8 stringent, the adoption of very stringent
9 credit card standards and information
10 standards, and requiring other information be
11 shared like the map and taxi information.

12 So there is a lot of different ways
13 to do this. I think one of Eric's points that
14 he was trying to make is what Chicago did is
15 they kind of said, "Yes, there is some
16 benefits to advertisement and it is not a bad
17 thing to do because it does add, but we should
18 get very specific goals tied to advertising."
19 And they chose to regulate it in a different
20 way than New York City does.

21 And perhaps that's something we can
22 also think about, if there were benefits that
23 you felt that were not being met or ways that,
24 perhaps, the advertising could offset that,
25 that's an interesting conversation as well.

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1 COMM. GIANNOULIS: The other thing
2 is, if we are in a situation where people were
3 having economic issues, you know, the
4 passenger monitor part of it was to offset
5 some of the fare hikes that we did and make
6 sure that we kind of even things out. My view
7 is that the industry is not in crisis where we
8 have to make sure people are getting more
9 income coming in.

10 COMM. WEINSHALL: They would say they
11 are in a crisis, but recognizing at the time
12 -- we had a discussion here, recognizing at
13 the time that this was a costly lift for them,
14 we wanted to help the industry out. But I
15 think beyond that, I don't know if we have to.

16 The one that I am concerned about the
17 most, Eric showed it on the screen, is the
18 company that wants to put advertising on
19 hubcaps. From a transportation/traffic
20 viewpoint and pedestrian viewpoint, the last
21 thing you want a pedestrian to be doing is
22 looking down and not looking up. That's why
23 DOT doesn't allow advertising on the street,
24 we don't want people to be looking down. We

25 want them to be looking up.

0058

1 COMM. GIANNOULIS: And the city,
2 putting aside the issue of like the street
3 furniture and whether the city wants to give
4 its seal of approval to a particular
5 commercial enterprise, they've never put
6 advertising on their vehicles; right?

7 COMM. WEINSHALL: No, we don't put
8 advertising on our vehicles.

9 MR. SALKIN: I think one thing that
10 is interesting about the contract that the
11 city DOT has for the street furniture is that
12 there is a tremendous benefit that the city
13 gets from that contract, which is very
14 interesting to think about. But to me, having
15 bus stop shelters that are maintained and
16 clean and graffiti-free, especially in the
17 cold winter, is tremendous. And I always
18 thought that was a great benefit. So there is
19 a cost benefit there that is directly linked
20 that is interesting.

21 Where in the yellow industry, I think
22 some could argue that ads for ads' sake, one
23 of the things the Commission could think about
24 is: Is there a different reason for having
25 ads or is it just good for the economics of

0059

1 the industry, which the Commissioner was just
2 talking about.

3 CHAIRMAN DAUS: Commissioner Dear?

4 COMM. DEAR: I have a few issues.

5 First of all, the concern that I have
6 is that we have regulations concerning rooftop
7 advertising, and now we are like rewriting the
8 rules. When this Commission -- I wasn't here,
9 it was prior to my coming here -- so we are
10 starting to have discussions about what we are
11 doing with something that we approved. And my
12 concern is, because I hear the words and I
13 hear what is being written and how people are
14 talking, that we are talking about concern of
15 how much money, who is making money, is the
16 driver making money, this guy is making money?

17 Who are we to determine? This is a
18 free country, a country where you try to make
19 the best --

20 COMM. WEINSHALL: No, but they are
21 in a regulated industry.

22 COMM. DEAR: Regulated in what way?
23 How we control their money and how much money
24 they are going to make?

25 COMM. WEINSHALL: No, but we

0060

1 regulate what goes on the car, what the car
2 looks like. We regulate everything about this
3 car.

4 COMM. DEAR: You are right, but now
5 I am hearing from staff telling me that I
6 don't know who is making the money, who is
7 paying what, and everything else.
8 I am not the IRS. I don't want to
9 know what they are making. If they can figure
10 out a way to make more money, good for them,
11 they are smart business people.

12 CHAIRMAN DAUS: But that is part of
13 the reason that we authorized it.

14 COMM. DEAR: But wait -- we are
15 benefitting. We are going to be selling 900
16 vehicles medallions and we are making a lot of
17 money from that.

18 COMM. WEINSHALL: No, 150. We sold
19 the 900.

20 COMM. DEAR: A total of 900 we sold.

21 MR. KIM: And we have 150 more.

22 COMM. DEAR: Right. And how much
23 did the city get from that?

24 COMM. WEINSHALL: A lot of money.

25 COMM. DEAR: A lot of money. Why

0061

1 did we get that money?

2 Come on, it is obviously because when
3 someone buys a medallion, he is thinking how I
4 can make my money back. So let's not start
5 nickel and diming these people, how much they
6 make, who makes what. And you are talking
7 about making drivers -- there is no one on
8 this Commission who has been advocating for
9 the drivers more than someone like myself.
10 And I am proud of it. But one second, the
11 drivers out there are doing well now, and,
12 obviously, they are doing well because the
13 Commission cared and tried to do things about
14 it.

15 And then also to remember, there are
16 still 13,000 vehicles that are still owned by
17 individuals. So any advertisement, anything
18 else, it is still coming into his pocket.

19 MR. KIM: If I can just address two
20 points that the Commissioner raised.

21 COMM. DEAR: Yes.

22 MR. KIM: First, you mentioned that
23 we have rules on rooftop advertising. We have
24 very broad rules. We do not have rules that
25 specify standards or size of units, things

0062

1 like that. So the rules simply allow for it,
2 says that the Commission will issue permits
3 and that the Ad Code requires that the fee be
4 \$50.

