NYC TAXI AND LIMOUSINE COMMISSION

PUBLIC COMMISSION MEETING

held on Thursday, March 8, 2007

40 Rector Street
5th Floor
New York, New York
Public Commission Meeting convened at 9:40 a.m.

PRESENT:

MATTHEW W. DAUS, COMMISSIONER/CHAIR

NOACH DEAR, COMMISSIONER

EDWARD GONZALES, COMMISSIONER

ELIAS AROUT, COMMISSIONER

HARRY GIANNOLIS, COMMISSIONER

CHARLES FRASER -- GENERAL COUNSEL
CHAIRMAN DAUS: Good morning. Can we have people take their seats or go into the overflow room. We apologize. We have a long meeting ahead of us so we are going to get started. We do actually have a quorum. Commissioner Dear is here, but he is out of the room. He will come back in.

I would like to first go to the Chairman's report. First item, as most of the people in the industry know, it is March renewal time. We are in the middle of the March renewal period and licensing.

We have at this time of year an annual high volume of work. It has gotten better over the years, but right now we are dealing with an enhanced volume compared with other parts of the year.

We have a number of licensing policy changes that have been put into place to assist the process, and there are industry notices that we have sent out, and they are also copied in the back for anyone who wants them.

We have new drop off and pick up procedures. We also have new vehicle transfer
procedures. Those are in industry notice 07-01 and 2 respectively.

What I would recommend for most people in the industry, if you haven't already done so, we have a great feature on our website where you can sign up for e-mail updates. On the upper left part of our home page, which is NYC.gov/taxi.

You can sign up for these e-mail updates, and you will get all industry notices, information about public meetings such as this one, agenda, etc; a great thing to do if you are a licencee or you do business with the industry.

Item 2, a lot of you may have read about this in the news and heard about it. Daylight Saving Time, the energy policy act of 2005 has changed, the time frame when Daylight Saving Time actually goes into effect. This year it begins on March 11. Usually it begins about three weeks later so we are going three weeks earlier this year.

A lot of different corporations and entities are dealing with the MIS ramifications that come with that, and I guess we are no exception.
In addition to our agency dealing with, you know, the issue, the taxicab industry, the yellow taxicab industry is affected by it.

The Daylight Saving Time begins on March 11th, and it will end on November 4th.

There are various meters on the taximeters that the models need to be reprogrammed. Not all of them. Some have been reprogrammed so the new earlier date for Daylight Saving Time would go into effect, but there are some models out there that don't do that, and the simple fix is you have to have it reprogrammed or programmed twice.

What I am recommending at this point for everybody to do is for you to call your licensed taximeter business that you usually deal with. If you are looking to find out who you should be dealing with or find another one, we have information on our website.

If you click on current licensees under the menu, you will get a list of all the licensed taximeter businesses that will be able to help you.

If you don't have access to a computer or don't feel like doing that, you can
always call 311 and they will be happy to assist you in getting the information.

Some good news on the credit card front, aside from what is going on in the industry.

The TLC has started to accept credit card payments and adjudications. You can pay fines by credit card now.

Surprised we are getting a hand on that.

Even better news, it will be moving to other departments that are more well-liked maybe like licensing, and I don’t know about S and E.

We are going to be moving after adjudications on a schedule that would include safety and emissions reinspections.

Also, we are going to be going to Staten Island for licensing and for adjudications, as well as the JFK facility.

Our plan is to get every facility credit card payment worthy.

It will be some time before we are able to do this on-line.

Eventually we would like to get our
license applications processed on-line on the website, and for logistical and technical reasons we can't really start processing credit card payments for that type of transaction until we get the infrastructure set up on the website.

For now we have the swipe machines. If you are going to Long Island City and you need to pay fines, and I am sure the industry reps certainly welcome this, it will make life easier for them, I'm sure. We are currently credit card capable, and it is working very well.

In terms of the roll-out, on-line licensing is going to take a little bit more time, but we are hoping sometime in the spring or possibly before the end of the summer the other facilities will have credit card capabilities.

Item 4. As many of you know by now, we have a new RFP we have been working on for the rules revisions. Some of the Commissioners had some questions about it last time.

We had pulled the RFP for technical and procedural reasons and made some changes to it, and we took the opportunity to make some substantive changes to it and make it better.

It is still the same scope, the
general type of work we are going to be doing in
terms of consultants working with the TLC and
making recommendations to the Board of
Commissioners to make the rules more concise, easy
to understand and read, and condensed it where
appropriate.

That RFP I am happy to announce,
with all the hard work of staff, including Elise
Frisella and Andy Salkin, is released as of
yesterday.

There is a procedure for getting a
copy of it. You can pick it up or download it as
of now up until the date that the proposals are
due, which is April 11th, for those who are
interested in it.

There will be a pre-proposal
conference on March 20 here at 40 Rector Street on
the fifth floor at 2:00 p.m. The pre-proposal
conference is usually people who are interested in
bidding usually have a desire to ask questions
about the process and what is intended by the RFP,
and that is an opportunity for you to get your
questions answered.

It is a pretty aggressive time
frame. The proposals are due on April 11th, 2007
on or before 10:00 a.m. that day.

If you are interested, I would encourage you to get involved right now and get a copy of it.

The Commissioners, I have already sent a copy to all of them of the final RFP which has been released to the public for them to look at because they will play a tremendous role in the process as it moves forward.

A couple of upcoming events; very exciting this year, a lot of stuff going on.

The driver recognition ceremony that we hold every year is going to be held on March 29 at the Rooftop Gardens at 620 Fifth Avenue. That is operated by Tishman Spier at Top of the Rock.

It is not the exact same room that we were in last year, but I believe it will be on the same floor, and it will be an outdoor garden, and we will have nice food and prizes and gifts for the drivers who have gone above and beyond throughout the year.

That was a wonderful ceremony last year. I am hoping the Commissioners can join us, and the invitations have gone out, and we have our
honorees lined up so we are looking forward to that.

I would like to remind everyone, if you haven't forgotten, there has been a lot of talk about this. This is the hundredth anniversary this year of the metered yellow taxicab. In conjunction with that, there are many different events that are going to be held as part of what we are going to be referring to as Taxi 07, which Mayor Bloomberg announced, and the agency has been working with the design trusts and some of these other private groups.

This anniversary will be celebrated all year, but Taxi 07 has a lot of events happening during taxi week, and I wanted to remind everybody taxi week is coming up. Taxi week will be in the middle of our next -- I think we will have a Commission meeting during it, if I am not mistaken.

The New York International Auto Show is going to be held from Friday, April 6 through Sunday, April 15, and that is going to be a very big week for the taxicab as well as for New York. That is going to be part of our taxi week festivities.
The Javits Center where the show is held has an inner roadway, and on that inner roadway there is going to be what is called a taxi test track, and there are going to be prototypes and designs of cabs of the future and some fun stuff of actual vehicles going up on that service road, and there will be future cabs on display. That is a major part of Taxi 07 and our involvement.

Also, for those of you looking to take your families, friends, or just by yourself go for a day in the city and have some fun, the Museum of the City of New York will be having a presentation on taxi history as part of the Taxi 07 events.

There will also be a documentary and a taxi film series at the Independent Film Center, the IFC Center, in Greenwich Village, and we will have more details on that.

Last, but certainly not least, the Empire State Building will glow in the color yellow for the week of taxi week.

I know we have some livery industry people in the audience, but I hope you will join us as well in celebrating the yellow cab, which is
an iconic symbol of New York City around the world.

Garden and Transit. Many of you have been probably thinking about Garden and Transit over the last year or so since it was announced. I just want to report that we have been making some progress on our painting.

TLC had a family day paint-in last Saturday. I was there. I brought my family, kids. I know Commissioner Gonzales went the prior week to the paint-a-thon. It is messy; the paint is not wash-off. They certainly need everybody's help.

They are not anywhere near where they need to be in terms of covering every cab. They are making a lot of progress, but they definitely need more help.

It is open to anyone, any member of the industry, any member of the public.

They have a beautiful setup right across the street from Madison Square Garden.

It is recommended you make some type of appointment, because they have days where they try to get everybody together for resource purposes, but you can basically bring anybody in
there and paint the decals. It is an event particularly designed for children. They have a great time. They don't have to be artists. They go in there. They paint.

Even if they make a mess, they put these decals on top of it, touch it up, and these are decals hopefully being putting on every cab.

It is a voluntary thing. The Commission voted on doing it.

It is my hope the city will be replete with these flower petals and works of art during that week.

I think it will be a very nice thing to do in September as part of the 100th year anniversary.

I think it will be a great thing for tourism and the industry, but we need you help. It was made clear to me by Garden and Transit they need more help.

Everybody is playing their part.

We rolled up our sleeves. There was a 24-hour paint-a-thon that took place. A lot of people were there.

In order to do volunteer painting, the simplest thing to do is call 311 for details.
If you want, you can go directly to their website and get e-mail updates, and they will tell you when you are available to come in. That is gardenandtransit.org/git.php.

Last but not least, on Thursday April 12 we will have our next meeting. We intend to have specifications proposed for public hearing on the partitions and cameras, and we also hope to have -- there are rule proposals, but we look to possibly vote on, consistent with some legislation that was passed on the clean air and accessible vehicle markings, there was legislation passed that the council would like us to put stickers indicating a cab is either clean air or accessible.

We are looking at a whole proposal, and there will be a public hearing on that on April 12.

On Thursday May 10, which is the tentative date for the following Commission meeting, we hope by that time -- this is very tentative -- we hope to have proposed rules on medallion auctions and medallion transfers.

We have done a lot of work with the lending industry and brokers on trying to make our
rules better when it comes to medallion transfers.

Also, we are looking to make some

revisions to the paratransit rules.

We have a lot going on. That kind

of just scratches the surface.

Does anybody have any questions,

comments or issues?

Any of the Commissioners?

Okay. Thank you.

I would like to proceed to item 2,

the adoption of the minutes of the February 8,

2007 Commission meeting.

Does anyone have any questions,

comments, corrections to the minutes?

COMM. AROUT: I make a motion to

adopt them.

CHAIRMAN DAUS: We have a motion to

adopt them.

Do we have a second?

(Motion seconded.)

CHAIRMAN DAUS: All in favor?

(Chorus of "ayes.")

CHAIRMAN DAUS: Item 3, base

licensing application review. We have Sara Meyers

from Licensing with us.
CHAIRMAN DAUS: Before we get started, Sara, I just want to respond to some of the concerns that the Commissioners had raised.

If you recall at the last meeting, there were a lot of issues and frustration that was vented by some of the Commissioners including myself about some members of the for-hire industry -- not all -- by far, the for-hire vehicle industry, the car service industry, the black car and limo industry do a wonderful job of transporting people throughout the City, and we are glad and lucky to have them.

But there are a certain number of individuals, businesses and people that are, unfortunately, giving them a bad name in our eyes and also the eyes of the public.

These are the bases that despite our efforts over the last two years consistently dispatch drivers without licenses, dispatch vehicles without insurance, and there has been a lot of frustration and concern.

In light of that, I have asked the staff to expedite at the last meeting coming up with a plan that we have been talking about that
is going to reform that part of the industry and
those things that are going on.

It is a work in progress, but I
have asked them to come up with a time line. I
have asked Pansy Mullings and her enforcement
officers to visit all the bases we had issues
with, and Sara is going to report on some of the
ideas they have come up with as part of that plan.

Good morning, Sara.

MS. MEYERS: Good morning. As you
all know, during the past two years there has been
a dramatic change in the review and approval of
delivery base applications.

Beginning in January 2005 until
now, the Commission has reviewed almost 500 livery
base applications, and we are almost approaching
the end to our two-year review cycle so beginning
in the next few months, every base that comes
before you you will have voted on in the past two
years. We are not quite there yet, but we almost
are; probably around May.

While we have been pleased with the
many improvements we have added to the review
process, most noticeably the business plans that
we do require all bases to write, and the regular
visits Enforcement has been making to both the
base station as well as the off-street parking
location, we do hear the Commissioners loud and
clear and agree that more has to be done to
improve the review process so it is easier to
determine a good base from a bad base.

Based on the comments from several
Commissioners and the Chair in last month's
meeting a few weeks ago, an internal
inter-divisional committee was formed comprised of
staff from Licensing, Enforcement, First Deputy
Commissioner's Office and Legal.

This committee has been charged
with reviewing the rules and policies that
regulate the for-hire vehicle industry.

The committee will then create rule
and policy changes that we will bring to the
Commission for first a discussion and then a vote.

In our initial discussion, it
quickly became evident that a solution cannot be
derived from addressing FHV bases solely. A base
does not operate alone.

The behavior of the vehicles and
the drivers that work for the bases also impact
the base.
Currently our rules do not provide for a mandated connection between the three entities.

For example, one glaring omission from our rules is that drivers do not have to be affiliated with either a base or a vehicle.

Therefore, we have begun to analyze the relationship between bases, vehicles and drivers.

From this analysis we are noting what we believe our expectations should be for each of these three entities. These expectations will then be translated into rule proposals which detail the accountability and responsibility the base owner, vehicle owner and driver must have when licensed by the TLC.

Our committee is going to meet regularly to flesh out rule policy changes. We hope to have a more formal presentation for you in May, around May, and then rule changes in late summer.

Among the issues we contemplate in addressing at that time -- and these have come up in previous meetings -- how to evaluate base station new applications in light of the business
plans and the violations histories, and also rules regarding signage and part-time operation for bases, because we know that has become a certain; what does it mean to operate nine to five versus 24/7.

Lastly I want to mention the rules being discussed today that are proposed today regarding inspections and markings for vehicles, you know, that is directly tied to what we see as improving the connection between bases, vehicles and drivers.

Does anyone have any questions?

CHAIRMAN DAUS: Any questions?

I want to thank you and the staff and Andy and Gary. I think we have a lot of work ahead of us, but I think we know where we want to go, and I thank the Commissioners for their patience, but certainly we are getting movement on this area.

I think we have some bases to vote on, but Commissioner Dear had to leave the room for a second.

Let me see if we can find him.

Apparently somebody has lost something in a cab of great significance, and
Commissioner Dear is helping us. He is to the rescue once again.

(Pause in the proceedings.)

CHAIRMAN DAUS: We have some bases we would like to vote on?

MS. MEYERS: We have 14 bases to vote on for approval, and as well four bases that we are recommending for denial.

We will start with the new bases. There is -- do you want me to read them into the record, or does anyone have any questions?

CHAIRMAN DAUS: I don't think we need to read them.

Anybody have any questions with the items noted on the agenda, the applicants that are up for renewal and for ownership changes that they are being recommended for approval; anybody have any issues with them?

COMM. AROUT: No issues.

CHAIRMAN DAUS: Do I have a motion to pass?

COMM. DEAR: I just want to make a comment. I appreciate we are starting to become more and more sensitive to the issues that the members are raising, and just to keep on top of
it, to make sure that we protect those who are legitimate and good, we work with them, and those who are not the good ones, you know, we close them down.

I appreciate the work that you are doing.

CHAIRMAN DAUS: And they are going to have -- in follow-up to our last meeting, they just put the outline of the plan, but the full plan is going to be presented in May?

MS. MEYERS: Hopefully, yes.

CHAIRMAN DAUS: Do I have a motion to approve those bases recommended for approval on the agenda?

COMM. DEAR: Yes.

CHAIRMAN DAUS: Second?

COMM. GIANNOULIS: Yes.

CHAIRMAN DAUS: All in favor?

(Chorus of "ayes."

CHAIRMAN DAUS: Then we have a few denials?

MS. MEYERS: Yes. We have four bases we are recommending for denial. I know we presented in the package to the Commissioners a description of what had happened over the course
of the past couple of months.

I would like to state that I know that bases that we have recommended for denial in the past Commission meetings, the Commissioners have voted to not deny with a 30-day correction period.

At this point I am not sure where you want to go.

Definitely the recommendation for the base that is not operating out of a licensed location, we just were recommending a flat denial of that base renewal license.

CHAIRMAN DAUS: Actually, there is one of these bases which I think all of us were kind of shocked to see. I don't know if my colleagues have the same feelings about it, but this base Bakoss Trading Inc., apparently -- I can't believe this -- they don't have a base location, but the woman operates her base via a cell phone?

MS. MEYERS: Right.

CHAIRMAN DAUS: What has this industry come to in some respects? That is just outrageous that someone would try to get that through. It just shows a clear lack of the
understanding of our rules and what they are supposed to do.

Some of the stuff that they are missing too, one of these bases hasn't paid their New York City taxes. Another one hasn't submitted their criminal history, no Certificate of Occupancy.

While I understand they are delayed in getting their paperwork, these are substantive things which I personally am uncomfortable approving.

If they can remedy these problems within a month, I guess if the proposed owner with the cell phone can find a place of business, that would be great, but I don't have a problem giving them an extra 30 days.

I think the motion would be, as you are recommending, we deny it and give them one month.

MS. MEYERS: That has been the practice in the past.

Are you recommending for all four of these bases?

CHAIRMAN DAUS: If that is what you are recommending, I am all for it, but we need one
more vote.

    Alan, could you ask Commissioner
    Dear to step back in?
    Noach, I am making a motion to deny
four bases for not filling out their paperwork.
One of them -- I am sure you would appreciate
this -- is operating via cell phone, doesn't have
a place of business. The other hasn't submitted
their paperwork.

    I think the fair thing to do is
deny them, as we have with other bases, 30 days
from today. If they don't get their application
in order, find a place of business or whatever
else they have to do, they are not going to have
their license sent to them.

    COMM. AROUT: Can we get a report
on that for next meeting?
    CHAIRMAN DAUS: Absolutely.
    MS. MEYERS: Yes.
    CHAIRMAN DAUS: Second?
    All in favor?
    (Chorus of "ayes.")
    CHAIRMAN DAUS: Motion passes.
    COMM. DEAR: I am trying to get
some luggage retrieved with religious articles and
medicine. As Andy said to me, if we had the technology, we wouldn't have to worry about it. We are using other resources because the guy didn't know the name of the cabby and all the other things.

CHAIRMAN DAUS: The biggest secret weapon we have is Commissioner Dear. He has become on internet blogs from what I understand the expert on the return of Jewish religious items that have left in taxicabs.

COMM. DEAR: If we find it, we find it.

CHAIRMAN DAUS: You have a good record so far.

Item 4, I initially had staff presentation, but we are going to incorporate each staff presentation as a preview to each proposed rule making, public hearing.

Let's proceed to item 5A, FHV Decal, License Display and Inspections.

Good morning. Samara Epstein has been working very hard on this, doing a lot of outreach.

As had indicated previously, this is one of the many components of the FHV reform
plan. At this point they are ideas. They are concepts that have been vetted, and we would like to share with you some of the proposals, and she is going to try to condense the reasons why we are doing this.