5 Second, the point that you made about
6 why would we regulate revenue? I was merely
7 presenting an alternative model that Chicago
8 uses. Chicago actually does obtain fairly

9 substantial and extensive information about
10 the revenue and the contracts that are
11 involved in advertising. They require, I
12 believe, that the city get copies of the
13 contracts between the advertiser and the
14 medallion owner. And I am sure that there is
15 a very specific revenue split. I was merely
16 indicating that that is one particular model.

17 CHAIRMAN DAUS: I think Eric and
18 staff were providing, not recommendations, but
19 merely just giving you information about how
20 other cities, and this Commission have made
21 policy decisions that if we are going to allow
22 advertising, like we did with the in-vehicle
23 passenger information monitors, we allowed
24 advertising, not because we thought it was the
25 first and foremost priority, but because we

0063

1 thought it could offset the costs that the
2 medallion owners would have to pay.

3 And I think that the prior rules that
4 this Commission and other cities have passed
5 had as a policy consideration, maybe not the
6 foremost, but certainly one of them, that the
7 drivers and/or the owners are going to be able
8 to make some money off of this if we are going
9 to allow it. Whether we are for or against
10 advertising, you know, I think it's hard to
11 overlook the fact that this isn't like any
12 other business. The New York City taxicab,
13 like Commissioner Weinshall mentioned, is
14 highly regulated. It is part of the city's
15 landscape. It is known worldwide as an icon
16 of what New York City stands for and the way
17 it looks like ends up as trinkets in stores
18 around the world and in the city.

19 I have on my desk all these little
20 matchbox cars of taxicabs and some of them
21 have rooftop advertisements on them.

22 COMM. DEAR: We didn't get any money
23 from that.

24 COMM. WEINSHALL: That is going to
25 change now with the New York City Marketing

0064

1 Office, and I think that is the whole point.

2 I have to agree with Matt and with
3 Harry, there is a visual aspect to this. And
4 he is right, is it a pizza company that is
5 coming to pick you up or is it a New York City
6 yellow cab that is coming to pick you up? And
7 that's a standard that we have to --

8 COMM. GIANNOULIS: And we should be
9 careful saying whether we are going to allow
10 advertising. First, I am not
11 anti-advertising. I work with companies that
12 do advertising. None of us are
13 anti-advertising. From what I can see, we are

14 pretty pro advertising, because at this point,
15 other than for FHV's, there are rooftop units
16 that are only there for advertising, and there
17 is a passenger monitor, which according to
18 Harry Giannoulis, is only there for
19 advertising. That's pretty good.

20 We also approved two Commission
21 meetings ago, the little tracking device for
22 the cell phones. So these cars, Noach, are
23 going around and generating -- I mean, I would
24 like to get back to the passengers and all
25 that stuff one day, but all we are talking

0065

1 about at this point is how much these folks
2 are going to generate. A pretty nice pocket
3 of extra income. I just think we need to be
4 careful that these vehicles don't become
5 everything but cabs.

6 MR. SALKIN: If I can offer some
7 comments that I think I've heard the
8 Commission share which is perhaps something we
9 should further explore, is the issue of: If
10 there is advertising, how does the advertising
11 relative to the overall public purpose of the
12 taxicab, and what's the best way to make sure
13 that works and perhaps setting standards
14 within those guidelines. And I think that's
15 something that needs to be explored.

16 Right now, for rooftop ads, just to
17 give an example, if someone wants to do a
18 rooftop, because there aren't clear
19 regulations, they have to apply, in this case
20 going forward there might have to be a pilot
21 project or it might have to be something that
22 they apply for, to get an MOU with the agency.
23 It is not clear how we proceed. But who is to
24 say that one rooftop isn't different from
25 another. If you saw, even rooftops that look

0066

1 the same, aren't really the same. You know,
2 if it is four-sided advertising, two-sided
3 advertising, advertising contained within the
4 space.

5 COMM. GIANNOULIS: And I am
6 certainly not anti -- I think the people who
7 do the rooftop stuff do a pretty good job.
8 You see them, they are clean, they are not
9 dirty, they are all affixed steadily. I don't
10 have a problem with that.

11 MR. SALKIN: The point I am raising
12 is if there was a standard, and the standard
13 had some thought about complementing the
14 overall mission of the cab and making sure
15 that the public piece is getting communicated
16 clearly, but not compromising the advertising
17 piece, perhaps that is something that also can
18 be explored.

19 And, again, there is a lot of
20 different models. I know some of the rooftop
21 manufacturers said: We have this great
22 rooftop but we know we are never going to get
23 it approved for New York even though it is
24 safer and better.

25 And the question is: Why is that?

0067

1 If it's better, then why don't we have it?

2 COMM. GIANNOULIS: Some of the stuff
3 is great. The digital unit, it looks great.
4 I just have a hard time not thinking that
5 there is not going to be a lot of people who
6 will get into car accidents staring at that
7 thing. We are talking about a lot of cars on
8 the street that we are going to be doing that
9 for.

10 CHAIRMAN DAUS: Any other
11 Commissioners have comments?

12 COMM. POLANCO: This is just
13 preliminary? I mean, this is not the only
14 pilot programs that we are going to see?

15 MR. KIM: Absolutely.

16 COMM. POLANCO: So we are going to
17 continue seeing this and we are going to
18 continue discussing this?

19 MR. KIM: Right. What we are hoping
20 for at this point is for the Commissioners to
21 continue this discussion and provide us with
22 guidance, and also provide the public, this is
23 a public meeting, with some guidance about
24 what the Commissioners thoughts are about
25 advertising on TLC licensed vehicles.

0068

1 Considering some of the questions that we have
2 outlined here and some of the proposals we
3 have received and some of the things other
4 places do regarding advertising.

5 CHAIRMAN DAUS: That's a good point.

6 COMM. DEAR: Talk about direction, I
7 know that we have had some discussions
8 already, we did have before us once before,
9 the wheel advertisement, which I don't think
10 any of us were so keen about. If I am not
11 mistaken either it was withdrawn or we turned
12 it down. I don't know what we did, but it
13 didn't go anywhere.