Good morning, Samara.

MS. EPSTEIN:  Good morning. I spoke in January's Commission meeting about some of the markings we are proposing, and I am going to briefly run through for you why we are doing this, what markings and internal information we are proposing.

The main reason we are doing this, as Sara mentioned, is regulatory concerns. These rules are a step in making the bases, the vehicles and the drivers more accountable throughout the FHV industry.

A major purpose in this is public safety and information sharing with passengers, which we all heard from you you feel is very important.

I want to reiterate how many vehicles there are. There are about 37,000 of them. On average, the liveries are 8 years old, and the black cars five years old, so you have
some high mileage older FHVs, and they require
additional maintenance to ensure safety and
reliability.

Not to say they don't get that
maintenance, but we just want to take a look at
them.

Just to reiterate all the outreach
I have done, it has been almost a year of outreach
starting over the summer.

When we did an FHV survey, we
talked to a lot of the drivers. We also have done
outreach with a number of groups, the Livery
Advisory Board; the New York City Police
Department, who gave us some comments and are
going to speak to you in favor of the rules today;
the Black Cars Users Group, which is a group of
corporations that use black car services -- they
were very excited about this idea -- the
Federation of State Taxi Drivers -- United is
one -- and also various base owners.

As I have gone out to meetings
throughout the boroughs to talk to owners about
this, in general we have gotten some good
feedback.

I think some of the base owners in
the group are going to speak with you today so
they will share with you how they feel about the
rules themselves.

What we are proposing here for the
vehicle base and driver information are external
FHV markings, as we discussed.

There will be three tailseat permit
decals. Instead of the one diamond on the
windshield, there will be three decals, and they
would be stickers. We are not sure what they are
going to look at, but they would be something we
produce and put on ourselves so it would be on the
windshield and rear quarter window so when the
passenger gets in they would see them on the rear
quarter window and know that the vehicle was
licensed.

And for the liveries only, the base
name, phone number and vehicle number on both
sides of the vehicles.

Internally, the TLC driver license
in a protective holder so the passenger can see
the driver's license, and the base name, base
license number and base phone number.

This also allows a passenger to
make sure it is the vehicle they called for that
is affiliated with the base that they called.

Then the inspection standards, which goes along with making sure that everything is safe, and we know what is going on, we are recommending that we inspect once every two years so that is one out of six DMV inspections that all these vehicles have would take place in our Woodside facility, and that we would attach the license decals so we can verify that the vehicle identification number matches with the permit, and that the base information and everything is correct.

COMM. GIANNOUNIS: Can you explain what you mean, one out of six?

MS. EPSTEIN: Right now the way the rules, are the vehicles have to have three DMV inspections a year at any DMV facility. We are recommending that one out of those six, they come to our facility for the DMV inspection.

MR. FRASER: If I may interrupt, the reason for the requirement of three annual inspections a year is by virtue of a federal consent decree in the mid to late 80s, which actually pre-dates our regulations of FHV's.

MS. EPSTEIN: And then lastly, the
effective date, which Chuck is going to talk a
little bit more about some of the changes that we
made to the rules, which I know you have in your
package, but we are proposing to change the
effective date to July 2007 to give us a little
bit more time to get this outreach out and make
sure everybody understands what we are doing.

Also, another idea which we had, which we haven't recommended formally yet, we may
want to stagger some of the inspections so that
initially in July we start with the new vehicles,
and then perhaps in January 2008 start with our
renewals so that is an idea that we had.

That is basically it.

Do you have any questions before
Chuck runs through some of the changes that we are
recommending?

COMM. GIANNOLIS: I do.

In terms of like advertising or the
names on the doors, what is the argument -- I
mean, people against it are saying it is going to
create more street hails. It sounds like a pretty
good argument to me.

MS. EPSTEIN: The argument for it
is we have liveries that drive around totally
innocuous; there is no way to identify them. From a distance a passenger can't really see if it is the vehicle that they called so we want them to be more clearly marked and more accountable as drivers of liveries that service the public for what they are doing on the street.

COMM. GIANNOLIS: I have heard that, but I don't understand that. I mean, if there is an illegal hail going on, I don't know what the difference is if there is a name on the bottom of the door.

MS. EPSTEIN: What we are proposing is for passenger safety and information. It has nothing to do with straight hails.

COMM. GIANNOLIS: Again, going to the issue of will it increase street hails, what does staff take the position on? It seems to me it is going to be more likely that people are going to hail the car once they realize -- are you saying it is not clear before they were a for-hire vehicle, now it is very clear they are a for-hire vehicle? Aren't they going to hail them more?

MS. EPSTEIN: Honestly, we can't no. I live in Brooklyn. I think that people that call for service are going to continue to call for
service, and people that street hail are going to continue to illegally street hail.

I can't say how it is going to affect it. I can say it will affect passengers in the positive. At least they are going to know when they are in a licensed vehicle.

CHAIRMAN DAUS: There is a uniformity component to it as well.

COMM. GIANNOLIS: I am also not sure -- what would prevent unlicensed vehicles from putting their name on the door? I don't understand how somebody putting a sticker on a door is going to convince me as a passenger that the car is licensed since I could go put a sticker on my door right now.

MS. EPSTEIN: They are actually semi-permanent markings so if it is somebody doing an illegal service, they may not want to have that on their vehicle all the time. They are semi-permanent markings that are not easy to take off. They are adhesive, not magnetic where you can pull it off.

That is one of the reasons we didn't want to have that. We want people that are serious about the business. They are
professionals. They service the public. That's what they do.

CHAIRMAN DAUS: I think some of the staff's thinking also behind this in terms of the accountability issue, it is very easy for base A to have, you know, a driver and a car affiliated with them, and then that same driver and vehicle will then take calls from somebody else. You don't really know -- you know, you could call ABC Car Service and XYZ shows up.

To the extent that bases need to be accountable for their actions, I think the thinking was if you give them the ability, like under the current rules, just put the sticker wherever they wanted to, give them the ability or leeway to put up a magnetic strip or hold up a sign, it facilitates that lack of accountability.

I think the staff had approached the issue from putting a sticker on the side of a car and having a really solid affiliation process will somehow deter people from, you know, engaging in shenanigans, giving their car to their cousin who doesn't have a license.

I think a lot of the convictions we are seeing on some of the violation histories that
come up for the base licenses we have been looking at, a lot of them stem from things like that happening; the base losing control.

I think that is what the thinking was. The best way to accomplish it is another issue.

COMM. GIANNOULIS: Just in terms of the outdoor signs, I am still not exactly sure why that prevents illegal activity. We say that, but it is just not clear to me -- I am not sure why that would ever be the case.

If a police officer, TLC officer sees somebody, a car, that is the only time it is relevant is when somebody is attempting to give them a summons.

CHAIRMAN DAUS: Right.

COMM. GIANNOULIS: If they are doing illegal things in a vacuum, it is irrelevant whether they have their name on the door or not.

Will that somehow assist the police officers? I don't understand. If they see somebody do something illegal, they are going to pull them over whether there is a sticker on the door or not.

The other question is, the same
issue for kind of -- I spoke to Matt about this --
for the higher end for-hire vehicles. You know,
my company uses a company -- they are not a great
company, but what are you going to do -- and I
pay -- I should pick somebody in here who I know
would give me better service -- you know, we pay
more for, quite honestly, what looks like a black
car. We pay double. If a car was pulling up and
it had -- I wouldn't want to pay for that.

I spoke to somebody in the industry
who kind of makes that argument too, and that
seems like a legitimate argument as well.

MR. SALKIN: I guess the comments I
would offer to the Commissioner right now, you
raised some good points. One of the main points
you raise is the fact there is a lot of street
hail activity going on.

From the staff's perspective, I
think we feel there is street-hail activity. It
is illegal. It is the kind of thing we try to
discourage as much as possible.

I don't think these rules or any of
the rules proposed here today are really geared or
aimed at preventing street hails. That happens.

If that is something the Commission
wants to focus on and tackle, that is something we have to look at in terms of overall rule reform and the way the industry works.

One of the things the Commissioner said to us is base accountability. One of the things we believe in strongly is accountability comes along with pride.

If you are sitting there advertising and have commitment to your cars and your base, and your cars are driving around, it is going to be under your watch and your responsibility as a base to make sure your cars are legal and following the rules, especially if there are rules that back that up within the Commission; that a car affiliated with that base does something illegal, the base also has some repercussions.

These are just ideas. Again, today at the hearing you are going to hear people talk to both ends of that. I think it will be interesting to hear this, and perhaps have a follow-up conversation at the end of the hearing or as we go along.

On the issue of luxury liveries or livery bases that might be serving the entire city
as opposed to a specific community, we certainly got comments on that, and those are very interesting comments.

Again, it is part of the conversation I think we are having today with the hope of, you know, really asking the question to the Commissioners does the definition of livery as it is today and livery base meet the definitions of what really is in existence out there?

Just like we went through a conversation about two years ago about the many different ways a cab comes to be on the road, what we learned is there is equally as many ways a livery vehicle comes to be on the road, and perhaps the rules need to be a little bit more sophisticated to reflect how that happens.

Maybe that will be an outcome that will be a result of the conversation today.

Maybe the rules as they are written need to be expanded to contemplate the way the industry is really practicing.

I think your points are well taken and I think that is what we are going to hear a lot of today.

CHAIRMAN DAUS: I think our first
Speaker -- do you have a question?

Commissioner Dear?

Comm. Dear: A few things. One is with regard to the follow-up to what Commissioner Giannoulis had mentioned, with regard to cars that have writings on either side, there are, I guess, local livery car services that don't mind advertising. To me we always have these conversations what looks nice, what doesn't look nice.

We were talking a yellow cab not looking like a pizza box.

It is coming to a point we have to start looking what is aesthetically nice, what is not.

In addition to that, we have a new type of vehicle that is out there in the sense of new type of service. It is not only for city-wide, it is also locally, because I noticed in my community, all of a sudden people are buying black cars to look like black cars, but are they a car service?

Obviously the customers are, like Harry said, demanding -- they want a little more sophisticated type of vehicle. They don't
subscribe to a black car service because they
don't belong to a corporation or things like that,
and they don't want to pay.

What we should maybe look at, those
vehicles, those areas, give it optional putting
the markings; yes or you don't want it.

Or we can make a separate class of
cars.

Again what happens, what happens if
the local livery guy wants to become a high-end
car service? That is what he wants to do.
He has his customers, and that is
what they want.

I think we have to look at it,
because we know it has nothing to do with
enforcement, because what is the difference if you
can see the car or can't see the car? You see the
plate number.

If you want to do something, you
stop the car and be able to look at it and
determine if it is legal or not legal.

In addition to that, you made a
comment about street hails. The Commission has to
deal with it.

Do you want to put Enforcement more
on it or do you want to emphasize it?

I think we made it clear many times

in this Commission we don't want street hails.

That is illegal activity we have been talking

about Enforcement, Enforcement, Enforcement.

I don't believe by putting the name

on the side of the car is going to make a
difference. On the contrary, it is only going to
add.

If someone wants to hail a vehicle,

they would rather hail a vehicle they think is

semi-legal, or at least it gives them a license to

basically -- "Oh, all I am doing illegal is

hailing you, and I am taking you and you are

picking me up.

"At least you are licensed. Oh,

I'm happy because I see your license."

They feel safer there, because they

don't know who is going to pick them up, take them

into their cars, and all kinds of stories take

place with that.

I have to believe strongly putting

the markings on the car should be very optional,

and it is not going to help us with anything.

If anything, we should not require
them. I am not looking to legitimize the car services to make them a car service that is going to pick up people because they are illegal, illegal street hails.

You see it all the time, and we shouldn't ignore it.

I know we say it is happening all over above 96 Street and the boroughs. That is not true.

I will tell you, there are neighborhoods that do have illegal street hails because nobody has done any enforcement, and there are neighborhoods that don't have it.

I can name you many neighborhoods there is no illegal street hails.

In fact, what is interesting, and I know the area that I live, an area I once represented in City Council, they used to tell me "There is no need for a street hail or stand on a street corner. All I have to do is call a car service, and within two to five minutes there is a car coming to my door to pick me up."

We have to try to educate people to understand when you pick up somebody, somebody is picking you up, it is an illegal street hail, and
you get into an accident, there is no insurance, no anything, because they are going to start --
the insurance company will say "You did something illegal, illegal activity; nothing is going to help you."

That is what we have to do.

I have to tell you also, and I am telling you, I have heard this from base station owners who told me consistently, "Noach, I want to be legal, but" -- watch this -- "my neighbor who is down the block, totally all illegal. How am I supposed to compete with that? How am I supposed to get insurance? How am I supposed to compete with that?"

The legitimate guys are complaining.

I think if we start doing real enforcement, real enforcement, we could do target enforcement. Word gets out, we start seizing vehicles, and what conversations we had about going to the Police Department to put it on their ComStat or Traffic Stat, we will see a different result, and we will get the illegals off, and we will deal with the legals.

CHAIRMAN DAUS: That is a good
point, and I want to thank the Commissioners. As you can tell, we have certainly -- the Commissioners have a wonderful grasp of the subject matter, not only based on their prior experience, but some -- I am not going to mention who -- there are some not feeling too well, some are out sick, some are away doing other things, but they spent a lot of time reading the comments. Some of the conversations I have had, just so you know that the written comments you submit well in advance thanks to the new procedures, everybody including myself has read everything so I think that adds to the dialogue and debate.

Commissioner Dear brings up a good point, and that is working with the Police Department.

Over the years we have attended the Traffic Stat meetings with Chief Scagnelli and his staff on a regular basis, and that is part of what we do.

I think that is a good segue to bring up our first speaker who is from the Police Department.

We have joining us Deputy Inspector
Ann Marie Connell, who is the Commanding Officer of the Special Victims Division, and she has signed up to speak this morning on these rules.

Good morning, Inspector.

DI CONNELL: Good morning, and thank you for the opportunity. Also with me, Captain Pat Carney, the Commanding Officer of the Surface Transportation Enforcement District.

I am here to speak on behalf of my detectives who are at times called upon to investigate crimes with possible links to for-hire vehicles. I deeply appreciate the opportunity to speak in support of these proposed rules.

Posting signs that name the dispatch company and its phone number, both inside and outside for-hire vehicles, will speed investigations of serious crimes. This will increase safety and boost confidence, not only on the part of the riding public, but also for the women and men who earn their living behind the wheel.

In Special Victims our advocacy for the signage proposal was jump-started by a particular case in Brooklyn.

A young mother late for work, with
her toddler in tow, hailed a livery cab to take her to the subway station. She was raped in the back seat by the driver.

The assigned detective, Tabatha Bronstein, who is with me today, had little choice but to canvas numerous dispatch companies for any leads. It was time consuming; very frustrating.

Eventually, the detective's diligence paid off. The individual was apprehended and is now awaiting trial.

It is our hope that in the future the proposed signs will aid victims, witnesses and drivers.

Earlier this month in the Bronx, a woman responsible for a fatal shooting in an apartment on the Grand Concourse hailed a for-hire vehicle as she fled the scene.

If there are witnesses to similar incidents, the time saved by immediately knowing the name and phone number of the dispatch company could prevent harm from befalling a driver.

Finally, in Special Victims we frequently come across good samaritan drivers who, encountering victims of sexual assaults, waste no time in rushing disoriented or injured victims to
the hospital, but depart without telling anyone who they are.

Yes, we do need to ask them questions that may help us solve the case or apprehend the assailant, but very often the victim or victim's family would like to simply thank them, and so would we.

These signs may make that possible. Again, a win/win situation for everybody involved.

I thank you for your time and your attention.

CHAIRMAN DAUS: Thank you, Inspector.

Any questions?

COMM. DEAR: While we have the opportunity -- I see the Captain is here -- if you don't mind.

Thank you very much. I know you are doing an excellent job and you work for a fantastic boss, Mike Scagnelli, and of course the Commissioner and everybody else.

While we are here, is there any way -- I know this is an important issue to us and obviously to you as a safety issue -- if we could
coordinate with you somehow better enforcement on
these illegals? Because we are finding the
biggest problems we have today is these illegals
picking up people, taking away business from legal
people, and it is going to cause us all kinds of
havoc and also puts people in danger.

CPT. CARNEY: It continues to be an
enforcement challenge that we address with TLC
inspectors on an ongoing basis. We do joint
operations.

We have done a number of livery
operations, street-hail operations city-wide. We
continue to confiscate illegal livery vehicles,
and we work closely with TLC on that.

COMM. DEAR: If there is any way we
could do even stepped up more of enforcement, find
out where the real problems are, I could enumerate
in Brooklyn what is going on, and if we start
confiscating a lot more cars, I guarantee you we
will see a stop to it.

CHAIRMAN DAUS: It might be a great
idea if we can get some of -- not all, but at
least five of the seats of the Commissioners on
the Board represent a borough. Commissioner
Giannoulis represents Queens, Commissioner Dear
represent Brooklyn.

They are very active and have an
understanding of the geography, and I think it
would be great if they could have some input,
whatever form is appropriate; a meeting or some
communication.

I know you come to our advisory
board meetings and we go to Traffic Stat. You and
your folks are doing a tremendous job, and we are
so thankful for it.

I think they have a lot to add in
terms of viewpoint so maybe we could have a
situation set up where we could communicate some
of those issues.

CPT. CARNEY: We welcome any kind
of information that you have you could bring to
us, and then we will set up operations based on
that.

CHAIRMAN DAUS: Thank you so much
for coming, you and your staff, and the hard
working members of the Police Department and
Deputy Inspector, and please convey our thinks to
Commissioner Kelly, who is doing an outstanding
job in my opinion.

Thank you so much for coming.
The second pre-registered speaker is Vincent Sapone from LOMTO. You are signed up to speak on for-hire vehicles.

MR. SAPONE: I want you to understand something. I am not an expert on liveries. On yellows, yes.

By the way, my name is Vincent Sapone, Managing Director of the League of Merchant Taxi Owners in Manhattan.

Good morning, Mr. Chairman. Good morning, Commissioners, attorney, stenographers and everybody else.

You know, let me tell you something. At first I was in favor of the inspections on the liveries, but now I am not sure, and I have to tell you why.

My idea is to get the junk cars off the roads, okay? That would probably help, but, then again, I am thinking will this affect the legit corporate cars, the black cars?

They are all really new, they take care of their cars.

Sometimes when you agree to something it goes on. I won't say a cancer, because that is too drastic, but it goes on like
that and moves forward and forward and forward. What I am trying to say is this:
If I knew for sure that the TLC is only going to do what they should do, and that is to try to get these junk boxes off the streets, that would be fine, okay?
But if it will affect the corporate black cars, then I am against it.
Maybe I am not telling you much, okay? But that's my feeling, because the black cars, I also deal occasionally with a black car company when I have to go somewhere, make pre-arrangement, let's put it that way, because you are not allowed to call a taxi for a ride. It is against the law.
I was talking to TLC staff, top gun over here, and they had mentioned to me about a sign in the livery cars for pre-arrangement. Is that right? Does anybody know that about, Mr. Fraser?
Well, that is what they told me.
CHAIRMAN DAUS: You mean a sign having language on it that it could only be for prearranged --
MR. SAPONE: I think if you are
going to put pre-arrangement, I would like to see for pre-arrangement only. Maybe the people --

CHAIRMAN DAUS: No street hails, you mean?

MR. SAPONE: Something like that. Let me tell you something. We just had a discussion here about street hails. You got to come to my building on my corner. It is murder, okay?

I am not saying the police aren't doing anything or TLC. You probably are; there is no question about it.

This is numerous, okay? You are talking about thousands of cars picking up people, and also out of those thousands of cars picking up people, there are a few that are raping their passengers and mugging them and whatever else they are doing.

What about just going to the hotels? They are right there. We don't have to send directions where they are. They are right there.

I don't understand. Maybe it is politics. Maybe I am in the wrong business.

Anyway, that is the way I feel.
And you know what? I see more yellows getting stopped than liveries, okay? Much more. It is not fair.

Stop a yellow, check him out, make sure he has all the right credentials. I don't say no, but -- my time is up. What is the use?

Anyway, that is my feeling. Take it for what it is worth.

CHAIRMAN DAUS: Thank you very much.

MR. SAPONE: Any questions? Nobody wants to ask me any questions?

CHAIRMAN DAUS: I apologize to the folks standing in the back. I would just ask the speakers, you know, moving forward, if we could try to keep to the two minutes, we would appreciate it, otherwise we are going to be here for a few hours.

You hit all the points accurately and within your two minutes and thank you.

COMM. AROUT: I appreciate your information, and I said this over and over again. It is unfortunate we cannot get more manpower. I think we will have a committee one of these days go down to the Mayor's Office and explain the
problems really thoroughly, and ask them for man
power, take those 50 or 60 men and concentrate on
for-hire for hailing.

It is physically impossible to
cover --

MR. SAPONE: You are right.

COMM. AROUT: What I am trying to
say, and --

MR. SAPONE: You are right.

COMM. AROUT: You have to
understand where we come from.

MR. SAPONE: I understand, but let
me add to that. You guys are doing an excellent
job. I wish I was sitting there; be more
comfortable.

Anyway, how about, okay, finding
out how many illegals were stopped against how
many yellows were stopped, and then putting all of
that illegal stoppage onto the liveries? And you
don't have to hire more men. How about that?

You know what my theory is? Yellow
cabs who get summonses pay their fines. Liveries
disappear. Figure out what I am trying to say.

Thank you. Have a nice day.

CHAIRMAN DAUS: Thank you, Mr.
Next speaker is Darlyn Sanchez from United as One.

MS. SANCHEZ: Good morning. My name is Darlyn Sanchez. I represent United One, a base association. That is base owners, FHVs.

CHAIRMAN DAUS: I am sorry. I made a mistake. You have three minutes, not two -- I made a mistake -- as do all the other speakers.

MS. SANCHEZ: I am not a public person. I don't like to speak here. Most of the time I like to speak with the staff and try to fix the problems.

I hear all the complaints about street hails, and I applaud these new changes.

First, the inspection by TLC. A lot of people just go, make an inspection, pass through. I don't know how. Sometimes it is cars that the doors are falling down. The inspectors give them the certificate. Sometimes I don't know how they are in the room. They are a real danger, and you guys give a license to these cars, somebody gets killed in there, guess what? I am going to be the lawyer to sue you, because they are a real danger on the street.
If they go to TLC now, and we are talking about the markings, I know you said "Oh, how that can help the street hails? A lot."

Let me tell you the base point. So far we have get so many tickets that the legal bases, the ones that we are doing everything 100 percent right, don't deserve it.

We got this car, the car affiliated with us, get a nice beautiful diamond that says belongs to our base. They work in the morning, and in the afternoon I am going home and he is working another base.

That one has an illegal driver with no hack license, and they get stopped, they are doing street hails, but for that base and everything, who gets the ticket? The base that is trying to hold them down.

When we get the ticket we call the driver, "What is up, what is this?"

"I was working for ABC Base in the afternoon, and they were supposed to put an legal driver in the car and they didn't."

Now we say, "Okay, you know what? You are suspended and you are not going to work. It is $25."
They say "$25, good-bye" and go on to another base.

So the people we are doing the right things, we are losing our drivers.

COMM. GIANNOLIUS: Why would a sticker on the door not get you a ticket? You are getting the ticket anyway.

MS. SANCHEZ: The stickers on the cars are not magnets they can just move. They are not regular stickers. They have to go to a mechanics garage and they will use your labels, they have to have authorization from our company to put it.

If we disaffiliate this car, now this guy, one, has to go to the inspection in Woodside, because they have to change the stickers, they have to go to the mechanic garage, the place where they put the stickers, and they go to Long Island City.

Now it is going to be that easy of just paying $25, take out the diamond and put another one. Now they are going to think about it.

We are going to have more control on our drivers and our cars that we don't have.
Let me tell you guys. You can put all the new rules, but the bases don't have control of the drivers. Guess what? $25, they are leaving. Sorry. My three minutes is gone. I have so many things to talk about.

CHAIRMAN DAUS: Could you sum up, please?

MS. SANCHEZ: We need control of the cars. The inspections are an excellent way to control, them because they will have to go over there to change.

The TLC will check that the markings on the car is the base they said they belong to, and the car that is reported is going to have ten days to go to the facility; if not, reported to DMV, the TLC plates have to be returned.

COMM. GIANNOUNIS: Talking about your group, how many bases do you have?

MS. SANCHEZ: 40 bases. They are all here today in the other rooms.

COMM. DEAR: I appreciate you came up here and that you are speaking on behalf of your bases, and it is nice to see there are a lot
of legitimate people out there that want to do
business and want us -- your help.

I am sorry you haven't been to the
last four years meetings. You would have heard
the same questions I have; how do we allow illegal
bases that totally don't operate properly, if we
know what their intentions are, and we are still
approving them.

We are introducing a new process
and improving on it every day, and that is why
these rules are here. That is why the staff came
up with these rules.

What I need from you also, to be
helpful, we have a lot of people out there
claiming to represent bases and don't have
bases -- that claim to represent drivers. I don't
know who is who.

That is the old game that we don't
know. Somebody gets a little news media and gets
the attention in the news media, and they say "I
represent so and so." They bring a few people
together.

"How do I know? Let me see what
your license looks like." The media is not going
to ask you about that.
I encourage you to be more vigilant in representing who you are, because you seem you are legitimate, and to be out there to represent the legitimate business.

In that aspect we would like to work closely with you, because we like to talk to the people who truly represent the people in the business.

MS. SANCHEZ: Actually, we have been working with the Taxi and Limousine Commission for many years. I do come to the meetings, sit in the back really quiet, and we make writings and recommendations and meet with people from TLC, including the Commissioner, Andrew, Samara, everybody. We just don't like to be in public in the news.

CHAIRMAN DAUS: That is fine. We want to encourage that. If you feel you have a great idea or comments you think we are going on the right or wrong road, everybody is not as public or vocal, and that is fine, but we listen to everybody and we certainly have listened to you and worked with you, and I am glad the Commissioners had the opportunity to see and meet you and get to know you better.
COMM. DEAR: Thank you very much.

Keep up the good work you are doing.

CHAIRMAN DAUS: Thank you for your testimony.

Next speaker is Mr. David Pollack.

MR. POLLACK: Good morning. I have written comments.

Good morning, Commissioners, ladies and gentlemen.

I am David Pollack, Executive Director of the Committee for Taxi Safety.

Would you please distribute these? Decals, I am here to talk about decals. Everything has been touched upon that I want to speak of by our Commissioners and other industry people, but enforcement must be increased to find and impound illegal FHVs that take our customers and pick up our street hails.

It seems as though FHVs cruise our streets and illegally pick up street hails almost without any penalty.

If Enforcement is increased, there should be no problem allowing identifying decals on FHVs proving licensure and base information.

However, by no means should these
decals be used as a device that legitimizes non-yellow taxis street hails.

This affects owner drivers, it affects fleet drivers, it affects driver-owned vehicles, known as DOVs; everybody is fighting this fight.

We certainly don't need the public to see a sticker on a vehicle and say "Oh, that car is licensed by the Taxi and Limousine Commission" and put their hand up.

An additional decal should be considered that states this vehicle is not insured for street hails.

Just a point of information. I was in Manchester, England about two-and-a-half years ago, and they have taxis, and they have their black cars are car services. Every black car has stickers on the window and a big sticker on the hood. The one on the hood says you are not insured if you haven't called the operator, and they have little stickers on the windows with a saying that simulates the words "not available for street hails."

Those are my comments.

CHAIRMAN DAUS: Any questions?
COMM. DEAR: Thank you for your time.

CHAIRMAN DAUS: Thank you so much for being precise.

The next speaker is Mr. Fernando Mateo.

MR. MATEO: Good morning, everyone.

CHAIRMAN DAUS: Good morning.

MR. MATEO: First I would like to mention that one of our cab drivers lost two twins in the fire in the Bronx today, and that was a terrible tragedy so I just want to make you aware of it so maybe you could reach out to the family at some point.

CHAIRMAN DAUS: We are sorry to hear that.

MR. MATEO: I agree with a lot of the comments that have been made here today. Mr. Pollack has a very legitimate comment, and that is that we need to stop illegal street hails. I think that what we are trying to prevent here by putting decals and ID stickers on the vehicles is we are trying to get rid of the pirates that are out there operating.

I don't think that livery cabs that
are identifiable are going to be identifiable for street hails.

I also believe that enforcement is very important. We need to find those that are breaking the rules and make sure that they pay the consequences.

Furthermore, I believe that the stickers and what you are trying to do with identifying these legitimate livery cars is good only because there are a lot of people out there that are basically putting the public in danger, and that is people that are picking up street hails without having a license, people that are picking up calls because they have a radio in their car and their radio is so powerful they can hear the transmission from a base where the passenger needs to be picked up.

I believe making the public aware is what the New York State Federation of Taxi Drivers has been fighting for for many years so I commend you for finally bringing this to the forefront and making sure that we finally do something to get rid of the thousands of illegal livery drivers that are out there operating.

All of that is good.
Where we don't agree is inspecting livery cars every two years. We don't agree not with all of the vehicles; we believe that there should be some kind of situation where if your car is older than seven years, then the vehicle should be taken into TLC for inspection.

Right now what you are going to do with that, by inspecting these vehicles, you are going to take a lot of business away from those small shops that are licensed by DMV to inspect vehicles.

These are community-based businesses. These are people that basically survive by inspecting vehicles and getting them -- and fixing whatever is wrong and getting them back out on the road.

I think if TLC takes on this task, you are looking at about 30,000 vehicles or more you are going to have to inspect.

If there is something wrong with that vehicle, that driver is now going to lose two or three days, maybe more, going back to the shop to get whatever was not right fixed and then bringing it back to TLC to get inspected.

So I believe that 75, 80 percent of
your proposal is good; the other 20 percent should be modified somewhere, because I believe, you know, that changes should be made.

I don't know whether you had time to put me on or whether the Federation put me on to speak on the GPS issue, but if you haven't, I want to make sure that I have a few minutes to speak about that as well.

Thank you.

CHAIRMAN DAUS: Yes. You are the second speaker for that as well.

COMM. DEAR: I did ask before on the issue of the inspections, obviously there is going to be a lot of cars that we are going to have to inspect. Are we equipped to handle that, and is that going to impede with the yellow cabs that have to be inspected, and how long is it going to take for drivers and how much time, down time is there going to be when they have to do those inspections?

MR. MATEO: Excuse me, Mr. Dear --

COMM. DEAR: I was addressing the Chairman.

MR. MATEO: I just want the Commissioner to know right now when you issue the
diamonds, it usually takes days and days and days, and the drivers are out of work because you can't handle the load so inspecting these vehicles are going to make things worse.

CHAIRMAN DAUS: Understood, and Commissioner Dear has a point well taken. It wasn't something even really contemplated until we are able to get the inspection times down.

Peter, I don't know if you are able to address the concerns, Commissioner Dear's concerns.

My understanding is basically we have done such a good job with the yellow cabs being inspected more quickly, we have been able to -- due to administrative efficiency -- correct me if I am wrong, Peter -- been able to free up some time, correct?

MR. SCHENKMAN: Correct. By 11:00 a.m. we are complete with all the day's scheduled inspections. The reinspections trickle in until about 1:00 o'clock where the bulk is done. We have stragglers after that, we have the ability to do an streamlined inspection of the for-hire vehicles.

I certainly wouldn't want them to
wait any longer than the yellow cabs do, and that
is currently an approximately 47 minutes.

COMM. DEAR: Are we going to add
additional lanes?

MR. SCHENKMAN: We can't add
additional lanes.

As I said, from 1:00 o'clock on we
have at least three lanes, and we push about eight
cars a lane per hour.

COMM. DEAR: In addition to that,
are we going to have other facilities? For
example, with a yellow taxi, they are basically
confined to a limited area, where they come from
and everything else.

With the liveries you are going to
have people coming from Staten Island, the other
end of the Bronx, other end of Brooklyn, and the
time-wise to travel to your facility is going to
take almost two hours, waiting if you are saying
only 40 minutes, and back so you are talking about
close to close to five hours.

MR. SCHENKMAN: With all due
respect, I live on Staten Island, and I see quite
a few yellow cab owners live there, and they are
doing commute also; same in the Bronx.
We understand it is a centralized facility. It is the best way and most accurate way. We are a DMV facility.

COMM. DEAR: I am just concerned that we be equipped and be able to handle them efficiently.

MR. SCHENKMAN: I think we are.

COMM. GIANNOULIS: How many cars can you do in a day?

MR. SCHENKMAN: Currently we do approximately 250, and we are done by between one and 2:00 o'clock for all of them.

We envision that in the first phase we would do approximately an additional 100 initial inspections on the vehicles.

COMM. GIANNOULIS: So yellow cabs have to come to you how many times a year?

MR. SCHENKMAN: Three times a year.

COMM. GIANNOULIS: And it is the same inspection?

MR. SCHENKMAN: Obviously we don't check for meters and stuff like that, but it is a DMV sanctioned inspection, same as anyone would get at the local gas station.

COMM. GIANNOULIS: So it is safety,
emissions?

MR. SCHENKMAN: Safety and emissions.

COMM. GIANNΟULIS: Yellow cabs do it three times a year. They have to come to the facility every time?

MR. SCHENKMAN: We are the only authorized yellow medallion inspection facility.

COMM. GIANNΟULIS: Livery cabs also have go three times a year?

MR. SCHENKMAN: They do, and currently they go to regular repair shops.

COMM. GIANNΟULIS: So the proposal is once out of those six times they would have to come to our facility --

MR. SCHENKMAN: Upon licensing, and then the second phase will be upon renewal, and then the third phase would be should a windshield break or lose the permit or something, or change base affiliation, and that would be a visual inspection; not a full DMV.

COMM. GIANNΟULIS: Do you have any statistics to share with us in terms of the yellow medallions as to success, passing rates?

MR. SCHENKMAN: Sure. Overall, the
yellow medallion industry has about a 47 percent pass rate.

COMM. GIANNOLIS: That low?

MR. SCHENKMAN: Yes, that low.

Vehicle owners and fleets continue to use our facility as a diagnostic facility.

What we have seen since we became an official DMV facility is that the reinspection rate is sub 20 percent. They are fixing it the first time, and they are fixing it right, which is great.

Prior to us becoming a DMV facility, the reinspection failure rate was above 40 percent.

What we do know is that the fleets and the agent-owned vehicles are sub 20 percent on failure rate on reinspections. The individuals are still hovering around 50 percent, and it is an indication of the small repair shops that are no longer capable of fix --

COMM. GIANNOLIS: Are there big categories of particular failures?

MR. SCHENKMAN: Yes.

COMM. GIANNOLIS: They are generally what?
MR. SCHENKMAN: It depends on the vehicle. Certain vehicles have certain problems.

COMM. GIANNOULIS: Give me a sense.

MR. SCHENKMAN: The current biggest failure rates are emissions, which is on-board diagnostic systems and undercarriage suspension issues, chassis.

COMM. GIANNOULIS: My guess is we can pretty comfortable feel that you are doing a much stronger chassis inspection than the gas station down the block does?

MR. SCHENKMAN: No. We are doing the same inspection. We are putting the vehicle -- we are a little more technologically advanced than the average gas station. We have found gas station that have put passed stickers on yellow cabs and we failed the vehicle and had the repair shop shut down as a result of doing erroneous inspections.

Having come out of the automotive industry and local repair scene, it hurts.

COMM. GIANNOULIS: If we are talking about one out of six, I actually thought in terms of what Mr. Mateo said in terms of local business, it is a legitimate play, but the
liveries are still going to be going to local
shops five out of six times so it is not like we
are closing the businesses down, which would be a
legitimate issue.

CHAIRMAN DAUS: There are arguments
on both sides.

Before I acknowledge Commissioner
Gonzales and then Commissioner Arout, I just want
to beg everybody's cooperation.

We have at this point 46 speakers
at three minutes a pop. That is two-and-a-half
hours of testimony. It is getting a little hot in
here. So I guess what I would ask, if it is
possible for you to make your points in less than
three minutes, because we have listened, we have
read and we have poured through a lot of the
written stuff already.

We have a pretty good handle on a
lot of this stuff.

If you could kind of sum up what
your position is, I would appreciate that.

Also, for the Commissioners, if it
is possible without interrupting the flow to try
to keep as many questions as we possibly can for
towards the end of testimony so we can move people
through, because it is getting hot.

CHAIRMAN DAUS: Commissioner Gonzales?

COMM. GONZALES: Pass.

CHAIRMAN DAUS: Commissioner Arout?

COMM. AROUT: Pass.

CHAIRMAN DAUS: The next speaker is Victor Dizengoff.

MR. DIZENGOFF: Good morning, Commissioner Daus and Commissioners. My name is Victor Dizengoff. I am the Executive Director of the Black Car Assistance Corporation, a trade association for the black car industry.

I am also the Executive Director for the New York Black Car Operators' Injury Compensation Fund.

The BCAC represents in excess of 40 companies which have approximately 10,000 affiliated vehicles. To the extent that we represent the companies, we are also very much concerned with drivers issues.