14 And I have no problems as they come
15 before us, as the requests come in, that's
16 because Harry Giannoulis and others had
17 concern of how we are doing pilot projects and
18 come before the Commission. I have no
19 problem, we should regulate, and that is one
20 of the concerns that was raised by staff, that
21 you are going to be inundated with all kinds
22 of proposals.

23 I said, "All right, that's fine." We

24 have already sort of made a policy because we
25 did allow for rooftop, we did allow for the

0069

1 inside TV with the new changes with the GPS
2 and everything else. So it is obviously we
3 have a direction. As you hear, we don't want
4 to make this a pizzeria car, we don't want to
5 make this an advertising car. So I think the
6 direction is where it is and the only thing I
7 think that we have to, just to make sure where
8 we are going is in the sense of there is some
9 policy issues which I raised, and I must say
10 to the credit of the company that has now the
11 rooftops, Clear Channel, when there is concern
12 about some of the advertising, I am not the
13 only other one, but when they had all these
14 clubs which are not appropriate, that we
15 thought were not really a public value, they
16 didn't have to, but they automatically, when
17 they took over control of the company, they
18 took off those advertisements.

19 And I am sure they lost some revenue
20 on that. So obviously some of these companies
21 are listening to us because on their own they
22 are self-regulating. So right now, all the
23 concerns we had, we haven't heard of more
24 accidents and haven't had any public safety
25 concerns, because as things are going on now,

0070

1 things are going fine. So keep that in mind
2 when you start to put in regulations that from
3 the past and where we are right now as a
4 Commission.

5 CHAIRMAN DAUS: Okay. Any other
6 comments from Commissioners?

7 (No response.)

8 CHAIRMAN DAUS: Okay, just to give
9 staff -- let me sum it up, and anyone just
10 jump in and let me know if you think that I am
11 missing something in terms of giving very
12 specific clear guidance to the staff in terms
13 of what the next steps are.

14 On one of the slides, I think Eric,
15 describing the current and future, identified
16 basically five policy goals: Safety,
17 aesthetics, content, public value and industry
18 economics. I think, from what I've heard, and
19 I would certainly agree, first and foremost is
20 safety. That is the number one policy
21 consideration I think. We have had these
22 rooftops tested by the Department of Citywide
23 Administration Services engineers. We have
24 also received private studies. There are
25 people and standards in place in private legal

0071

1 agreements with these companies and
2 administrative practices.

3 So not only is there a safety
4 standard there, but if we can get even better
5 and more safety standards, I think you can
6 never be too safe. If there are ways to
7 incorporate those into our rules. And whether
8 that be doing some of the research with the
9 FHWA or some other sources to specifically
10 include, identify the safety issues, safety
11 standards, and put them in our rules to make
12 it clear to everyone. I think that would be
13 helpful.

14 In terms of the aesthetics and also
15 the public valuable component, I believe from
16 what I've heard, it is not just a private
17 company that has opened up. It is a New York
18 City taxicab. It has an iconic status. It is
19 known the world over. Commissioner Weinshall
20 brought up a very good point about we have the
21 chief marketing officer and the tourism bureau
22 and this new merged entity that is looking at
23 marketing the City of New York including
24 yellow cabs. So to the extent that
25 advertising is something that could appear and

0072

1 does appear on a cab, how does that affect the
2 ability for the city to market these cabs?

3 And that is something that is on
4 their radar screen. I think we should seek
5 guidance from them. There is a whole movement
6 over the past couple of years to look at
7 public space. As much as we may disagree with
8 the Design Trust preliminary report, the whole
9 exercise is a good one. A New York cab is
10 part of New York City space. It is like a
11 park bench, a park, wherever you go it is
12 something that everybody sees and it has a
13 quality of life component to it. So I think
14 we should work with those partners and make
15 sure that whatever comes out of this is
16 tasteful and done the right way.

17 In terms of content, I would agree
18 with Commissioner Dear that the companies have
19 been very, very good, whether it was Medallion
20 Taxi Media or Clear Channel, they kind of
21 police themselves. The offensive to public
22 moral standard is a very broad standard, it is
23 in the Administrative Code. I guess I would
24 just ask and recommend that counsel take a
25 look at that. Are there ways that we can make

0073

1 that even more specific in our rules, or do we
2 have to change to law or is it fine the way it
3 is?

4 MR. KIM: Just on that point,
5 Chicago does have very specific guidelines in
6 their rules about what they consider
7 appropriate and inappropriate for advertising

8 content in general.

9 CHAIRMAN DAUS: I think that's a
10 great point, Eric. Only because advertisers,
11 in fairness to the industry and to them, they
12 want to make sure that they understand what
13 the standards are so that they don't break the
14 standards. When you have a broad standard, it
15 always leaves that question mark out there and
16 it is very confusing for them and it is
17 confusing for us. And the law of prior
18 restraint prohibits us from viewing any
19 advertisements, in accordance with supreme
20 court case law, before they are issued. But
21 then that leaves the advertiser and the
22 medallion owner to the risk of, if I post
23 this, then there are going to be penalties and
24 I am going to have all sorts of problems if
25 the TLC exercises its right to take it off.

0074

1 I can only think of one instance
2 where we actually removed one, and two
3 instances where we placed a phone call after
4 there was an advertisement that was
5 potentially offensive. And the companies were
6 great about removing them. But I think, in
7 fairness, Commissioner Dear, you have a very,
8 very good point, and I think we should look
9 into the legalities of that and just clarify
10 it.

11 COMM. DEAR: I think we should make
12 exclusive flower shops only advertising.

13 CHAIRMAN DAUS: Okay, last but not
14 least, industry economics. Like was discussed
15 here today, I think we should continue to look
16 at some of the models that are out there,
17 including Chicago.