As stated previously, I am the Executive Director of the Black Car Operators Injury Compensation Fund established by statute, signed into law by Governor Pataki in 1999 for the
express purpose of providing Workers Compensation Insurance for black car drivers.

Black car industry has since its inception, and continues to be, an industry regulated by the New York City TLC. Our primary concern in addition to the quality service we provide our clients has always been and continues to be their safety, the safety of our drivers and the safety of all citizens of New York, its visitors and commuters.

The Board of Directs of the BCAC have met in session and unanimously agreed that the passage of 6-12's opening paragraph as written, "where a black car base and a vehicle owner shall be held jointly and severally responsible for compliance with the following provisions, and liable for violation thereof, would be an unjust punishment as it applies to the black car base and should not be passed in its present format."

It needs to be noted that the drivers and independent operator who owns his or her own vehicle and rarely comes to the base, thereby making it unlikely that the base owner would be aware of any violation that the driver
has incurred.

The remainder of the opening paragraph says the following: "No for-hire vehicle should be used in the course of operation of a for-hire vehicle service unless the for-hire vehicle is in compliance with the following."

The rules go on to detail a number of specific requirements for which the black car base would be held jointly and severally liable.

We therefore respectfully request that the rule not be passed as it is written, and that the rule be rewritten excluding the base from responsibility and/or liability.

Under proposed rule 6-12(a), the TLC is proposing that three decals be affixed, one to the windshield and one each to the two rear opera windows of the vehicle.

We fail to see the need for the two additional decals in the rear opera windows for as the rule proposes, to make them plainly visible, quote unquote.

We ask visible to whom? It would do nothing more than add decals to a vehicle whose aesthetic beauty is very much a part of the service provided.
Under rule 6-12(c)(3)-- can I continue?

CHAIRMAN DAUS: Yes.

MR. MATEO: -- beginning May 1, '07 and biannually thereafter, black cars with model year '96 and later would have to be inspected for emissions at the TLC Woodside facility. In addition, one of the other remaining inspections would have to be done at the Woodside facility.

Given this scenario, the BCAC questions the feasibility of accomplishing those inspections by the TLC staff in addition to the current taxicab inspections being done at the Woodside facility.

Our industry has not been shown any data to prove that the proposed inspections could be done without any disruption to either the black car industry or the yellow cab industry.

In addition, what the TLC proposes here also would restrict the availability of and the accessibility to inspections currently done by every licensed New York State inspection station, and in some cases done 24 hours a day.

Lastly, the TLC proposes rule 6-12(p), and I would like to bring up the
president of the association to expound on this as well, which the BCAC opposes for the following reasons: Having holders for licenses in the front compartment of the vehicle so as to be visible to the passenger in the rear compartment would cause the vehicle to resemble a taxicab -- and no disrespect to a taxicab -- when, in fact, the vehicle is being hired for the specific reason of it not being a taxicab.

Our vehicles are dispatched and the customer has full knowledge of the vehicle of which car is picking them up.

3. The possibility of it taking away from the aesthetic beauty of the interior of the vehicle.

4. In the Lincoln Town Car there currently exists -- I just have a paragraph.

CHAIRMAN DAUS: If you could sum up, because we are way over.

MR. DIZENGOFF: -- passenger side air bag where the TLC would consider placing the holder.

In the event the TLC sees fit to pass this regulation, which we are hoping not, the BCAC would request that we have input as to where
the license holders are placed inside the vehicle.
An alternative might be considering a license
holder that could be a badge.

Thank you very much for your time.

CHAIRMAN DAUS: Thank you.

MR. DIZENGOFF: Any questions, I
would be glad to answer them.

I would like the president of the
BCAC to just expound on one portion of this.

CHAIRMAN DAUS: Very quickly. We
will scratch you off the list.

MR. HAROUTUNIAN: My name is Berj
Haroutunian, president of the BCAC. I am also an
operator, black car operator of Vital
Transportation Inc.

I understand TLC has been in touch
with some of our clients. One happens to be
Goldman Sachs and Merrill Lynch, which are
probably the largest clients out there in the
industry, and I spoke in person -- I happen to
have both accounts, and I have spoken to the
contacts, and they both said to me "an idea is
fine but we don't want the car to looks like a
taxicab. We don't want these decals in the front.
We don't want decals in the windows."
They suggested -- it is a great idea, but maybe the driver can have something on his jacket or perhaps something hanging from the back seat on a chain. I have seen this in other cities, and I believe it works out fine.

In terms of the inspections, we are customer-driven. If my cars are not repaired properly, the fenders are shaken and the car is not in good condition, the customer is not going to use me. He is going to use one of my competitors.

We personally inspect our cars at our base three times a year. I think we do a better inspection than the TLC. We actually drive the cars, which I don't think the TLC does.

If you have any questions, I will be happy to answer them.

CHAIRMAN DAUS: It is understood.

Thank you very much.

Next speaker -- thank you,

Victor -- next speaker, Mr. Eugene Pero.

MR. PERO: Good morning, Chairman and Commissioners.

With regard to the rules being considered today, I have the following comments
and observations: As far as -- I will make this
as short as possible -- as far as the signs on the
vehicles I think are appropriate for the following
reason: It is a public safety issue. I come out
of Brooklyn. I am very aware of what is going on
in Brooklyn. There are a multitude of vehicles
that do not have markings on the cars.

If a woman like the police officers
had stated earlier gets into a vehicle, there is
no identification on the vehicle, you don't know
where it is coming from.

If a person is attuned to doing
street hails, it doesn't matter whether they have
a sign or not; they are still going to go into
that vehicle.

I think it is only appropriate. It
legitimizes the industry more.

As far as the displaying of the
driver's license in the vehicles, from my
understanding from my membership -- I didn't give
you my name. My name is Eugene Pero, President of
Livery Owners Coalition and member of the Taxi and
Limousine Advisory Board.

As far as the licensing displayed
in the vehicle, we have no problem with that
neither. All our drivers are licensed, and the
display doesn't mean nothing.

My main concern is with the
inspections. We are required three times a year
to be inspected. According to your rules, a
transferred vehicle or a new vehicle has to be
inspected first by the TLC.

One problem is that when I go to
DMV, prior to me going, especially doing a
transfer, before going to the TLC facility in
Staten Island is that the DMV requests a copy of
the inspection, the printout.

So where would we go -- in other
words, in order to pay for our licensing, whether
it is a transfer or new vehicle, then go to the
Woodside facility, but then it contradicts the
situation because according to your new
notification, you cannot do a transfer, not unless
you have the car already registered with DMV so
there is a conflict of interest there.

You have to process your
registration before you do your transfer.

Second thing is, the length of time
to travel to the Woodside facility.

You are talking from the furthest
paths in the five boroughs, being if you have to come from northern Manhattan or the Bronx, Carnarsie area, Staten Island, southern part of Brooklyn, minimum time will be an hour-and-a-half to get there.

That is without the waiting time in order to be inspected.

Could I go on with this?

CHAIRMAN DAUS: If you could sum up.

MR. PERO: There are 13,000 cabs which have to be inspected three times a year. That is 39,000 vehicles. We have 48,000 livery vehicles in the streets. Say we split that in half. All together 63,000 vehicles per year. You divide that by 12, by the amount of months would be 5,250 inspections per month, 1,312 per week, 262 inspections per day.

The Woodside facility only has six bays to do these inspections.

According to the people I speak to, mechanics that have the facility to do the inspections, minimum time for a good inspection takes approximately about half an hour. I spoke to three different facilities.
I suggest that if you want to inspect a vehicle -- I could understand where you are coming from -- I would suggest a visual inspection. That is what you are really looking for.

We are required to do a DMV inspection.

CHAIRMAN DAUS: At alternate facilities?

MR. PERO: Right. That is what I would suggest.

I will just submit this and you can read it.

COMM. DEAR: What you are saying is it is a tremendous hardship going down to Woodside?

MR. PERO: Correct.

COMM. DEAR: It is interesting what you raised. The concern we have, obviously, is we want to make sure that the vehicles are being inspected properly and that they are passing on the par that they are supposed to. The facility doesn't do more than DMV does -- the station of DMV -- so they want to make sure you are out there.
You know there are many vehicles out there. How they got inspections, god should only know. That is ridiculous.

MR. PERO: No argument. We know each other a long time, and I know a lot of the Commissioners.

The TLC takes on all different hats. One time they want to be the Insurance Department, now you want to be DMV.

There is a certain point at where if we are going to resemble a taxicab, and that is what you are leading towards, we have to have some benefits to the situation, whether it is a cap on vehicles, a cap on bases; something similar to where we can show some kind of profitability.

The only kind of profitability we have in our bases is what our phones are worth.

COMM. DEAR: First of all, you know it, and we were talking about it with each other, if -- I don't know how many cars are out there. If there are 50,000 cars, I guarantee you 24 don't bother to show up, because they are not going to inspection. It will never happen.

The others that are showing up will fail inspection.
You heard the number. 47 percent of yellow cabs are failing inspection.

MR. PERO: And those are new vehicles.

COMM. DEAR: Pretty new vehicles. To me it is only a benefit. We will bring some -- you can call it an artificial cap, if you want to say, but it will bring something of value, something of value in the sense of not so much money but value of a service than the way it used to be.

A car service in the old days you went in there, you had a driver dressed up, everything was clean and everything else.

MR. PERO: Car service industry has been getting better through the course of the years.

Like I brought out to you before, we are talking a visual inspection. You are looking for these junk boxes that are roaming the streets. I agree with you --

CHAIRMAN DAUS: I am sorry. We are going to be here -- Commissioner Dear, I don't know if you were in the room at the time, but there are 46 speakers. Unless everyone gives me a
commitment right now they will stay until
3:00 o'clock --

COMM. DEAR: Go ahead. I am
finished.

CHAIRMAN DAUS: There are, for the
record, I think 17 of the 50,000 vehicles I think
are older than five years just to give people a
flavor.

The next speaker is Arty Grover
Mr. Grover?

MR. GROVER: Good morning,
Mr. Chair, Commissioners.
You need more room back there. I
couldn't even take my jacket off.

CHAIRMAN DAUS: We didn't realize
so many people were going to come.

MR. GROVER: I have two comments.
One, listening to the problems that bases are
having with drivers, it appears that the
independently owned vehicles are the problem; not
the fleets. The fleets are very well controlled
by the people who own their vehicles, who have
drivers working for us.

Staten Island is 90 percent fleet
owned. The rest of the City, the independent
drivers are 90 percent of the cars.

On Staten Island we have a DOT building where the TLC is located. There is no reason why the people in Staten Island should be put through the tragedy of killing a day sending somebody to Woodside to have a car inspected.

I am sure no one took into consideration the cost factor to a fleet to have this done.

What Gene did mention is that a visual inspection will get the junkers off the road. We want the junkers off the road.

We also are in a situation where Commissioner Noach Dear had mentioned that there are many livery companies who are upgrading their fleets so they can do higher-end livery work.

To make them look like a postcard does not work, because these people are not looking for that type of transportation.

Before anything goes through, I think a lot has to be taken consideration of how all this is going to affect the industry.

I understand there are situations and problems that are there, but we also have to understand how the industry is going to be
affected before anything is voted in.

 If anybody has any questions, I
would be happy to answer.

CHAIRMAN DAUS: Thank you.

Actually, it is a point well taken,
and we will look into that. I have already had
conversations with Commissioner Arout about that.
I am not sure what the property is being used for,
but it is an interesting idea.

Next speaker is Mr. Erhan Tuncel.

Mr. Tuncel?

MR. TUNCHEL: Good morning, Chair,
Commissioners. My name is Erhan Tuncel.

I basically don't object to all the
FHV rule changes, but the vibe I am getting all
here this morning from all the testimony and
speeches of some of the Commissioners is that
particularly the decals on the doors are
definitely legitimizing FHV vehicles in the
public's eyes, and that is a concern for the
yellow taxi industry.

You know that those illegal street
hails is a big, and I mean big, problem.

There was an admission by one of
the Commissioners that you don't have enough men
to enforce the existing rules.

Now --

COMM. DEAR: I am not sure if that

is an accurate statement.

COMM. AROUT: That is not very

accurate. I didn't say rules.

If we had a special group of

inspectors, and if the Mayor would give us more

people, maybe we can concentrate on the areas that

have a lot of hails, but that would be their

position to do.

I think if we had that, we probably

could relieve a lot of that. That is what I said;

not the rules. Let's get that straight.

MR. TUNCEL: Thank you.

Now, there is one way to really

address this problem is trying to make these rules

in the FHV rule book, particularly 316(g) and

316(f), and 316(f) is only a fine carrying

violation, it carries only a fine, which is that

the FHV vehicle must pick up fares only on

pre-arranged basis.

Now, 316(g), on the other hand, is

another FHV rule that addresses the problem with

the FHV vehicles picking up at taxi stands.
Now, that carries a fine and points.

Now, why can't the first 316(f), which is basically the street hail, carry points also? If that happened, perhaps that will be a little more deterrent level in these applications.

Fifty thousand for-hire vehicles in the city. That's a lot. No wonder they are out there on the street trying to make money.

I mean, if the bases -- if they all operate out of bases, there is no way they are going to make money. There is no way 50,000 vehicles are going to survive in the city without pre-arrangement.

It is obvious. I just have a couple more sentences.

Now, I heard some comments from the speaker before that some of the bases are fleet-owned; in other words, the base owns the vehicles, and there is a lot of bases out there, like the one you just denied today on the cell phone, being a wiseguy, operating, and there is a lot of bases who are storefront.

Just because they have a store doesn't mean they have any intention of giving
jobs to people, their drivers.

Perhaps if these fleets, some of them were forced to own a percentage of their vehicles, any percentage, 15 or 20 percent of the vehicles they sponsor, maybe we will get some of these illegal base operations out of the way.

That is another suggestion that I have.

CHAIRMAN DAUS: Thank you, Mr. Tuncel. Your time is expired.

Could you sum up, please?

MR. TUNCEL: Basically what I am trying to say is on the rules, they are similar rules and they both should carry fines.

I personally would like to see -- I mean, they both should carry points. They both carry fines, but only one carries points.

Increasing the fines is another way to deter the illegal activity on the vehicle.

CHAIRMAN DAUS: Thank you.

Mr. Dave Pollack?

MR. POLLACK: I spoke on this issue already.

CHAIRMAN DAUS: George Lipsky, Dr.

George Lipsky?
I think he is signed up on the wrong list.

Jessica Macareno?

Biju Mathew?

Are you here to speak on FHV's, Mr. Mathew?

I think there is some confusion about these lists.

COMM. DEAR: Could I just --

CHAIRMAN DAUS: We have some good news, right?

COMM. DEAR: Yes. We found the luggage, but, believe me, trust me, this is something -- it was very serious. People lost their religious articles and other personal effects, but I do want to publicly thank Lee Sanders, our former Chair, former Commissioner, for getting his people from the MTA police, Chief Morange and Chief Fortunato and others, who overnight in the last few hours have been working to get the way, the route the taxi went.

The passenger realized he went through a certain Henry Hudson bridge, and he realized which lane he went to -- by the way, illegal lane. The yellow medallion used a cash
lane when he is supposed to use an E-Z Pass, and
that was helpful to us because there were less
cars.

We identified the car and who it
belonged to, that is next, and we have the
luggage.

You jumped into action, Deputy
Commissioner Salkin, and Dawn Sherman, to
tirelessly work on it, and we came to a good
conclusion.

If there were GPS we wouldn't have
to go through the Police Department and MTA. We
could have texted it and gotten it right back.

CHAIRMAN DAUS: Thank you,
Commissioner Dear.

Next speaker is Tariq Wain.

Not here.

Willie Rivas?

Guess we wore everybody out.

We have a representative from
Council Member Diana Reyna's office, Luis
Espinoza.

Are you still here?

UNKNOWN SPEAKER: Must be in the
other room.
CHAIRMAN DAUS: If there is anyone watching in the overflow room, make your way down here and raise your hand prominently in the back, and we will get you up here. Don't run or trip. There seems to be some confusion about the list here. This list says for FHV hearings only. The next speaker --

MR. ESPINOZA: You just called my name on behalf of Councilwoman Reyna. I put my name on the wrong list. I am here for customer service improvement.

CHAIRMAN DAUS: We will put you on that list.

Next speaker is Beresford Simmons?

Wrong list.

Is there anyone here who would like to speak on the FHV rules?

Did we skip you, Eileen?

MS. KELLY: Yes, you did.

CHAIRMAN DAUS: Eileen, Michael.

Anybody else?

And that is it. Then we are going
to close the hearing.

MS. KELLY: Good morning, everyone.
I am Eileen Kelly. I have a car service in
Queens. I am on the Livery Advisory Board, and I
would just like to speak -- I agree with
everything that Gene and Arty said about the
inspections, but I would like to speak about the
base name and telephone number on the vehicles.
I have a lot of different types of
vehicles, some of which are Town Cars. I will
lose all my corporate work and a lot of my
affiliated drivers if I have to put my base name
and my telephone number on the side of the car.
I have a lot of cars that I have
that aren't that are airport cars and I do other
work with, but there are a lot of bases, and these
are fleet bases. They own their own vehicles.
They are lettered up like NASCAR cars, and they
are picking up off my stand every day; nobody
there to stop them.

Thank you.

CHAIRMAN DAUS: Thank you.

MR. GRODONSKY: My name is Michael
Grodonsky. I am president of Dial Car. Our
company has been in business since 1963, and we
are one of the oldest black car companies in New
York.

I see that you failed to
distinguish the difference between the car
services and the corporate transportation
industry, which is completely different.

Just because you bear the TLC plate
on the vehicle, it doesn't mean that you are a car
service, because you have Manhattan Limousine that
bears a TLC plate. You have a lot of high-end
limousines that are stretch and regular sedans
that are having a TLC plate. Are these also car
services considered by you? They also have to go
through all these inspections and all this stuff
that the regular car services have to do?

We have to have also the name plate
on the side. We also have to have the plate for
the driver's license.

We are hired cars, high-end cars.
We are transporting VIPs and presidents of big
corporations.

These people want to be not
noticed. They don't want to be --

CHAIRMAN DAUS: I don't think the
external markings under the proposed rules apply
to the black car limos. The other stuff does.

MR. GRODONSKY: But we are

inspecting our cars four times, three times a
year, much more deeply we inspect our cars than
ever any, any inspection station will do.

We keep track of our cars.

You visited our facility and you

know how state of the art we are.

I think you should reconsider only

to -- I have nothing against the car services

having all these things that are proposed, but you

have to distinguish the TLC plates for the luxury
sedans, luxury companies from the regular car
services.

That is only my point.

CHAIRMAN DAUS: Thank you, sir.

Michael Woloz.

COMM. GIANNOLIS: Could you have

staff -- you should be able to do it quickly, like

within a week -- give us a memo on distinctions

within the industry in terms of some simple

issues, in terms of inspections, signage, just so

we have a sense of the difference? Because I

could not follow what he was talking about.

CHAIRMAN DAUS: The distinction
between the different definitions?

That is an interesting point,
because there is this hybrid class that is in
between a black car and a livery.

COMM. GIANNOULIS: I don't know if
they are treated differently.

CHAIRMAN DAUS: They are not.

COMM. GIANNOULIS: Just in terms of
how many inspections, what markings, diamonds and
this; just a brief memo would be very helpful to
us.

CHAIRMAN DAUS: We can do that.

Mr. Woloz?

MR. WOLOZ: Good morning,
Commissioners, Chair. Michael Woloz representing
Metropolitan Taxi Board of Trade on this issue.

I just want to say that
Metropolitan has no problem with the signage issue
on livery vehicles. I think it needs to go one
step further.

We have been talking about street
hails. Commissioners Giannoulis and Dear alluded
to it today. In fact, Commissioner Dears
suggested it at one or two meetings ago.

There should be an additional sign
on the exterior and interior that simply states
This Vehicle Does Not Pick Up Street Hails.

If we are going through all the
effort to put on signage that identifies the base,
and we are putting the license inside the vehicle,
a simple phrase, simple sentence would go a long
way to preventing street hails and improving
safety.

I think while you are doing this
effort, you really need to include that.

I think all the legitimate livery
base stations would agree with that. They don't
want to see illegal livery street hails, the
yellow taxi industry doesn't want to see illegal
street hails, and the Commission doesn't want to
see it.

CHAIRMAN DAUS: Thank you.

MR. BASOS: Good morning. My name
is Enrico Basos from Carmel Car Service. Thank
you for allowing me to speak.

I would like to quickly refer to
the penalty section, and I think it might
answer -- 612(c)(1) talks about a suspension of
the vehicle owner license until the correction of
the condition; however, 612(c)(2) and 612(1) are
talking about suspension in general.

I think it should also say suspension of a vehicle owner license until correction of the condition, because otherwise a base like Carmel or Dial 7 with 500 vehicles each may find himself suspended because of one vehicle.

As far as the TLC inspection, I commend the TLC for becoming the certified, and I think we support that.

We also support the decals and the display. I think it really helps in passenger safety.

Where we strongly oppose is the door markings, and with your permission, I did an illustration of how the vehicle will look. I did an illustration of how the vehicle will look once you put the marking, and I called it taxifying the Town Car, because this would affect dramatically passenger safety.

Let me explain. Street hails will increase; there is no doubt in my mind. The Town Car will look like a taxi. We are legitimizing the vehicle, and more and more people will identify the vehicle as the one to hail.

The proposal of the last gentleman
who said to put another sticker saying it is not
street for hail, maybe we should also put an
apartment for rent.

You know, enough stickers.

If we agree that street hails are
going to increase, we must agree that we are
decreasing passenger safety. One can never be
considered safe if he is entering a vehicle
performing an illegal act of street hail.

Furthermore, it will not help
arresting or summoning more illegal vehicles. It
will do the opposite. Now it will be easier to
catch the vehicles with a door marking and sparing
the illegal ones.

On one hand you have passengers
more looking for those vehicles with the door
markings; on the other hand you make it easier to
catch them. It is like giving a candy to a kid
and slapping him for taking it.

The illegal vehicles will not be
cought.

We respectfully request the
proposed door markings be eliminated or at least
be reconsidered before it has such a devastating
effect.
I am not accustomed to saying no without a solution. If you turn to the next page, you will see that our solution goes to two levels. Number one, if a vehicle, if a base dispatches an illegal vehicle, go hard on that base with a heavy summons.

The way to identify that is combining your side rear auto window decal with the bold name of the company and the car number. This way it is small enough for the car not to be identified as taxi, and big enough when I come to open the door and I see it is not a legal vehicle, I report it to the TLC, and the TLC goes hard on me.

That's it.

COMM. GIANNOU LIS: I had asked for a picture like this, but how similar is the second page to what we are talking about?

MR. BASOS: The second page decal,
I spoke to --

CHAIRMAN DAUS: It does look like it meets the requirements, but you can't see the front of it.

MR. BASOS: It is my own creation.

Our own artist did this.
CHAIRMAN DAUS: Except we wouldn't have the corporate logo on the top. We wouldn't have Carmel on top of the stickers we give to, let's say, Dial 7.

MR. BASOS: Again it is clear to see you have the car. The car from far looks like a regular car. The car from close, you see it is a licensed vehicle.

Thank you.

CHAIRMAN DAUS: Those are fair points, and we thank you for your testimony. You have been very helpful as well as other members of the industry in terms of giving us some input on this.

Now that the public hearing is closed, I just want to say a few things and turn it over to my Commissioners to make some comments.

Basically this is the first step in serious for-hire vehicle reform. I think everybody in this room and everybody on the Board knows that this is coming, that we need to do more in order to enhance the bottom line, the standard of the floor has to be risen, the details of how we do that need to be worked out.

There was some really good
suggestions, some really good ideas that came out
today.

This is going to be a process that
is going to take some time.

Like I said, this is one part of
our FHV plan that is going to be more fully
presented in May or June at the latest.

I commend the Commissioners, you
know, for basically getting us to this point. It
has really been the input of the Commission and
the Commissioners that have looked at every single
base license application, looked at those
conviction histories and looked at what they were
doing right and the things that they were doing
wrong.

I think -- what I said at the
beginning, the for-hire vehicle industry does a
tremendous job; the limousines, black cars,
whatever, they provide a vital function for the
City of New York.

The vast majority of people do the
right thing, and they are great businesses and
very much a part of the fabric of our society and
of this great city in terms of moving people.

What we are looking to get at as
part of these reforms is the few or handful of bad
bases, the handful of bad drivers that are out
there that are doing the wrong thing.

I think all of us in this room
could agree that that is a great goal, and we want
to accomplish that.

We want to accomplish it together,
we want to do it right.

We would like to make some changes
to these rules, we would like to add more rules
and more issues as time goes on, but I will
recommend that, especially since there are three
Commissioners absent today, you know, one who has
been very involved, Commissioner Weinshall, but
also Commissioner Vargas got sick last night and
he represents the Bronx; a vital hub for community
car service activity.

Also we have a new commissioner,
Luby Polanco, who represents Manhattan.

I think out of respect for them
they would like to have more input.

This is not going to be an
overnight process. We would like to work together
on what is right and fair, and some tweaking and
fine tuning needs to be done.
I don't know how my colleagues feel, but that is how I feel.

I would like to start working on this immediately after this meeting, get some of the reports Commissioner Giannoulis requested, analyze some of these comments.

I would like to leave the door open, if that is okay, Chuck.

MR. FRASER: No problem with that.

If you want to state a deadline, that might be useful.

CHAIRMAN DAUS: Maybe we will leave it open for another three weeks from today. This way we can at least have some more comments before our next Commission meeting.

I thank you for your time and the people waiting around, because it is very hot in here.

Does anybody have any comments or questions or disagreement?

We will take a five-minute break.

(A recess was taken.)

CHAIRMAN DAUS: Having concluded item 5A on the agenda, I would like to move to item 5B, the Taxicab Vehicle Retirement Rules.
In part these rules are being proposed in response to legislation that was passed recently by the City Council and signed by the Mayor.

There are certain provisions that are in there that are mandatory, there are some that we are proposing -- excuse me. Could we please have some quiet? If you would like to talk, feel free to go out into the hallway.

Thank you.

The City Council passed laws. Consistent with the spirit of those laws as well as a mandate or requirement we are proposing some rules today.

I want to thank first and foremost the number one person who helped negotiate and pass these rules in the form that we felt was acceptable to us, Eric Kim, the First Deputy Commissioner's Chief of Staff.

I also have some good and bad news about Eric, who is joining us today to talk a little bit about these rules: He is going to be leaving us.

He has been here for a few years now. He has done a tremendous job, and I wanted
to thank you, Eric, because I think you really
brought the scholarly level of our work to a new
height.

You worked on some very tremendous
and excellent projects where we couldn't have
gotten it done without you. Not just the FHV
reforms, but a lot of the clean air activity we
have done involving hybrids and making the city a
better and a greener place.

Also, working day and night as we
all remember, kind of a distant memory now, but
the transit strike we didn't think it was going to
happen. It happened, and the person who
spear-headed the contingency plan and its
implementation and conception for the actual
strike that occurred was Eric, and Eric was at the
Mayor's Office of Emergency Management day in and
day out and is truly a devoted public servant.

We are happy the government was
able to partake of his fine work for the past few
years.

He is moving on to the private
sector, and we want to thank you for all the
things you have gone.

Eric, congratulations, and god
speed.

I would like for call you up because I think you wanted to say a few things, some good-byes, and a farewell chart?

MR. KIM: I did want to talk about the legislation and the rules that are being proposed today and the Local Laws.

This is a presentation that I actually delivered a few months ago to the Commission, and it is just sort of a refresher, and I know the general counsel and our Commissioner have some additional comments regarding these rules. Hopefully we will be able to address the questions the Commissioners may have.

Again, as the Chair mentioned, there were Local Laws that were passed by the City Council. The process started last summer where they introduced eleven bills relating to the Taxi and Limousine Commission, and in the fall/winter of 2006, the TLC worked with the Council to negotiate on those bills, and we ended up passing together with the Council four Local Laws, Intro 158(a) relating to taxicab retirement cycles and incentives for clean air and accessible vehicles;
Intro 352(a) which relates to the creation of a plan to be adopted by the Commission for clean air and accessible taxicabs and for-hire vehicles; Intro 353(a) which relates to placing of an insignia on clean air vehicles, both taxicabs and for-hire vehicles; and Intro 354(a) which relates to creating insignia to be placed on accessible vehicles.

Today we are actually here regarding Intro 158(a), Local Law 52 of 2006, and specifically what that bill called for was the TLC would adopt retirement cycle incentives to encourage the use of clean air and accessible taxicabs.

Specifically, the bill established certain levels and definitions for clean air and taxi labs, level one and level two. Level one clean air and accessible vehicles would be eligible for up to a two-year retirement extension.

Level two clean air accessible vehicles would be eligible for up to a one-year retirement extension.

Again, this relates only to taxicabs.
The extensions, something the Local Law calls for, is that it gives the TLC the ability to base those extensions based on performance at the TLC safety and emissions facilities inspections, and that is an important provision that we made sure to have included in the Local Law, because we had concerns that we wanted to ensure that the vehicles that are going to be used as accessible and clean air vehicles continue to meet the high standards the TLC expects for taxicabs.

So we had that provision included in the Local Law, and it is reflected in the rules that you have before you today.

I think that basically summarizes the relevant Local Law for today's rules.

I would be happy to take any questions if the Commissioners have them regarding those rules.

Okay.

CHAIRMAN DAUS: Any questions?

COMM. AROUT: No questions.

CHAIRMAN DAUS: Certainly thank you, Eric, for your service to the City of New York. We hope you come back and join us again one
day.

MR. KIM: Thank you for your kind words as well.

CHAIRMAN DAUS: Let's proceed to the public hearing -- do you have any comments you would like to make?

MR. FRASER: No.

COMM. GIANNOLIS: Whoever replaces him, make sure he does as thorough presentations as he does, which have always been very helpful so thank you.

Good luck in your new job.

CHAIRMAN DAUS: Thank you.

The first pre-registered speaker is Vincent Sapone from LOMTO.

MR. SAPONE: I am talking about hardship extensions for taxicabs.

You know, in my heart I shouldn't even have to talk. You people should know better, I am sorry to say, and understand.

You know, I got a group that is driving 10 years, 20 years, 30 years, even 40 years -- 40, not four.

A lot of them could be in their mid-60s.
There is one guy who is 72 years old.

Years ago when Diane McKegeeny any was the Chairlady, I had a guy that was on chemo, and he wasn't able to really work; maybe two hours a day, maybe three days out of the week.

His car passed inspection and had very low mileage on it.

They told me the rule was he has to buy a new car.

When we looked it up, it says in the rule book for some unforeseen illness, you could get an extension, and I guess that is unforeseen.

So I am talking about giving a guy a reason to live, giving him hope, giving him dignity, not taking away his job, okay?

If a guy had a heart attack and he is out of work for a while or he is on chemo, which I hope to god nobody here ever has to go through that, because my father went through that and he also drove a cab, but he didn't own his own cab, let him get up in the morning and say "You know what? Maybe I can work a couple of hours, keep myself busy," and also, you know, if his car
is safe, and his car is due to be turned in, you
know, because he owns a cab, that is all on paper.
That ain't in the bank or his pocket.
By the time the government takes
out the taxes when he gets out, and by the time he
pays the rest of the loan he's got, he winds up
with bologna.
What I am saying is you guys should
use your heads on the extensions.
With a serious illness, you should
give a guy more time, four months increments, as
long as he has a clean safe car.
And if a guy is retiring in six
months --
COMM. GIANNOULIS: Excuse me. I
am lost. What does this have to do with
alternative fuel?
MR. SAPONE: This ain't alternative
fuel.
CHAIRMAN DAUS: This is part of the
rules.
There is an extension?
Eric, you want to point out why we
did this, why this is proposed?
There are two or three elements to
MR. KIM: The rules as proposed have several elements. One, as envisioned by the Council, Local Law to enact retirement extension incentives for clean air and accessible vehicles for up to one or two years depending on the type of vehicle and whether it meets certain qualifications including inspections.

Second important component is we are proposing to eliminate other extensions that currently exist in those rules primarily to insure that the incentives we are placing in now with accessible and clean air have the most value and are the most effective.

Those include an extension currently granted for minivans, an extension currently granted for C and G vehicles, and the hardship extension Mr. Sapone is talking about.

COMM. GIANNOTIS: That would be removed?

MR. KIM: That is what we are proposing in the rules.

Chuck, if you want to speak a little more to the specific reasons?

MR. FRASER: The hardship extension
that exists in the rules as of now was adopted in
the aftermath of September 11th in the time that
the industry was obviously in much different
economic condition than it is now.

The staff's view is that vehicle
life should relate to the vehicle, and the
hardship extension obviously relates to a person;
not the vehicle.

The hardship standard, also, I
think our experience shows that it is not a
helpful and clear standard. Three-quarters of the
requests that are filed, that are made for
retirement extensions, are denied; only
approximately four per month are granted.

Finally, as Mr. Kim mentioned,
eliminating all of the other extensions enhances
the value of the clean air and accessible
extension which the Council wanted us to do.

That is the staff's reasoning.

CHAIRMAN DAUS: If you could sum
up, Mr. Sapone?

MR. SAPONE: This is an important
issue. This is life and death, because I had two
guys pass away already.

Are you telling me you guys want to
talk -- someone says "I got two kids in college,"
I ain't talking about them, or "I didn't work this
week; my car broke down."
I am talking about someone with a
serious illness that his car is safe and passes
inspection, he cannot get an extension? He should
give up all his hope, all his dignity? That is
what this is all about?
If it happens to you guys or me, we
still got a job.
You want the man to sell out? It
is not right. Give him an extension only on a
serious illness.
CHAIRMAN DAUS: Okay.
MR. SAPONE: Any questions?
COMM. GIANNIOULIS: No.
MR. SAPONE: What do you mean no?
COMM. GIANNIOULIS: You are already
in my throat at this point so no.
MR. SAPONE: Thank you.
COMM. GIANNIOULIS: The point is for
us to hear testimony and ask questions; not to see
an act.
At the end of the day does the
staff believe that people won't take advantage of
the extensions that are provided to the clean air vehicles because these other extensions are -- talking a hardship, how would you calculate -- I am not going to buy a clear clean air vehicle because I may get ill -- maybe I am missing something.

MR. KIM: Just --

COMM. GIANNOULIS: I understand the value of eliminating extensions, but that would mean somebody is calculating they are going to buy a clean air vehicle versus getting cancer.

CHAIRMAN DAUS: I think the staff's thinking, Commissioner, was there is a better way to accomplish it. There is an exemption, and I know the industry will probably think it is not the same exact thing, but the way it was explained to me there is an exemption where someone can apply to me to get a second driver to drive, where -- to exempt them from the owner must drive rule.

If somebody gets catastrophically ill or can't drive for a certain period of time -- the law says they are required to drive a certain number of hours every year. There is an exemption you can obtain so you can get a second driver to
drive and hold onto your medallion.

Obviously it is a little bit different but in the same general category of some type of fairness procedure.

COMM. GIANNOULIS: Eliminate C and G, eliminate hardship and eliminate minivan extensions, which we had at some point put in to encourage people to buy minivans.

MR. KIM: And we currently have over a thousand minivans in use today.

COMM. GIANNOULIS: Will these people be happy we are removing the extension?

MR. KIM: This would not apply to current vehicles in use today.

COMM. GIANNOULIS: Why did we want to at one point encourage minivans?

MR. KIM: It is a decision the Commission made to --

COMM. GIANNOULIS: I am asking if anybody knows the answer?

CHAIRMAN DAUS: Just to give you the history on this, over the years, ever since we put the vehicle retirement rules into place going back to, I believe, three fare increases ago, it was part of that whole customer service package.
The hardship exemption that Mr. Sapone was talking about was part of the rule changes at the time to provide for a situation where somebody could buy -- actually not get a 1-year extension; instead of putting a new car on the road, to be putting -- be allowed to put a used car that is up to two years old on the road if you could prove some type of catastrophic illness.

Since then, the Commission has used the vehicle retirement extension process to promote certain public policies.

In the past it has given extra time for compressed natural gas vehicles, for minivans. Minivans, there are a lot more of them on the road now than ever before in terms of manufacturers making them.

At the time it was something passengers liked. The Commission was trying to get variety on the road; an alternative to the Crown Vic.

It has been effective in some respects, and sometimes it hasn't been effective. I think the thinking is here the staff is recommending, and following the Council
and Mayor's lead also, that green is a priority. Going green and getting clean-air vehicles on the road is a policy priority. I would agree.

Getting accessible vehicles on the road is a policy priority. I would agree with that.

I think the thinking was try to eliminate as many exemptions or opportunities -- I am not sure I entirely agree with all of the nuances of hardship. I think still think there has to be an opportunity, in my opinion, for somebody who is really, really sick to not be affected by this, and we can talk about that.

COMM. GIANNOULIS: Is there anything in the City Council legislation that would require us to pass -- does the legislation say it will be only one incentive?

MR. KIM: No. The legislation does not specify there be only one. Clearly the intent, and our intent in negotiating the bill, was to maximize the incentives offered to encourage as much as possible the use of clean air and accessible vehicles.

CHAIRMAN DAUS: Part of this is mandated by the law, Harry, and part is related to
trying to meet the intent of the legislature.

Questions?