18 If we do decide to do some type of
19 authorization of advertising, it should be
20 done in a way where we understand the
21 economics. If that means going to medallion
22 owners drivers and companies and asking to
23 understand the economics, I think that's
24 helpful because I think there is a component
25 of that that's important.

0075

1 And certainly last but not least, I
2 think the pilot program rules are very good in
3 terms of showing us that there is an interest
4 in advertising in all of our industries. I
5 personally would prefer not having to deal
6 with 20 pilot program proposals. I think it
7 is clear and in the best interest of the TLC,
8 the industry, and also the advertising
9 industry, to have clear specifications and
10 rules, as opposed to having to enter into
11 legal agreements each time somebody wants to
12 put something on a cab. So I think the safety

13 standards, the aesthetics, how big, when and
14 where you can put it on, all should be
15 specified in our rules with clarity, instead
16 of MOUs. And for administrative convenience
17 purposes as well.

18 I think we should, as Commissioner
19 Weinshall suggested, take a look at what we
20 are doing with the passenger information
21 monitors and whatever preliminary feedback we
22 are getting from the in-vehicle advertising as
23 part of the technology program.

24 And the last thing also is equality.
25 Whatever we decide to do, I think it's

0076

1 important that we don't just favor one
2 industry over another. That whatever we do
3 for one industry, there has to be a very, very
4 good public policy reason for not doing it for
5 all of our regulated industries.

6 That's basically what I heard. Does
7 anybody disagree with that direction?

8 COMM. DEAR: Two things.

9 When you say industry economics,
10 again, I want to make it clear, I am not here
11 to regulate and to control how much each
12 person makes and how they make it and
13 everything else. I don't mind that we have a
14 broad perspective of things, but, again, I
15 don't want to go down that slippery slope.

16 What is scaring me is that report, I
17 guess. That is what has me crazed, which some
18 of you have, some don't have. But I don't
19 want to go in that direction and I don't want
20 to start touching money, economics. There are
21 countries that do those things when they don't
22 like something, all of a sudden, they
23 nationalize the industry.

24 CHAIRMAN DAUS: Well, information is
25 power. You don't mind having the information,

0077

1 do you?

2 I would personally like know how much
3 of the share is going to the owner, the driver
4 and the company.

5 COMM. DEAR: No.

6 CHAIRMAN DAUS: You don't care about
7 that?

8 COMM. DEAR: No, it is not my
9 business. They have a deal. We are going to
10 start checking maybe how much they pay for
11 their tires, how much they pay for their
12 gasoline and why they do that? No, no, no.

13 CHAIRMAN DAUS: No, they ask us to
14 do that when they want a fare increase.

15 COMM. DEAR: I am talking about how
16 they do their business. That's between them.
17 We are in a country, it is a capitalist

18 country. I don't think we changed our
19 economic views yet. There are people that
20 would like to.

21 And the public value about going into
22 other cars, I have very strong feelings about
23 going into livery cars and all that stuff.
24 More and more they are trying to look like
25 yellow cabs. I want to protect that yellow

0078

1 cab.

2 CHAIRMAN DAUS: Okay, that is duly
3 noted.

4 Andrew?

5 MR. SALKIN: Based on the feedback
6 that I've gotten and direction from the Chair,
7 what we will try to do is on another
8 Commission meeting in the near future, we will
9 invite people who are experts in these topics
10 to share some opinions --

11 COMM. AROUT: Can I say something?

12 CHAIRMAN DAUS: Yes, Commissioner
13 AROUT.

14 COMM. AROUT: I want to thank
15 everyone here for putting this together, it
16 wasn't easy. I have my feelings about
17 everything, but I am listening to everything
18 and my opinion will come up when the time
19 comes. But I think it was very well done, and
20 let's just take it from there.

21 CHAIRMAN DAUS: I agree, excellent
22 job, Andy, Eric. It is a good start.

23 Okay, any other issues?

24 (No response.)

25 MR. KIM: Thank you.

0079

1 CHAIRMAN DAUS: Thank you, that was
2 very enlightening.

3 Item four on the agenda is base
4 licensing application review.

5 Sara, good morning.

6 MS. MEYERS: Good morning.

7 CHAIRMAN DAUS: I know there are
8 issues with Adams, so let's put that to the
9 side and deal with the others first.

10 MS. MEYERS: With the exception of
11 Adams, we have 18 base applications for your
12 vote. Two new, 11 renewal. Two that are a
13 renewal and an ownership change. One that is
14 just an ownership change. And two that are
15 relocations only.

16 Does anyone have any questions?

17 COMM. AROUT: Yes. Dependable Car
18 Service and the North Shore Car and Limo.

19 MS. MEYERS: Okay, do you have
20 specific questions?

21 COMM. AROUT: Yes. On Dependable
22 Car Service, they were issued violations in

23 '06, unlicensed dispatching unlicensed driver.
24 Then our great enforcement people on Staten
25 Island only in January gave out two more

0080

1 summonses, operating while in suspension.

2 What are we doing about these people?

3 MS. MEYERS: What we have been doing
4 is we have been going through this process for
5 about a year and a half. We are coming to the
6 conclusion, but we have, in terms of the
7 business plan, having all the bases address
8 these violations specifically in their
9 business plans and how they are going to --

10 COMM. AROUT: Do we usually get a
11 report after you make your inspections?

12 MS. MEYERS: After enforcement makes
13 inspections?

14 COMM. AROUT: Yes.

15 MS. MEYERS: Enforcement makes
16 inspections back to licensing.

17 COMM. AROUT: And you notify the
18 bases about this?

19 MS. MEYERS: Yes.

20 COMM. AROUT: Is there a conclusion
21 after your letters go out, come back to you
22 and come back to us that it has been taken
23 care of.