David Pollack is the next speaker, and then we have two speakers after him.

In the interest of time, we have reduced the speaking time from three to two minutes for everybody so if you could kindly adjust your comments accordingly.

Counsel?

MR. FRASER: I don't think there is any legal requirement the speaking time be any particular minimum.

CHAIRMAN DAUS: You are making a good point. We will of course extend your time a little bit, unless everybody wants to stay here until 3:00 o'clock.

I don't know if my Commissioners will.

Let's try it and see how it goes.

MR. POLLACK: My name is David Pollack, Executive Director of the Committee for Taxi Safety.

There are a couple of issues I want to speak about. Obviously one is the hardship and vehicle retirement, and the other is the hybrids
and accessible vehicles.

We believe and strongly urge the TLC to retain discretion to offer hardship extensions for vehicles, for vehicle retirement in instances when needed. To eliminate discretion is not to allow for that one case where circumstances beg for relief.

We are dealing here not only with vehicles, but with people and the ability of those people to earn a living.

Once again, this affects fleet drivers, driver-owned vehicles, DOV drivers and owner drivers.

In the instance as Mr. Sapone mentioned, in instance of sickness, in instance of financial difficulty, a family member, something happens, we have, I believe, 171 countries represented in our license, hack-license holders, and maybe they have to go back to their country for certain reasons.

That is what I have to say about the retirement vehicles.

You should also consider the shape the car is in.

With reference to the extension for
hybrid and accessible vehicles, if you wish to encourage the industry to purchase these vehicles, then the incentive has to be real. The present rules allow for all taxis to be reinspected up to two times after an initial inspection failure. Under the proposed regulation, in the year prior to the extension, if you do not pass the first TLC inspection, in two of the three mandatory inspections, there is no extension at all granted.

In other words, there is no second chances even for a cracked lens or mirror, and you lose the extension immediately in the period if a vehicle fails any of the three initial annual mandatory inspections, thereby taking the taxi off the road permanently.

The practical effect of this rule, there is no tension because data shows more than 40 percent of fleet maintained vehicles fail their initial inspection, as Mr. Schenkman stated before.

The result is no incentive for the industry to purchase hybrid vehicles or accessible vehicles.

Thank you.
CHAIRMAN DAUS: Thank you,

Mr. Pollack.

The next speaker is Mr. Erhan Tuncel.

MR. TUNCEL: Hello. My name is Erhan Tuncel. Commissioners, once again.

On the extensions, the incentives for the owners and drivers are a much better way to bring about changes that are beneficial to the riding public and all New Yorkers.

I agree with your position to give extensions to the lives of hybrid vehicles as a New York taxi, but rather than giving a longer extension for tier 2 vehicles, all hybrid vehicles should get two-year extensions.

As far as changing the rules of inspections during the extended lives or the year before of the vehicles, it should not matter whether the vehicle fails the initial inspection as long as the reason for the failure is easily correctible.

I would not object, on the other hand, for you to force the owners to replace the vehicles during the extended life of the vehicle if the vehicle fails the initial inspection for
reasons that weren't a red sticker as rules apply
today.

About the elimination of the
extensions given to the C and G vehicles and
minivans, both of these vehicles have proven to be
a great service to the public and our environment.

I urge you to reconsider the
changes to the rules as they will virtually
eliminate all C and G vehicles and substantially
decrease the amount of minivans out there.

C and G vehicles are clean burning
vehicles, and the minivans have been proved to
service the public by providing an extra seat and
plenty of luggage space.

By my passengers, I am sure by
passengers of the other minivans also, minivans
have often been compared to the famous old
Checkers as far as space is concerned.

Therefore, I really don't see any
use of eliminating the extension for these
vehicles as far as serving the public and the
environment.

Thank you.

CHAIRMAN DAUS: Thank you.

The last speaker is Marcelino
Hervias.

That concludes our hearing.

Any comments, questions, issues the Commissioners have?

COMM. DEAR: The issue which I raised to you a few times about the hardship.

I know you are saying to me that there haven't been any application for hardship, but you can never tell. I think to take what total discretion from you or somehow for an appeal I think puts it in a difficult position, because there is always some times someone falls through the cracks, and we should have to have a little heart and understanding of some of these people.

CHAIRMAN DAUS: I certainly agree with that.

You know, when I was general counsel, our office used to handle a lot of these requests, and I remember the whole chronology of how this happened.

I think the first Commission meeting when I was Chair, it was right after 9-11, and we had changed the catastrophic illness provision which gave you the ability to take used cars and put them on the road, and we expanded
It was a big part of our recovery plan that we included other types of hardship, and we gave people an extension of up to a year. I think that is something LOMTO had put forward and a lot of other industry groups. It was certainly the first official act I did as a Commissioner, and it was something I believed helped this industry recover, among other things we did, faster than most industries that were affected by 9-11.

To the extent that times have changed, there is no question that cab drivers are not experiencing that same hardship. There has been a rebound. The industry is not experiencing that hardship. I am concerned that you do have situations that arise, and I see them happen all the time. I get calls from people, letters from people. Does it happen that often that it is an administrative burden? Not really as much now, because, you know, people can't meet the hardship burden anymore because the industry has recovered so we don't have thousands of requests
coming in.

There are cases, unfortunately, where drivers who are required to drive and own are human beings and, unfortunately, experience the hardships of life.

A little bit of extra help -- I don't think it is going to hurt us that much to give up to an extra year.

I think it should be a discretionary case-by-case basis. I think that has worked before.

I thought about this the other night. I have asked Chuck to draw up some language to share with you.

We will talk about it, but I think it is important that we have a deadline to pass certainly a lot of the provisions in these rules with respect to the accessible and clean air vehicles that the Council I think wants us to get this done quickly, the Mayor does.

To the extent we can do something fair today, I would like to talk about it.

Chuck?

MR. FRASER: Yes. I have drafted some language that would retain a hardship
extension with what is intended to be a clearer
standard than what is in the existing rule.

Let me just read it into the
record.

It is copied. I am handing out
copies to the Commissioners.

The change in the text would be a
new section 302(d). An independent taxicab owner
or a long term driver who is also the owner of a
vehicle may request an extension of up to one year
of the otherwise applicable vehicle retirement
date by written submission to the Chairperson or
his or her designee no later than 30 days before
such date. The request must include documentation
demonstrating an extreme personal financial
hardship that is specific, unique, unforeseen and
unforeseeable such as a catastrophic illness.

There are also some changes in the
statement of basis and purpose to the rule that
would have to be made.

I am not going to read those into
the record, but they are on what I handed to the
Commission.

COMM. DEAR: Again, you are using
catastrophic illness as an example, but it could
be other hardships as well; am I correct?

MR. FRASER: Yes. It is such as a catastrophic illness so that is intended as one example. That's correct.

CHAIRMAN DAUS: It seems to fit some of the issues that we are talking about.

Anybody have any questions?

COMM. DEAR: What about the issue that was raised by LOMTO with regard to somebody retiring, decides to retire within the year and his vehicle is up; would that come under this consideration? If he is thinking about retiring, is going to retire?

MR. FRASER: I think I would say no, this does not cover that. I think my reaction to that would be that is not an extreme hardship, a desire to retire. That would be my answer to that.

CHAIRMAN DAUS: What if you took the word extreme out?

MR. FRASER: I am still not sure the desire to retire is a hardship to any degree.

COMM. DEAR: He is thinking of retiring, he is winding down his business and now he is going to have to go out and buy another
vehicle like this.

MR. FRASER: I think we are basically talking a different type of extension all together. That has nothing to do with hardship; that just has to do with the desire that someone wants to continue working for a period of time and not work further and therefore not have to buy a new car.

COMM. DEAR: What does the existing language say?

MR. FRASER: You are talking about the existing rules?

COMM. DEAR: Yes.

MR. FRASER: The existing rule says the vehicle owner must demonstrate an economic or other personal hardship which the Chairperson or his or her designee determines would create an undue burden upon the owner if the extension were not granted.

CHAIRMAN DAUS: Would that include retirement the way it is written now?

MR. FRASER: I don't think we have ever had that request so I don't know I can say for sure, but I think I would say no.

CHAIRMAN DAUS: Any other thoughts
on Commissioner Dear's suggestion?

COMM. GIANNOLIS: Is it possible -- you talk about this hardship -- you are talking about 40 cases a year you are saying, or so or some cases none, and I am a little bit concerned that we are taking 1,200 minivans, basically, where we are removing any incentive for them. That seems to me to be a lot more relevant here.

It is just not clear to me other than creating this other incentive for the other vehicles why we are doing it.

What are we claiming?

I see here it says they don't need -- I assume minivans, if I remember correctly, are more expensive?

CHAIRMAN DAUS: Yes.

COMM. GIANNOLIS: So we create an incentive to have more minivans on the street. If we take away the incentive, minivans are gone. It says minivans now make up more than 10 percent of taxicab fleet, and therefore these incentives are no longer required.

MR. SCHENKMAN: If I could just add, minivans at one time were more expensive, but
currently the base Sienna has a lower sticker
price than the Crown Vic of around $23,000.

COMM. GIANNOLIS: I am not some
defender -- it seems to me to be pretty relevant
we are affecting a sizable chunk.

MR. SCHENKMAN: We have the first
round of minivans when this rule took place, I
believe it was in '97. Come the 7th year of the
life of those, they were old Honda Odysseys and
Isuzus. They were horrible.

We do know from State data from DEC
that the older -- the longer a vehicle is on the
road, the more polluting it is.

CHAIRMAN DAUS: Some of these
hybrids are minivans, aren't they?

MR. SCHENKMAN: No.

CHAIRMAN DAUS: I am sorry. SUVs.

MR. SCHENKMAN: Yes.

CHAIRMAN DAUS: I think the
consumers who had lauded them, lauded them because
they appeared roomier, and I have been getting
some very positive feedback on the hybrids. Even
though we thought there would be less leg room,
some are SUVs and it gives the illusion there is
more leg room.
People seem to like them.
I don't have a problem with them.
The hardship, I do think there is something to be
said for if we are looking to promote clean air
and accessibility, if someone comes to a decision
I have to buy a new vehicle and what are my
options, and there are only two options, I think
it is the best solution they have three or four
options rather than getting the gas guzzling
minivan.

On the hardship question extension,
I have a question.

Does it currently apply to the
long-term -- the driver-owned vehicles, or does it
only apply to independent --

MR. FRASER: It applies to both.
CHAIRMAN DAUS: It applies to both.
COMM. DEAR: How many hardships did
you have in the last few years, applications or
requests?

MR. FRASER: I can give you numbers
for the last year, which is approximately four a
month were granted, as I said. Approximately
three-quarters of the applications were denied.

Figure for a month -- I don't have
the numbers right in front of me, but it was
roughly as Commissioner Giannoulis said, 45 or so
were granted and four times that were the total of
applications.

CHAIRMAN DAUS: I just don't
know --

COMM. DEAR: And the 45 you granted
are going to fall into this category as well?
The 45 you have granted, they would
apply today with this new rule?

MR. FRASER: I would say that is
probably right.
The problem most people had with
the rule is just on clarity; not understanding
what would qualify and not qualify.

CHAIRMAN DAUS: I think you took
the language from the original rule that was
passed --

MR. FRASER: Right. I handed out a
mix of language from the existing hardship rule
and old superseded rule that was not a vehicle
extension rule but --

CHAIRMAN DAUS: I am not sure if
this with everything going on is a good time and
place to start throwing language out there.
What I would suggest if you all agree, we vote on the rules and ask Chuck to take into consideration the Commissioner's comments and redraft this section and come up with appropriate language for a hardship exemption for next month and see if we cannot make it as open-ended as it is now, but also not make it as stringent as it is here and kind of come up somewhere in the middle. Maybe we will discuss it with staff over the next month.

I want to make sure we meet the Council's deadline under the legislation for passing the other stuff.

I do feel strongly by eliminating the other exemptions it is a good thing and important for people who are retiring their vehicles tomorrow to buy one of these hybrids or accessibles outside of the medallion sell process.

Do I have a motion?

Second?

All in favor?

(Chorus of "ayes.")

CHAIRMAN DAUS: Thank you. It passes.

Chuck, if we can work with the
staff on maybe retooling this a little bit, and we
will come back next month.

Item 5(c), taxicab technology, the
one you have all been waiting for.

I just want to start -- Ira
Goldstein, our Chief of Staff.

A couple of things before we start
very briefly.

First and foremost I would like to
thank Ira Goldstein, his entire team, Gary, Sam,
Lev, Eileen Fox, Chuck Fraser, Andy Salkin; all
the people that have worked very closely on this
project.

This is a massive endeavor, and
Ira's office is right next to mine and I know it
is massive because all they do is talk about this
all day, and all I see is people popping aspirins
and heads on their desk.

You know, it is a massive endeavor
because it is technology, and technology by its
nature is complicated.

You throw a different competing
business interest in the mix, you throw a diverse
industry with different business interests in the
mix, and then you throw in the mix different types
of mechanisms working with others, as you can imagine, it becomes very complicated.

This has been a long process. The Commission voted on this three years ago this month, actually, in 2004 as part of two fare increases ago.

The amount of time that has gone into this with the Department of Transportation, the Mayor's Office of Budget, the Mayor's Management Office, the Law Department, the Department of Information Technology, you name it; this is a multi-agency effort that has worked day and night on competitive procurement contracts that are hundreds of pages long, technical rules that we are considering today, and I want to thank all of you for your work, especially Ira who has been the project manager and is going to kind of walk us through these rules.

I think I first have to acknowledge the misinformation that has been out there about what we are doing today. I don't believe it has been reported accurately.

Basically today is not about whether this project is happening or not.

The Commission, this Commission,
voted twice on it. In fact, voted in 2004 that it
is happening, and it has been promised to the
public and is moving forward.

There is a lot of confusion out
there as to what we are doing today. We are not
voting today on anything necessarily to say yes or
no; we are voting on details that are technical in
nature involving an outgrowth of contractual
relationships that have been negotiated between
form vendors and the City, and looking at the
regulatory landscape of the people we regulate and
how they fit into that mix so we can get the
program implemented.

It is technical, it is complex, it
is long, but it is not a yes or a no; it is how we
do it.

I just want to make sure that the
record is clear on this before we start.

I would appreciate the people who
testify to try to stay on topic and give us
concrete substantive suggestions on which
provision of the rules you suggest that you change
and why.

Everybody has been waiting around.

It is really up to the Commissioners.
We can go with two minutes per person or three minutes.

It is up to you. I have ordered some lunch for you folks.

Maybe we will take a lunch break.

We will go back to three minutes if everyone can keep to the time frame.

I really am just begging you to please try to keep with it. If you can make your comments within a minute or minute-and-a-half, we have read everything. Most of the people testifying have submitted comments. We are well aware of the issues, and are taking them into consideration.

I would ask you try to be as concise as you can.

Ira?

MR. GOLDSTEIN: Good morning, Commissioners.

Just before I get into some of the specifics of the rules, I just wanted to give you a quick update on some of the status of the project.

We have completed all -- all four vendors have completed stage one, which was some
basic functional testing where vehicles that were operating not for-hire that we just took out and tested on the road for compliance with the contractual demands has been completed.

We are now in stage two. We refer to it sometimes as a beta stage where there are cabs that are actually operating live and operating for-hire on the road.

Three of the vendors have the 50 cab requirement, and one is close. One has in the mid-30s, approximately 35 cabs.

In terms of the overall roll-out when we anticipate this coming to the fleet, the entire taxicab fleet, we think that will start sometime in the spring, and then the roll-out, full complete roll-out should take place in the summer of '07 through the winter of '07.

COMM. DEAR: Just with regard to time-wise, just trying to think of 13,000 cabs, are we going to be able -- the capacity to have them all up and running, 13,000 cabs going to happen over this period of time?

MR. GOLDSTEIN: I think so, because the roll-out period is going to be basically a four to six month roll-out so we should be okay.
COMM. DEAR: Reading all the material, the compatibility, somebody has a meter, it is going to be compatible to all the functions? Could people separate themselves and come differently; could they say "If you come with my meter company, I am not going to have to" -- you can't use someone else's, you know, package, whatever you want to call it? Is it all going to be compatible?

MR. GOLDSTEIN: What the rule today should accomplish is getting us almost completely to that point.

COMM. DEAR: "Completely" meaning --

MR. GOLDSTEIN: Almost.

COMM. DEAR: What is "almost"?

MR. GOLDSTEIN: There may be an issue of compatibility, as you say, between one of the service provider's solutions and a few of the smaller meter manufacturer players so --

COMM. DEAR: How do we determine everybody is compatible?

COMM. GIANNOULIS: Maybe he should finish his presentation.

MR. GOLDSTEIN: Also during stage
two, we are currently undergoing an IT, information and technology, security audit that we are putting all the vendors through.

We are doing additional functional testing with live data that is out there.

The vendors are also required to make modifications to the presentations that will be on the passenger information monitors, or what or as we refer to them, PIMs, based on the result of the survey.

I might have mentioned that previously. We put 200 people through all four of the vendor's solutions. They answered a 300 question questionnaire, and out of those results, we set a pretty high standard of acceptability.

If any vendors scored higher than 15 percent as an unacceptable rating, they had to go back and make some modifications to that.

That also has to take place before there is the roll-out to the fleet.

Today's rules are for the most part to get everything in place in terms of compliance with the technology, equipment mandate, and also to do an update of some of the rights and responsibilities of the drivers, owners and
agents, as well as the meter manufacturers.

As far as if there is a situation where if one of the systems does not work, the rules that were originally passed back in March of '04 said if any one of the four components of the enhancement project were inoperable, that the cab had to be taken off the road.

What the proposed rules today are is that it would allow a cab to continue to operate on the road if the malfunction is reported by a driver when he knew or reasonably should have known within one hour, and a similar requirement on the owners and the agents.

Where they would be calling that into, each one of the vendors is required to have a 24/7 help desk so that is how we would have the record that it was called in.

All repairs would have to be done within 48 hours, and the cab could continue to operate for 48 hours.

COMM. GIANNOURIS: So the driver is in the cab and the credit card machine goes down, and the driver would get out of the cab and call the --

MR. GOLDSTEIN: Call the help desk
of the service provider of his choice, of the one
that has the system.

COMM. GIANNOLIS: And if he works
for a fleet when he gave the car back, he would
say to them "The thing is broken; go fix it," and
they would have to fix it within 48 hours, or if
the person owned the vehicle, they would have to
go take it to a station and get it fixed within 48
hours?

MR. GOLDSTEIN: One of the -- of
the service provider, or if they have a
subcontract --

COMM. GIANNOLIS: How about if it
can't be fixed in 48 hours?