24 MS. MEYERS: Sometimes what we ask
25 them to do is write an amendment to their

0081

1 business plan to specifically address these
2 issues.

3 COMM. AROUT: Okay.

4 CHAIRMAN DAUS: And Deputy
5 Commissioner Mullin has been visiting every
6 single base in the City of New York. In
7 addition, Commissioner Arout, you get a
8 monthly report on the enforcement that she has
9 been doing.

10 COMM. AROUT: Commissioner Mullin
11 has been very good. She gives a report every
12 month which I ask for. This way if any car
13 service on Staten Island comes to me or calls
14 my house to say what are we doing about it, I
15 can show them what they do.

16 Just in January 2007, Dependable
17 Brothers, with two summons, operating while on
18 suspension. Golden Aztec, 17 summonses, one
19 vehicle seized. Fox Hill Services got four
20 summonses and a total of 27 summons were
21 issues and one seized vehicle, which is very
22 good. So I hope the other Boroughs get the
23 same thing.

24 COMM. DEAR: I want to add something.
25 You just raised something, Commissioner, about

0082

1 some people who are absolutely, flaunting the

2 law, they don't care and they are thumbing
3 their nose at us.
4 Why do we have to approve them for?
5 COMM. AROUT: That's my opinion.
6 COMM. DEAR: That's right. You have
7 a right to say no. I would agree with you.
8 If we get the other Commissioners to say no,
9 we will turn them down. I don't understand.
10 Why can't we turn them down? Why is it people
11 just flaunt themselves?
12 COMM. AROUT: These particular bases
13 mostly are owned by one particular company.
14 COMM. DEAR: I don't care.
15 COMM. AROUT: This particular one,
16 Dependable, just received their bases lately.
17 But they are just flaunting. What do we do?
18 COMM. DEAR: I am going to suggest
19 that we vote no on this one. If you want to
20 join me -- after you tell me what it's all
21 about, I am not going to vote for something
22 like that.
23 MS. MEYERS: I think, though, that
24 we have said in the past that we have asked
25 for the Commissioners to give recommendations

0083

1 on how we could possibly make rule changes.
2 COMM. DEAR: Why do we need rule
3 changes when someone flaunts the law and
4 continuously violates the law? Who says we
5 have to approve it? Why are you coming to us?
6 Are we just a rubber stamp?
7 CHAIRMAN DAUS: Commissioner Dear, I
8 think nobody feels as strongly about this as
9 all of us.
10 COMM. DEAR: So let's vote no.
11 CHAIRMAN DAUS: Our hands are tied
12 legally.
13 COMM. DEAR: Who told you? Who
14 said it?
15 CHAIRMAN DAUS: We have had
16 discussions with counsel --
17 COMM. DEAR: We have four attorneys
18 on the Commission now, right.
19 CHAIRMAN DAUS: How do they feel? I
20 would love to hear how they feel.
21 COMM. DEAR: I don't know. I want to
22 hear. We have to approve it?
23 CHAIRMAN DAUS: Especially since you
24 are the individual who has been quoted in the
25 Gene Freedman case as basically saying: We

0084

1 got sued, we get egg on our face.
2 If we were to deny these bases, and
3 weeks ago and months ago, we approved bases
4 that have worse records, that's what is called
5 an instant Article 78. It is just like
6 pouring the cocoa into the water.

7 COMM. DEAR: You are mixing apples
8 and oranges.

9 CHAIRMAN DAUS: We are really not.
10 This is a Commission of laws. And I think we
11 set a bad example by violating our laws.

12 COMM. DEAR: What laws? That's what
13 I want to know.

14 CHAIRMAN DAUS: Consistency. We
15 don't want to be arbitrary and capricious.
16 When you treat one base one way and do
17 something different for one --

18 COMM. DEAR: You mean to say that we
19 have to approve somebody who consistently says
20 they want to violate the law. I don't
21 understand what's going on.

22 CHAIRMAN DAUS: Chuck, do you want
23 to address this issue?

24 COMM. DEAR: Give it to me, the
25 book.

0085

1 CHAIRMAN DAUS: With all due
2 respect, Commissioner Dear --

3 COMM. DEAR: I had a professor who
4 told me: If you don't know the law, make it
5 up. But I don't want to make it up. I want
6 to know where it says chapter and verse.

7 Am I correct, Commissioner Vargas?

8 CHAIRMAN DAUS: Commissioner Dear,
9 Chuck will address it. And I just want to
10 note for the record that we have had this
11 discussion at least several times on the
12 record, and we will do it again.

13 MR. FRASER: Obviously, Commissioner
14 Dear is correct that the grant or denial of a
15 base license is discretionary. That's the
16 whole reason that the Commission votes on it.
17 However, the discretion should be exercised in
18 a way that is consistent from case to case.

19 As I said in our last meeting, my
20 concern would be if we were to deny a base
21 that has had some of these violations that are
22 similar to another base that we did not deny,
23 this would be subject to suit. The point
24 being that when we began this enterprise,
25 shortly before I started, January of '05, I

0086

1 understand a strategy was stated that for one
2 renewal cycle, two years, we would do this
3 process requiring business plans. And that
4 when that cycle was finished, we would then
5 review their compliance with their business
6 plans, and then, at that stage, would then
7 begin denying the bases who had not complied
8 with their business plans. Sort of a one-time
9 grace period kind of thing I guess.

10 I am not suggesting that Commissioner
11 Dear's idea is wrong in the abstract. I am

12 only suggesting that since we have approached
13 it in a particular fashion for the last almost
14 two years now, that to change that sort of
15 almost at the end of that two-year renewal
16 cycle would be subject to challenge. That is
17 all that I am saying.

18 COMM. DEAR: You know, I am laughing
19 because I am just thinking of the rigorous
20 rules that you claim to have when someone
21 comes in and they missed one day, we have to
22 deny it, too bad, we can't flex the rules.
23 Even though for a hundred years, this agency
24 flexed its rules.

25 And then, of course, just a few weeks

0087

1 ago, Judge Rucklesman (ph) makes a decision
2 and says: Guys, you didn't have any
3 compassion here and you gotta give the guy his
4 license back as long as he passes the test and
5 all that stuff. Certain circumstances.

6 So I spoke to Commissioner Salkin, he
7 told me, "You only looked at one decision.
8 There were three other decisions the other
9 way." You know what, we are a Commission, as
10 you said, and I am going to take it by face
11 value what you just said, and if someone wants
12 to sue, so be it. Let's find out, let it go
13 ahead. We did everything it with everything
14 else. All of a sudden because you want it
15 your way, so you don't want a suit. But
16 everything else, you are allowed to be sued.
17 How many people have been suing this agency?

18 So I want to make a proposal on the
19 ones that Commissioner Arout raises a flag on
20 items, I make a motion to vote no on them.

21 CHAIRMAN DAUS: Okay. Do we have a
22 second to the motion?

23 COMM. AROUT: Second.

24 MR. FRASER: You want to be
25 specific.

0088

1 CHAIRMAN DAUS: Yes, which ones are
2 you talking about?

3 COMM. DEAR: Commissioner Arout, do
4 you want to say them again.

5 COMM. AROUT: Dependable and Adams.

6 COMM. DEAR: Dependable and Adams, I
7 vote no and Commissioner Arout has seconded
8 it.

9 CHAIRMAN DAUS: For Dependable and
10 Adams only?

11 MS. MEYERS: Commissioner Arout
12 mentioned another base, I didn't mention.

13 CHAIRMAN DAUS: Are you coupling the
14 motion together?

15 COMM. AROUT: No, Dependable only.

16 COMM. DEAR: Then we do the vote on

17 the first one.
18 CHAIRMAN DAUS: On Dependable?
19 COMM. DEAR: Yes.
20 CHAIRMAN DAUS: Are you making a
21 motion?
22 COMM. DEAR: I am making a motion.
23 CHAIRMAN DAUS: Do we have a second?
24 COMM. AROUT: Second.
25 CHAIRMAN DAUS: All in favor?

0089

1 (Indicating.)
2 CHAIRMAN DAUS: Opposed?
3 (Indicating.)
4 CHAIRMAN DAUS: It doesn't carry.
5 COMM. GIANNOULIS: I wasn't here for
6 the discussion, so I am abstaining.
7 CHAIRMAN DAUS: Okay, Commissioner
8 Giannoulis is abstaining from the vote.
9 Let me just say this, instead of
10 going back and forth over and over, I think we
11 have had this discussion many, many times. I
12 think it is unfair, with all due respect to
13 you, Commissioner Dear, because you are very
14 passionate about this, I think it is unfair --
15 COMM. DEAR: You should be
16 passionate too.
17 CHAIRMAN DAUS: Can I please finish?
18 I think it is very, very unfair to
19 characterize the staff coming forward with
20 recommendations to deny bases because they
21 missed a deadline as saying we are being too
22 rigid. Every single one of those bases has
23 missed multiple deadlines, 13, 14, 15
24 deadlines. So I think that that's something
25 that is misplaced.

0090

1 Number two, while I feel very
2 strongly, as you do, that we need to do
3 something about these bases, I feel also very
4 strongly that we want to do something that is
5 consistent with what we have done in the past.
6 We laid out a game plan in which the
7 Commission, everybody with the exception
8 Lauvie, who wasn't here, has voted for
9 consistently over the last year and a half. I
10 renew our call. I think staff needs to speed
11 up the process of getting some standards in
12 place for these bases.
13 Commissioner Dear, I remember you
14 were part of the process at the Council when
15 we first started regulating the bases. There
16 has been a lot of attention paid to off-street
17 parking and a lot of he requirements to get a
18 license. But one area that I think we need to
19 look at, which you looked at in the yellow cab
20 industry when you passed laws in the '90s
21 about putting a point system in place for the

22 drivers that was a little bit watered down
23 from what we had passed here, was in some
24 people's viewpoint, a little bit more fair.
25 But there is a point system that was

0091

1 in the local law that you passed that we don't
2 have in the local law now that we may have the
3 opportunity to do in our rules now, which has
4 been discussed in the past, so that bases have
5 the opportunity to know in advance if I got
6 more than X number of violations, that I will
7 be revoked.

8 And I think the most appropriate
9 exercise of our discretion is to be
10 consistent. So while as much as I agree with
11 you, and I am equally frustrated, disturbed
12 aggravated, annoyed by the continued violation
13 of the law, I also believe that we should do
14 the smart thing and not open ourselves up to
15 lawsuits, and to bring this process to a
16 conclusion, get the staff to get those
17 recommendations as soon as possible.

18 So I would like to make a motion for
19 all of the bases.

20 COMM. DEAR: Point of order. We
21 just had a vote that was 3, 3 and one
22 abstention. How does that --

23 CHAIRMAN DAUS: It doesn't carry.
24 Right, Chuck?

25 MR. FRASER: You need a majority.

0092

1 COMM. DEAR: So it doesn't carry
2 either way?

3 MR. FRASER: The motion to deny did
4 not carry. Nor is that an approval.
5 Rejection of a motion to deny is not an
6 approval.