MR. GOLDSTEIN: We feel that it
will be in all situations, because a lot of the
vendors have business models that involve swapping
out equipment, and that if there is something
wrong, they don't plan on having the person in the
garage for a long period of time. They will just
swap out equipment in most cases.

COMM. GIANNOLIS: How about if --
I guess you are saying it is fine, the vehicle
can't go on the street, but let's say --

MR. GOLDSTEIN: After 48 hours.
COMM. GIANNOLIS: Say somehow the equipment breakdown has something to do with the electronics system and a part has to be ordered and that part is not available? What happens? Does that person now got to take that car off the street?

MR. GOLDSTEIN: After 48 hours, yes, but under the contract between the contractor and the owner that we have in place, they would be entitled to service credits.

COMM. GIANNOLIS: I am saying if the problem that is causing the machine not to work doesn't have anything to do with the machine, but has to do with the vehicle so, for example, it could be -- there would be no reason to take a vehicle off because there is something wrong with some electronic thing because it would pass inspection, but it won't allow the credit card machine to work? I mean, it seems to me to be kind of aggressive to force that person, if the person has done due diligence and is trying to get the part --

CHAIRMAN DAUS: That also could apply to any situation we take a cab off the road for other reasons too.
I guess my question was, what extent of this is discretionary, up to us, and what extent of it has already been negotiated in the contract and is binding and is something they agreed to?

Is this in the contract itself?

MR. GOLDSTEIN: It is in the contract the 48 hours as an absolute maximum. There is varying levels.

About 50 percent have to be fixed within two hours when we examine the service provider's records.

Then there is a sliding scale up to, I think, four hours or 75 percent, and then there is, I think, 90 percent is 12 hours, and it goes to 99.9 percent on 48 hours.

COMM. GIANNELIS: I am fine with the technology issue if that is especially part of the agreement. Maybe I am just making this up, but -- I am not a mechanic.

I know in kind of older cars, you know, and I assume in cars that are more computer controlled now, if something goes wrong, if for some reason that credit card machine burns something else in the car and now that -- and it
can't work, and that person has to order that part, and they say to him "We don't have that part in stock," if it is not a safety issue it doesn't seem fair that that person is now forced to not work.

CHAIRMAN DAUS: It is a fair question.

Chuck wanted to bring up -- address the issue of discretion under the rules and under existing -- do we have any discretion when it comes down to items such as this?

COMM. GIANNOLIS: Fleets could give somebody another car, but somebody owns their own car, they can't go get another car.

CHAIRMAN DAUS: Does anybody want to take a stab at that question?

The question is, for the scenario being raised outside of the rules, is there any discretion for extreme or unforeseen or wild or bizarre circumstances relating to forcing somebody to go out of service for related issues?

MR. GOLDSTEIN: Not that I am aware of, and I have not been made aware of that type of issue coming up, but our top mechanic here has come up to bail me out.
COMM. GIANNOLIS: What is with you guys growing beards?

CHAIRMAN DAUS: They don't have time to shave.

COMM. GIANNOLIS: You look very nice, but still --

MR. SCHENKMAN: Thank you.

Without taking apart the systems, I can tell you fundamentally there is a 12-volt electrical wire that powers them, and it is connected to the meter. If the meter is the fault preventing the system from operating, the vehicle comes off the road anyway.

If it is a 12-volt or an electrical short that has shorted out the entire electrical system, the vehicle is probably not going to function on the road anyway so I certainly understand the questions.

We don't want to mandate the vehicle be fixed or taken off the road if it is unrelated to the technology enhancement.

CHAIRMAN DAUS: That would happen irrespective of these rules.

If there is a problem of that nature, it sounds to me you have the authority and
you do take those cars off the road until they get
fixed, which is the right thing to do, but the
testing so far hasn't led to any of these

MR. SCHENKMAN: Right.

CHAIRMAN DAUS: So far it has been
good?

MR. GOLDSTEIN: I haven't been made
aware of that type of situation.

CHAIRMAN DAUS: That is a very
valid question.

Where are we now?

MR. GOLDSTEIN: Next slide,
installation.

Currently the rules as were
adopted, there was a firm deadline that would be
set by the Commission, and what these rules allow
for is there is an exception if a vehicle is
coming up for its mandatory retirement date within
90 days of the compliance deadline so there was a
situation where compliance deadline was
January 1st, if the vehicle was coming up for
retirement up through March, they would be --
correct me if I am wrong, Chuck -- it would be
like exempt from the requirement for three months.

MR. FRASER: Correct. The
replacement vehicle obviously at the end of March
would have to have the system.

MR. GOLDSTEIN: And the other piece
where there is an exception under the
circumstances for the deadline is in the contract
we have that if any particular service provider
obtains a large portion of the market share, which
is defined as over 3,000 cabs, if they are having
difficulty with hitting all the compliance
deadlines for the vehicles, they can come to the
Commission, Commissioner, and just ask for an
exemption on behalf of that vehicle so that we
don't penalize the vehicle for something that the
vendor was responsible for.

Just trying to hit on some of the
key highlights of the rules. There is some
anti-tampering provisions. In most cases they
were just included onto the existing taximeter
rules, and that is in addition to what I was
mentioning before about the security requirements
under the contract and what we are currently
doing.

I think we are going to come back
to the credit card piece; save the best for last
here.
The next section that we have some changes are in the agent rules, and the way the rules and the contracts were structured is it is the medallion owner that is responsible for compliance with these rules.

What we propose is to have agents be -- if that obligation is being delegated to an agent, that the rules basically mirror the agent rules that are currently in place.

For example, the agent is responsible not to allow a vehicle to be dispatched without a working meter so these rules just basically mirror that.

With the current rules that were passed, the Commission decided to allow advertising on the passenger information monitor and included a mandate that the passenger be able to control turning it off completely or deciding to turn off the screen or muting it.

In the rules we have before you today we just recognize that there is a possibility when you are talking about these screens are very similar to a computer screen, and that it may include the manufacturer name or we could allow for the vendor's name, the service
provider's name.

At this time it wouldn't include any -- allowing any advertising on the plastic screen that surrounds a screen.

We believe that that is consistent with when the board passed the original rules regarding allowing advertising on the PIMs that is consistent with that.

To get to your question, Commissioner Dear, on the meter, the enhancement system interface, where these rules should put in place where almost -- it will open up the market. All service providers will have access if they wish to to all taximeters.

COMM. DEAR: Again, you said almost. What is the "almost"?

MR. GOLDSTEIN: Where I said they will have access. If a service provider chooses not to interface with one or two of the metered manufacturers that are on the market, because there may be an extended problem with being able to develop that interface, they can waive that right for the first year of licensure.

There is one last thing to that. If someone chooses that they want that service
provider system that doesn't interface with one of
the other meters, they would include a price that
is included in the proposal that they submitted to
the TLC for the cost of swapping out the meter.

COMM. DEAR: Why don't you just
mandate that everybody be interfaced?

MR. GOLDSTEIN: Because at this
point there may be a little bit of -- there may be
some technical issues that would extend that.

COMM. DEAR: Hold on a second. We
are talking about technology. This is a
technology thing we are going to know where
everybody is and we can't figure that out? To me
that shows favoritism over one vendor over
another, and I will tell you right now --

CHAIRMAN DAUS: I don't know if
I --

COMM. DEAR: -- I don't know if I
can support something like that.

CHAIRMAN DAUS: I don't agree with
that.

MR. GOLDSTEIN: There was never any
mandate everything interface with each other.

CHAIRMAN DAUS: There is a certain
part of what we need to do here to make this
project work, and to the extent that we can get
the vendors to work together, I think that is
important. People have differences of opinion.
Not only do we have to negotiate with them
individually, but collectively it is difficult to
get everybody on the same page.

Sometimes some of these rules,
including this particular issue, has been a
problem for us. Certain people have rejected both
ways.

This is where it gets really
complicated.

You know, we don’t want lawsuits
getting in the way of derailing the project, but
one vendor against another.

I mean, I wish everybody would get
along, but that is not the real world.

It is our job to try to make the
project move along by doing what we think is in
the best interests of the public.

COMM. DEAR: We are giving an
advantage to one vendor over another.

CHAIRMAN DAUS: I am not sure if I
agree with that or understand that point.

MR. GOLDSTEIN: If you can explain
what that advantage is?

COMM. DEAR: Somebody has a meter shop and he has a system.

MR. GOLDSTEIN: Meter shops is not in the equation.

COMM. DEAR: The meter and the system has to be compatible to each other.

MR. GOLDSTEIN: This is between a meter manufacturer and the vendor and the interface.

MR. SALKIN: I want to just testify. The intention of the rules are as follows: Each vendor if desired will have access to all 13,000 cabs regardless of the meter so the idea is no matter what vendor you are, it will work with every meter.

If you are a driver and you own a car and you have a meter in it, you can go to any of the vendors that you would like to have your car -- to have it put in.

The idea here is the rule is a requirement on the licensee. The licensee is the meter.

We have a contract agreement with the vendors.
The way the rule is structured and what we are trying to do here, if the vendor wants access to the entire market, we will direct meter companies to comply with providing them access to the entire market.

If a vendor so desires not to have access to the entire market -- I am not sure why they wouldn't -- we are not going to put that requirement on the meter companies to work with them if the vendor is not interested in working with them.

There is still a second requirement that whatever driver appears to the vendors, they must accept them and be able to set them up.

COMM. GIANNOULIS: Now I am confused, Andy. When we are talking the vendors, we are talking about the four vendors.

This rule you are proposing -- correct, we are proposing a rule -- would require the vendors to accept all meter --

MR. SALKIN: No. The rule is a rule aimed at the licensee, in this case the meter companies. The rule says the meter companies will be directed by the Commission to make sure that their system works with all the vendors' systems.
COMM. GIANNOLIS: And then you are also saying -- I understand that. So the rule as I originally understood it was directed toward the taximeter company saying to them there is going to be now four approved vendors. You are going to have to go figure out how your machines connect?

MR. SALKIN: Correct.

COMM. GIANNOLIS: Then you said that vendors are not going to have to necessarily allow their machines to interface with taximeters? That is where you are losing me.

MR. SALKIN: Each vendor -- in order for the system to work and be approved, it has to work with at least one meter.

Now, if a vendor decides they don't want access to all the meters, if for some reason their business model is they only want to work with one meter, that is okay.

COMM. GIANNOLIS: Wouldn't then the taximeter companies be in violation of the rule since a vendor company is not allowing them to interface?

MR. SALKIN: The way the rule reads is that we are only going to direct the meter companies to work with the vendors that have the
desire to interface with all the meter companies.

So you are correct. We cannot
force a meter company to work with somebody who
doesn't want to work with them. Why somebody
wouldn't want to have access to all 13,000 in the
market I am not sure.

They still have to accept anybody
that comes to them and work out a way that this
person can hook up --

COMM. GIANNOULIS: Does that mean a
meter company would be forced to create systems
that would be acceptable to all vendors, and if a
vendor decides a month later "I am changing my
system," the meter company would then have to
change it again?

They would be able to close out the
meter company in kind of like a random moment?

They would be able to --

MR. SALKIN: Let me just understand
what you are saying. You are saying so I am a
vendor, and I am working --

COMM. GIANNOULIS: I support what
you are trying to do here, but one of my problems
is kind of like chicken and egg. Who is chasing
who at this point?
CHAIRMAN DAUS: You want to talk turkey, basically? We will talk turkey.

Let's cut to the chase. Let's not beat around the bush here.

One of the four vendors --

COMM. GIANNOLIS: Have you ever known me to beat around the bush?

CHAIRMAN DAUS: You are not. I think you don't know all the stuff going on. That is why you are asking the questions.

I will tell it to you straight.

One of the four vendors believes that their codes and information is proprietary. They didn't necessarily want to share that information with the other three vendors, even though we thought that would be the best way to do the project.

They made a unilateral decision to drop their claim, the way it was explained to me, for purposes of moving the project along. This is a unique situation.

The vendor also has an ownership interest in a meter company -- it is MetroMeter, it is Taxitronic.

They made a business decision rather than make a big stink of this, to move
forward and initially only focus in the market on
selling people -- selling their products to people
who already have their meter as opposed to -- they
made a decision between releasing their
proprietary information to other vendors, which
they didn't want to do.

We don't necessarily -- that is
their decision. That is their decision. They
don't want to do that.

But by the same token, they are
willing to move forward with the project and feel
they can get enough of a market share by just
offering some special deals to the people that
already have their meters in their cars because
they are already set up to interface.

They don't have to share their
proprietary information. There is enough of a
market share for the other three vendors to
operate in.

If the other three vendors want to
tell them "Get rid of your meter because we can
sell you something with this other meter
manufacturer that will work with all three
systems," that is kind of where the market comes
into play.
Look. Am I personally happy with all these nuances, is the staff happy, all the vendors happy with it?

No. In terms of moving the project forward, it is a real issue.

There are very prominent lawyers involved. There have been threats to make lawsuits and stuff like that.

I think it is important that the project don't get derailed, and if we can make a good faith effort to work together -- we have asked that, and John Massalino and his client has made an effort to actually work this out with our staff and with the other vendors.

The other vendors, as far as I was told, weren't as happy about it, but I was told that they were okay with it.

Now, we will hear from them. If you disagree, what you got to do, what you got to really do here is realize is it really worth it to derail this project over this?

I wasn't talking to you guys.

COMM. GIANNOLIS: I am just trying to figure this out.

So the requirement -- the opt-out
of the vendors is confusing me. I am a little confused by that.

MR. SALKIN: Because we have a contract with the vendor, and we have a commitment we believe to the vendors to make the meter market and taxicabs available to them, we will ask them are you interested in access to the entire market? Simple question. I am not going to answer the question for them.

Based on their answer, if they say yes, then we are going to require, as the rule says, a directive to the meter companies to work with the vendors, and the vendors have under the contract to work with the meter companies to make the systems integrate and work together.

The meter company at that time -- there is two ways of integrating. One is you give up your technology to allow the vendor to integrate, or the vendor gives you their technology and allows you to integrate with the technology.

COMM. GIANNOLIS: My question isn't about the technology, because I know there is intellectual -- certainly this Commission cannot figure out intellectual property, including
myself.

MR. SALKIN: The key here is offer

the vendors access to the entire market. We
believe these rules will absolutely do that.

COMM. GIANNOULIS: My only other

question again, and if the vendor changes their
mind -- I am a little confused about that --

MR. SALKIN: The point you are

trying to make is the rules should make clear once
the vendor makes a decision --

COMM. GIANNOULIS: I am not saying

that.

MR. SALKIN: You shouldn't be

necessarily allowed to change your mind midstream
without working out the way it works first.

COMM. GIANNOULIS: It may be

something we have to come back to later. I am not
saying now. I am asking a simple question, and
that is my last question on that.

MR. SALKIN: The way I understand

it is the contract, in order if they are going to
change the way their system fundamentally works,
they have to change the contract, renegotiation
with us, and obviously that would require, working
out with the meter companies.
COMM. DEAR: I have a serious issue with that with regard to the system with the interfacing with all companies, with all companies being excluded and the Chairman telling us because of the big lawfirm --

CHAIRMAN DAUS: That is not --

COMM. DEAR: That is the way you said it.

CHAIRMAN DAUS: In the context of we are trying --

COMM. DEAR: I don't care about lawfirms. I am an attorney also. What is fair is fair.

CHAIRMAN DAUS: When you are trying to get the project to work you have to take into consideration that people are going to sue each other and the likelihood --

COMM. DEAR: By the way, if I am not mistaken, some company sued us already on this, tried to stop it and didn't.

Commissioner Arout, if you are not happy with me speaking --

COMM. AROUT: How much can you talk about this? He is trying to tell you something. You won't listen.
COMM. DEAR: Maybe you don't understand some of the issues, but I do, all right?

COMM. AROUT: Maybe I don't.

CHAIRMAN DAUS: Let's not get personal. This is going down the wrong road.

This is --

COMM. DEAR: There are some serious issues here.

COMM. AROUT: I know just as much as you. You might be a lawyer, I am not a lawyer, but hold your mouth.

COMM. DEAR: I don't disrupt your speaking. Don't disrupt my speaking.

COMM. AROUT: I didn't --

COMM. DEAR: You did. Every time I get up to speak you are grumbling. Enough already.

CHAIRMAN DAUS: Gentlemen, stop it.

COMM. DEAR: This is a serious issue.

CHAIRMAN DAUS: I understand.

COMM. DEAR: One company has an advantage over another because he has a major portion of the meters, and he could go to those
clients -- that is the fact -- we will hear from
the others -- I am not going to support -- I am
not voting on anything that gives one guy an
advantage over another.

CHAIRMAN Daus: I think we
should -- let's wrap up this preview, and we have
like 20 people ready to speak so let's hear what
they have to say before we pre-judge the matter.
Let's just move on.
Do you have more to talk about,
Ira?

MR. Goldstein: I think with the
credit card portion, the large interest is in the
cap that will be imposed on the owners as far as
what they could charge a driver, and I am going to
have one of my members of the staff that has been
working very hard on this, Gary Roth, to handle
that portion of the presentation.

MR. Roth: Good afternoon,
Commissioners.

On the credit card acceptance
portion, there is going to be -- the drivers will
be prohibited from charging a surcharge to the
passengers for using their credit cards.
We are looking at having -- capping
the fee that can be charged over the course of a
shift, because over the course of a shift the
averages will come out to about $25, $18; in that
area. We are looking to cap the amount.

The drivers will be able to set up
their own merchant accounts so the money will be
directed directly into their own personal
accounts.

In an effort to keep the credit
card rates low, the first thing we did was
negotiate with the major credit card companies.

As far as American Express goes,
their regular rate is up to 3.5 percent. We have
been able to get a 2.15 percent for the whole
taxicab fleet.

We are also working with the Visa
small ticket rate, which is 1.65 percent, and the
MasterCard small ticket rate, which is
1.9 percent.

We have also in our negotiations,
we are able to waive the signature requirement for
any fare below $25.

So this next slide is -- shows some
of the charges that we have seen during the beta
test. This is from one of the vendors. There is
2,700 charges, and the charges equal $50,000. This shows the percentage of each particular credit card company, the average fare for each company.

If you look at the bottom right-hand corner, this is the cost for both the banks took their share and the vendor took their share. It came out to 3.13 percent, and that was the amount of money that was deducted from the customer fare paying to the owner of the medallion receiving their funds.

In addition, we also tried to work out the numbers theoretically, and this was done before we got this actual number. We took a blend of all the bank fees, AMEX, MasterCard, Visa. They all charge different rates.

We came to a blend based on their market share, based on the figures in the Nielsen report of 1.82 percent plus three cents is the bank charge, and that is for the intercharge fees and issuer fees.

All the four processors, all the four technology vendors, they charge different rates.