7 COMM. GIANNOULIS: There was not an
8 actual motion to approve.

9 MR. FRASER: Not yet.

10 CHAIRMAN DAUS: I would like to,
11 with all due respect, make a motion.

12 I would like to make a motion that
13 all of the items on item four be approved,
14 with the caveat that the following bases,
15 which include bases that Commissioner Arout
16 had referenced, submit their business plan and
17 that we send enforcement to visit each of
18 those bases immediately:

19 Dependable Brothers, Ivoire Car
20 Service, La Nueva, New Enricos, North Shore,
21 Skyway and Alpha. Of those bases, I recommend
22 all of them and the rest of the list be
23 approved, but the ones that I just singled
24 out, that we immediately send enforcement to
25 them, we immediately require that they have a

0093

1 business plan.
2 And those are bases, for clarity,
3 that all have one or more convictions for
4 dispatching unlicensed vehicles, which is a
5 danger to the public and we need to do
6 something about it. I also couple that motion
7 to say that the staff should work to come up
8 with a plan and a time line to come forward
9 with base licensing recommendations that
10 Commissioners, and all of us, have deemed a
11 priority.

12 I would like to make that motion.
13 COMM. AROUT: Before you make it, Mr.
14 Chairman?

15 CHAIRMAN DAUS: Yes.
16 COMM. AROUT: I would appreciate if
17 you put in Fox Hill Car Service to that,
18 please.

19 CHAIRMAN DAUS: Where are they? I
20 don't think they are on this agenda.

21 COMM. AROUT: I thought I had them
22 in here.

23 COMM. POLANCO: Can you repeat again
24 the bases, Commissioner?

25 CHAIRMAN DAUS: Yes.

0094

1 Dependable Brothers, Ivoire Car
2 Service --

3 COMM. AROUT: I apologize. It is
4 North Shore Car Service.

5 CHAIRMAN DAUS: Yes, I had mentioned
6 that one.

7 -- La Nueva, New Enricos, North
8 Shore, Skyway and Alpha.

9 Now I am recommending that those
10 bases be visited by enforcement, that they
11 immediately submit business plans as to how
12 they are going to stop the one or more -- with
13 all due respect, some have a couple, and
14 others have a lot of convictions for
15 unlicensed activity. And we bring this
16 practice to an end once and for all.

17 But I do, consistent with our prior
18 actions on the Commission, recommend that we
19 approve these bases, but that we immediately
20 have enforcement and licensing do their due
21 diligence to get things done.

22 Do I have a second?

23 COMM. AROUT: Second.

24 CHAIRMAN DAUS: All in favor?

25 COMM. DEAR: So we are approving? I

0095

1 don't understand the motion.

2 CHAIRMAN DAUS: The motion is to
3 approve all the bases that listed under item
4 four. And as part of that motion, in
5 addition, enforcement will visit the seven

6 bases that I mentioned by name, which all have
7 one or more convictions for unlicensed
8 activity. And we are immediately going to
9 make sure that each and every one of them
10 submit a business plan.

11 And also that staff comes up with a
12 time line for bringing a concrete
13 recommendation to change our rules and
14 specifications to accomplish the goals of all
15 of us, which is to have clear standards for
16 bases to meet, that if they do get a certain
17 amount of convictions and do do things wrong,
18 that over a period of time they will have
19 their licenses suspended and/or revoked.

20 COMM. GONZALEZ: Did we read into
21 the public record the names of all the bases
22 here? Because I don't think we did.

23 CHAIRMAN DAUS: I can read all of
24 the bases, if you want.

25 COMM. GONZALEZ: Because I don't

0096

1 think we did.

2 CHAIRMAN DAUS: We will do that.

3 These are the bases recommended for
4 approval: ABC International, Big R, Bay
5 Express, Cooperativa, Dependable, Ivoire, La
6 Nueva, Mex Express, New Enricos, North Shore,
7 Plaza Executive, Skyway, Unicar, Allen Car,
8 Alpha Trans, All American, DMD, St. Albans and
9 Adams Car Service.

10 And the ones that I believe
11 enforcement should visit and that they should
12 have a business plan all have one or more
13 convictions for unlicensed activity. That
14 includes: Dependable Brothers, Ivoire Car
15 Service, La Nueva Car Service, New Enricos Car
16 Service, North Shore Car and Limo Corp.,
17 Skyway Car Service and Alpha Trans.

18 And there was a motion and there was
19 a second. Any other discussion on the motion
20 or can we take a poll?

21 COMM. DEAR: Yes. Are we going to
22 come back -- how fast are we coming back with
23 some sort of regulation.

24 CHAIRMAN DAUS: By the next meeting,
25 I am going to ask staff to come up with at

0097

1 least a time line, or before the next meeting
2 I will try to get --

3 COMM. DEAR: And when does the time
4 period for the first round of cars that we are
5 going through end?

6 MS. MEYERS: As Chuck mentioned, we
7 did start this process in January '05, but the
8 business plan process --

9 COMM. DEAR: No. I am talking about
10 the first waive of approval so that we can go

11 through the second one.

12 MS. MEYERS: That's what I am
13 referencing.

14 CHAIRMAN DAUS: You know what I
15 think will be a good idea, that that motion
16 include a report from staff to the
17 Commissioners on what he is requesting and
18 what we intend to do.

19 COMM. DEAR: Just tell me, could you
20 answer?

21 MR. SALKIN: The question is a
22 little hard, it doesn't make sense. Because
23 what happened is the first time we started
24 doing this with the Commission, there was a
25 lot of back and forth with staff, there was a

0098

1 lot of "Give these bases a second chance." So
2 by the time we came up with a solid policy, it
3 was more into the spring, April, May.

4 So what we will do is we will look to
5 see when we have those business plans that we
6 can begin to hold people accountable to. And
7 the good news is we are caught up now so we
8 are not six months behind, eight months
9 behind. As the May bases come up, we are
10 reviewing May bases. So we will be doing this
11 very quickly and on time.

12 COMM. DEAR: For example, when
13 Dependable comes up again, whenever it has to
14 renew, it is two years now, and it's still
15 doing the same thing, what happens then?

16 MR. SALKIN: The idea is we will have
17 rules in place so that the by the time
18 Dependable comes up for renewal, they will
19 basically know that they have been following
20 the rules or they will know that they have not
21 been following the rules. And they will know
22 that if they have not been following the
23 rules, they know the penalties associated with
24 that, which if they are egregious enough and
25 clear, it will probably be revocation-- or

0099

1 actually, in this case, not renewal.

2 COMM. DEAR: And I just want to add,
3 when you do something, we should also look
4 into regulations as to how a car service
5 operates, like the questions I raised with
6 Adams. We shouldn't be approving car services
7 that are a front for something else. Just,
8 remember, every time you go on the Brooklyn
9 Bridge, you see Ari Havelstat (ph). That kid
10 was killed by a licensed base station by the
11 TLC. That's what I want you to know.

12 CHAIRMAN DAUS: I think,
13 Commissioner Arout, if it is okay with you, I
14 would like to add to that motion that you
15 seconded what Commissioner Dear has brought

16 up. I think some of the concerns that he
17 raised about Adams is something we should look
18 at. Whether we have the ability even legally
19 to change some of those things.

20 And that's the question of: Do we
21 allow part-time bases that are travel agencies
22 during the day and at nighttime run a couple
23 of cars.

24 COMM. DEAR: No matter what they
25 are.

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1 CHAIRMAN DAUS: Signage issues.
2 Should bases be required to have signage on
3 the street, to kind of address all --

4 MR. SALKIN: Can I request that
5 maybe the motion be restated? Because I would
6 say the requests that you are making to the
7 staff is getting a little convoluted.

8 CHAIRMAN DAUS: I think it's pretty
9 clear, Andy. We want a report --

10 MR. SALKIN: You want a time line at
11 the next Commission meeting and you want us to
12 address these things that have been brought up
13 at the Commission meetings.

14 CHAIRMAN DAUS: We want a report
15 about what we think we can do and a time line.

16 MR. SALKIN: Okay.

17 CHAIRMAN DAUS: And, really, I leave
18 that to you guys to come up with.

19 But some of the concerns that have
20 been raised is the issue with Adams Car
21 Service and the signage, the issue of how do
22 we hold bases accountable, consistent with
23 having clear and fair standards. And we kind
24 of leave it to the staff to come up with those
25 recommendations, whether it is a consistent

0101

1 violator program, other type of -- we don't
2 want to interfere with the free flow of
3 thought and your good sound recommendations.
4 But I think it's important that at this point
5 in time we are kind of reaching critical mass
6 with these things.

7 And I think it is important, because
8 I don't even know if we have the support to
9 get this motion across, quite frankly, because
10 everybody is a little bit angry, including
11 myself, without actually appending this to the
12 motion as well. I think we need to come up
13 with a plan.

14 MR. SALKIN: Can I ask a question to
15 general counsel?

16 Would these bases approval be
17 contingent on these other motions attached?

18 MR. FRASER: Well, only if that's
19 the way the motion is stated. I didn't
20 understand it to be stated that way, that the

21 approval of the bases, I wouldn't think, would
22 be contingent.

23 CHAIRMAN DAUS: For the sake of --
24 instead of making four or five different
25 motions, I would like to, if I think I have a

0102

1 consensus, make all the motions at once.

2 To approve the bases, number one.

3 The bases that I stated I think three times in
4 the record right now, maybe four times, that
5 have one or more convictions for unlicensed
6 activity, be given the immediate directive to
7 file a business plan. That Pansy and her
8 troops visit those bases immediately for
9 appropriate enforcement to make sure that they
10 are not endangering people's lives --

11 MS. MEYERS: Just to be clear, they
12 already have submitted a business plan and
13 enforcement has visited them all within the
14 past two or three weeks.

15 CHAIRMAN DAUS: I would like it to
16 be done again.

17 MS. MEYERS: Okay.

18 CHAIRMAN DAUS: And also that we
19 approve all those bases, and that we also come
20 up with a report or some type of time line or
21 indication of what the staff believes that it
22 is recommending that we do with the base
23 process, or when it will be able to come up
24 with some concrete plans.

25 Do I have a second?

0103

1 COMM. AROUT: Second.

2 CHAIRMAN DAUS: All in favor?

3 (Chorus of "Ayes.")

4 CHAIRMAN DAUS: It's unanimous.

5 Okay, thank you.

6 Item five, a motion to close the
7 meeting.

8 COMM. DEAR: Just for the record,
9 can I ask regarding car services, I don't know
10 what you need. I know that Commissioner Arout
11 gets some good attention. I love Pansy, she
12 is doing a great job. I would like some
13 attention in Brooklyn, the neighborhoods we
14 are getting complaints where the illegals --
15 straight plates I am talking about -- are
16 picking up on a regular basis. When you call
17 the car service, they send you straight
18 plates.

19 So I would like to see some real
20 tough enforcement on that.

21 CHAIRMAN DAUS: Okay, thank you.

22 Andy, do you want to add anything?

23 MR. SALKIN: No.

24 CHAIRMAN DAUS: Okay, do I have a
25 motion to close the meeting?

0104

1 COMM. AROUT: I make a motion to
2 close the meeting.
3 CHAIRMAN DAUS: Okay, a second?
4 COMM. POLANCO: Second.
5 CHAIRMAN DAUS: All in favor?
6 (Chorus of "Ayes.")
7 CHAIRMAN DAUS: Okay, thank you.
8 See you on March 8th.
9 (Time noted: 11:30 a.m.)

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0105

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2 C E R T I F I C A T I O N
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4
5 I, MARGARET EUSTACE, a Shorthand
6 Reporter and a Notary Public, do hereby
7 certify that the foregoing is a true and
8 accurate transcription of my stenographic
9 notes.
10 I further certify that I am not
11 employed by nor related to any party to this
12 action.
13
14
15
16 MARGARET EUSTACE,
17 Shorthand Reporter
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