We took an average of all the four
companies, and we came out to .2 percent plus 21 cents.

In addition, we understand that the medallion holders will incur some administrative costs. We have added .67 percent to help them offset the cost of this system.

The total number we got was 2.69 plus 24 cents, and with this formula, based on a $25 fare, the cost, the total cost with all the bank fees, processor costs and administrative fees is 3.65 percent.

We feel that a 3.75 percent number would be a fair number as a cap, because, again, it is an average over the entire shift.

And because we are looking out for the entire industry, we are looking out for the passengers, we are looking out for the medallion holders, looking out for the drivers.

We wanted to err on the lower portion of the rate on the side of the drivers so the fee, if we erred, it would be a little bit too low, and the drivers would get a few more dollars in their pocket instead of the error being a little too high and the extra money going to the drivers.
This isn't art, it is not a science. Nobody knows what the exact number is. It is our best estimate is 3.75 is a fair number.

CHAIRMAN DAUS: Any questions, comments?

Commissioner Gonzales?

COMM. GONZALES: Based on the analysis here I would like to say that this 3.75 that we are talking here seems to be extremely competitive, and that it should enable the driver to get the most proceeds with the technology enhancements.

CHAIRMAN DAUS: Very briefly,

Commissioner --

COMM. DEAR: Forget it.

CHAIRMAN DAUS: Let's just go to Commissioner Fraser, if you could talk about the changes we are going to make, we will go to the public hearing.

I would like to give three minutes. We are going to be here all day.

We will try it at three minutes. If people can't keep to it, we are going to change to two minutes.

MR. FRASER: In response to the
comments that were received on the proposed rule, the Commission staff is recommending a revision of one of the sections, the section that deals with the interface between the customer service enhancement system and taximeter.

What Commissioner Salkin and Chief of Staff Goldstein were describing is the rule as the staff is recommending it be revised.

Specifically, staff recommends that the rule require the service providers to declare which taximeter or meters they want their systems to interface with.

The proposed rule further requires that taximeter businesses then must choose between giving their taximeter specifications to the service providers to enable the service providers to create the interface or to receive the service provider specifications so the taximeters' businesses can create the interface.

In either event, the confidentiality of the specifications would be protected by non-disclosure agreements.

Copies of the revised version of the proposed rule have been provided to the Commissioners, and copies are available in the
back of the room.

CHAIRMAN DAUS: That is kind of what we just discussed.

Let's start the public hearing. We will start with three minutes and see how we are able to adhere to that.

Vinnie Sapone from LOMTO. He left.

Fernando Mateo?

Solomon Neushotz?

MR. NEUSHOTZ: Good morning, Commissioners.

My name is Solomon Neushotz. I am a driver of a yellow medallion taxi. My mother owns it for 30 years now.

I have had the GPS system in my car since the test pilot began in December, and there are lots of flaws with the system.

Unfortunately, I don't have a say right now in the voting aspect of it because it has already been approved, I have been told, two years ago.

You know, I have had the credit card system even before this technology system was in. I have gone from doing one transaction a
month to about seven, eight a day.

What that means is that if I do a credit card transaction today, it doesn't go to my bank account until Wednesday of next week.

As far as cash, you know, we get it all in one day, and we don't have to pay also any percentage fees of the 3.75 percent that was said.

Furthermore, I have had also credit card transactions lost; three transactions that went into the system that did not go to my bank account.

When I went to the meter shop, they covered me for it because I am doing this test pilot.

But what happens -- let's think about five, ten years down the road, passengers come into the car, they are not even going to be paying attention to the system anymore; they are just going to be swiping the card, transactions are going to be lost.

It is another error, because this is a very complicated system, and it is very difficult to be able to take a look at the system.

I think that before we continue on with this technology system, which I know that in
this industry, it is a very big step, I think that we should first do some due diligence first.

Not just with the credit card system, but also with the driver and owner aspect of it.

Fleet managers that have two, three drivers on a car, they are going to have to shuffle around with their payments as far as the credit card transactions. It is very difficult to bookkeep.

I think first we should think about that.

Thank you for your time. It is an honor to be here.

CHAIRMAN DAUS: Thank you.

Next speaker, Mr. Bill Lindauer.

MR. LINDAUER: Let's face it. This is a fishtugina mishigat.

The TLC is lost. It's true.

This is the worst way to mark the 100th anniversary of the taxi industry, and it shows the absolute disssing of drivers.

You make us feel like prison inmates who have to pay for their own room and board.
That was my prelude.

Good morning. I am Bill Lindauer,
but you may mistake me for Bill Gates.

First you make me pay -- lose
$5,000 from soaring gas prices and then let
inflation and lease cap loopholes nullify the
so-called raise, the only one in ten years.

Now you want me and 40,000 non-Bill
Gates class earners to pay for an extravagant
trash technology. This has drivers so enraged
they are ready to bring New York to a grinding
halt.

This is taxing taxis without
representation. This is what the American
Revolution was fought about.

We are not fois gras ducks. You
just don't push it down our throats and make us
pay for it.

You don't have any money? You
didn't get enough money from the medallion sales?
Ha.

Passengers -- I know you think
otherwise, but there is a lot of self-delusion
around here. I am sure Mr. Mateo thinks he
represents Joe cab drivers. He doesn't represent
a single one.

Passengers will hate the TV monitor as they did the previous colossal failures.

Only two goals of this costly calamity have even an iota of merit, and they can be achieved for a whole lot less money.

Mr. Mathew, who is a professor, will explain a more effective lost and found system.

Credit cards require only a $60 device, and of course protection of driver's interest.

Why are you going to this nonsense? You have been bamboozled. It is unbelievable.

Of course, you are going to invite lawsuits, not just between vendors, but you are violating Constitutional rights. There have been other cases.

Even recently city employees, which, of course, we are not, which you always tell us about health care, they just fought in the City Council and won because getting rid of the biometric system, which was just a palm print.

These are city employees and they
don't have to pay for this system.

I am almost through.

CHAIRMAN DAUS: Could you sum up, please?

MR. MATEO: The TLC has denied Constitutional rights before, and $7 million later it is at it again.

There is a moral and financial imperative at stake here.

I implore you, good people of the Commission, not to be bullied, not to act in haste; to see the dire moral and economic consequences.

The TLC is hoodwinking the public.

That is consumer fraud.

Don't believe the hype.

The new Coke was touted as a drink revolution, the Edsel as a car revolution, and the Segue as a new era in transportation.

Finally, this is not the America I grew up in, I love. This is not the New York I grew up and love.

Preserve that America. Preserve that New York. Stop the insanity, stop the madness, stop the folly.
You are arguing about nonsense. It is scrap the crap time.

CHAIRMAN DAUS: Next speaker is Bhairavi Desai from Taxi Workers Alliance.

MS. DESAI: Good afternoon. I am very glad that we are having this public hearing, because, you know, as you must know by now, this is the single topic that occupies the minds of every taxi driver that is out there.

I have been organizing in this industry for almost 11 years now, and I can honestly tell you in all of my years, I have never seen drivers as upset, as outraged as they are over this issue.

What really troubles me is that we keep hearing from the Commission that it is a done deal.

How can it not matter to you that they are the workers?

You know, you can have the technology. It doesn't run the industry.

You can have cabs; they don't run the industry.

Without the drivers, there is no industry.
The idea that you are completely ignoring the fact that they are in great unified opposition to this system I think is highly troubling and, quite frankly, I think is really immoral.

In terms of the specific rules, there is nothing in there about safety guards for the taxicab driver.

You have essentially put in more technology into the car to make it inoperable. You are increasing the chances of the car becoming inoperable.

How that serves the public I have no idea, but I do know that it definitely does not serve the driver, because there is nothing in your proposed rules that says if the system malfunctions and you cannot have it fixed in 48 hours, and then the car must be taken off the road, who is going to compensate the taxi driver? Who is going to pay them for the lease money they have already paid up front? Who is going to pay them for the income they lost out on?

There is no compensation in this for drivers at all.

In terms of the credit card, as has
already been mentioned, again, there is no safety net.

Drivers continually will be the only ones that are bearing the risks, and they will not be seeing any of the profits from this. You know, you said repeatedly in a lot of your materials that this is a, quote unquote, medallion cost. Again, where is the regulation around this? There is nothing that says that the agent must specify in the contract that the driver is not responsible; nothing. These are just empty words that are put out there so the public can be separated from the drivers. Because I assure you that members of the riding public, they respect taxicab drivers and they would want drivers to earn fair incomes. They would not want to know that drivers are going to be putting out this money for a useless system. You had to require the passenger information monitor to have a mute button and have the ability to switch it off. How on earth does it make sense for you to require such a costly system that you
yourself have predicted many people are not going
to want to use?

That is a complete waste of money.

You know, it is one thing, it is
one thing to waste your own money, but to mandate
that working people would be required to waste
their own money is, again, quite immoral.

I would also like to say in terms
of the advertisement, the money that is going to
be coming in, again, where is the public
information on this?

You know, drivers we know through
DOV agreements we have already seen are going to
have to pay for this thing.

If any revenue comes in, what says
they are going to be the ones that should be
receiving it?

Lastly -- there is so much to say
about this, but lastly I want to say --

CHAIRMAN DAUS: We would appreciate

it if you could sum up.

MS. DESAI: I will.

The last thing I want to say, in
terms of the evaluation, when the TV taxis were on
the roads, they took up a full 12-month, 1-year
evaluation.

Now, we know that is because passengers did not like it. Even when those messages were put in the back seat, passengers did not like it.

Here we have a system much more complicated, much more costly.

Again, I haven't even gone into all the privacy issues, but all the objections and controversies around it, there has been a 45-day test period out on the streets.

I understand there have been focus groups, but that is by no means the same as testing it out on the hustle of the streets themselves.

It is not fair that you are only testing this for such a short time period and you are going to require drivers to pay for something that they quite easily -- people are just going to hate to the point that you are going to be forced to pass another regulation that tells them to take the system out.

CHAIRMAN DAUS: Thank you.

Next speaker I believe is Beresford Simmons.
MR. SIMMONS: Good afternoon, ladies and gentlemen. I am a cab driver who has been driving for 35 years in this industry, and I have never seen such a boondoggle since my 35 years.

Who is going to pay?

I want to ask you vendors here, are you guys going to be open 24 hours for the driver who has problems? Have any of you guys ever driven a cab in this city? Do you know how much it costs, how much the owners are going to charge the drivers with the charge card? .2 percent plus 3 percent plus ten dollars a week to have the equipment in their car?

Come on, baby, that is no good.

Now, gentlemen, on that screen in the back of the cab, you know the people are supposed to sit with their seatbelt on. When little Johnny comes in the car and starts playing with those equipment and I step on the brakes, little Johnny's head is going to go through the screen. Who is going to pay for the lawsuit?

This is just something from an experienced driver.

I am not against the technology,
but I am against me as a cab driver has to be paying for all these things that you guys are putting in the cab.

Thank you very much.

CHAIRMAN DAUS: Next speaker is Bernardo Celerino.

MR. CELERINO: Good afternoon, Commissioners. Good afternoon everybody.

My name is Bernardo Celerino, yellow cab driver for 20 years. The entire taxi industry petitions not to pass the GPS proposal. We just don't need it.

The GPS costs $5,400. With 13,000 cabs on the road, we are talking in a deal of about $70 million.

Please understand that why are people interested in passing this rule?

The taxi industry instead demands the enforcement of Local Law number 60 of the year 2003, 40 months overdue.

Since this law has not yet been enforced, the Driver's Advisory Board cannot express any concern in any Taxi and Limousine Commission regular meeting like this one, for example.
I ask Commissioner Matthew Daus, please, what is preventing him, if anything, of enforcing Local Law 60 of 2003?

Commissioner, please.

CHAIRMAN DAUS: We are not here to talk to you about that Local Law. We will talk to you later about it.

MR. CELERINO: Thank you, but I heard the same thing before from you.

CHAIRMAN DAUS: We are not here to talk about this particular law.

Could you just please give us your comments on this rule, and we will talk to you later about the Local Law?

MR. CELERINO: Thank you.

CHAIRMAN DAUS: Because there has been some movement on that, and your name has been submitted.

MR. CELERINO: You told me the same thing two years ago.

CHAIRMAN DAUS: It is the truth.

MR. CELERINO: If Taxi and Limousine Commission members have a vote already decided before this hearing, "I will pass the GPS rule," be fair and enforce it from now four years.
Thank you.

CHAIRMAN DAUS: The next speaker is Jason Schneider from Taxi Technologies, and then Ed Sloam.

I am going to announce the next two speakers so if you could just get ready so we can move the hearing.

MR. SCHNEIDER: Good morning. My name is Jason Schneider. I am counsel to Taxi Technology Corporation, better known as TaxiTech, and we are one of the four technology vendors. One of our competitors, Verifone Transportation Systems, also known as VTS, is a joint venture between Verifone Holdings and Taxitronic. Taxitronic manufactures meters and controls their protocols.

In order for any of the technology products to work, they must integrate with the meter.

To date, Taxitronic has refused to enable us to integrate our product with their meter.

Instead, Taxitronic and VTS tell taxi owners "You use my meter, and you have to comply with the TLC's new technology requirements,
and my technology system is the only one that works with my meter so therefore you have to buy it from me."

In antitrust law there is a term for that, and it is called tying. Tying takes place when a vendor requires a customer to buy one thing in order to get another.

The vendor ties one product, in this case the taximeter, to another product, in this case the technology system.

Tying is considered illegal anticompetitive behavior, violating antitrust laws, if the company that engages in tying is a dominant player in its market.

Out of the 13,087 taxis in New York City, Taxitronic has installed 8,000 meters, which makes it a dominant player in the New York City taximeter market.

So the TLC rightfully seeks to protect such anti-competitive behavior by Taxitronic, and that is the purpose of proposed rule change to Section 15-44.

We welcome the TLC's attempts, but we have grave concerns about the timing.

We understand that the TLC
currently plans to allow VTS to begin selling its
products to taxi owners and only later to require
Taxitronic meters to integrate with the three
other technology systems. That would allow VTS to
engage in tying for a significant period of time,
a critical period of time during which VTS will
use tying to make sales and to protect its
dominant market share.

This schedule, as currently
contemplated, would render the new rule
meaningless and ineffective.

If the TLC implements the schedule,
in effect, it would be an act by a government
agency that lends a hand, almost encourages,
anti-competitive behavior by a dominant vendor in
the very market that the Commission regulates.

To be clear, we support the
proposed rule change, but with one critical
amendment: The new rules should also specify that
no technology vendor may begin to sell its
products before all four vendors' technology
systems have been fully integrated with the
Taxitronic meters which dominate this market.

Thank you.

Can I defer questions until my
colleague has spoken?

COMM. DEAR: He is an attorney. I want to talk one attorney to another.

MR. SLOAM: I am an attorney too.

CHAIRMAN DAUS: You are taking this out of context.

MR. SLOAM: I was just speaking I am an attorney too. My comments say good morning, but I will say good afternoon.

My name is Ed Sloam, and I am the president of TaxiTech, one of the technology vendors. Our product, E-Taxi, was the only product to receive passing scores on every one of the categories of the passenger surveys conducted by the TLC. Our scores awarded by passengers were 40 percent higher than the average of the other three vendors.

76 percent of 206 live taxi passengers surveyed stated that our product is excellent. That number is staggering.

22 percent said our product is satisfactory, and only 2 percent, a statistical error, said that our product is unsatisfactory.

The researchers also noted that if they could correct certain faults in their
methodology, then we would have come out even farther ahead.

We believe that information should interest the Commission. It indicates that we are the only vendor whose product is very well received by the riding public.

Certainly from a public policy perspective, each of you as Commissioners cares about the passenger experience.

As the vendor with the technology system that the riding public likes the best by a very big margin, I ask you to make sure that we get fair and equal access to the market.

Our corporate partners collectively bring dozens of years of experience with taxicab technology and wireless technology solutions around the world, massive financial stability, and a high level of product reliability.

But we are new to New York.

The TLC successfully attracted us and our partners to this market, and it looks like we have done something right in terms of pleasing passengers in this city, as we can see in the surveys.

So we feel we have strong grounds
to make this request.

Please do not allow

anti-competitive practices by our local

competitors to shut us out of this market.

If you allow a meter manufacturer

that controls the meters in two-thirds of the

market to prevent us from working with his meters,

that will shut us out. It would be against the

interests of the riding public, 700,000 people who

take taxis every day and who love our product

significantly more than any of our competitors.

As our counsel just explained,

overall we support the proposed rules, but one

simple change would go to a very long way towards

accomplishing the goal of fair competition in this

project.

All you have to do is amend the

rules, the proposed rules, to state that the

Taxitronic meter integration with all four

technology systems is a precondition to being

allowed to sell the product to any taxi owners.

In the lingo of the project and the

terms of the contract, integrating the dominant

taximeter brand in the market, which the

Taxitronic meter, with all the taxi technology
systems, should be a required precondition to the TLC awarding a notice to proceed to any taxicab technology service provider.

The notice to proceed is the document that authorizes a technology vendor to begin selling its product.

Thank you for your time.

Questions? You have a question?

COMM. DEAR: Do you want to bring up your counsel, please?

You made some very strong statements here. You are saying to us that we are in violation -- if I am not mistaken, it is federal law -- if we are to proceed this way?

MR. SLOAM: What I am saying is --

COMM. DEAR: I know you are an attorney too. He purported to be your general counsel.

MR. SLOAM: He is new to the company. It is his first day.

COMM. DEAR: I want to hear it.

MR. SCHNEIDER: I can't stand up here and say you are in violation. I think that there is a case to be made. It always depends on the facts and circumstances, and I am not up here
to give an opinion of law that these facts are,
but what I am saying is that I think there are
arguments to be made, and that would be up for a
court of law to decide.

CHAIRMAN DAUS: Our general counsel
would like to, at least for purposes, answer your
question, at least give the legal opinion of not
only himself but of the Law Department.

MR. FRASER: We are obviously not
coming to this question cold. We have had
extensive discussions with the vendors as well as
taximeter manufacturers.

The concern that they are raising
is essentially that one of the meter manufacturers
will not cooperate. This rule terminates the
ability of any meter manufacturer not to
cooperate.

MR. SLOAM: Not before --

MR. FRASER: Excuse me, sir.

If that taximeter manufacturer does
not comply, that taximeter manufacturer loses the
right to sell or even keep that manufacturer's
taximeters on the road in New York City. That is
a pretty heavy duty penalty.

The other issue that is being
raised is not a rules issue, and I would urge a huge block of salt to be taken when one competing is vendor is arguing about another competing vendor exercising non-competitive practices.

I think there is a huge dose of salt interest that needs to be taken into account there.

The contract provides that he who passes testing first gets to sell first so what they are asking is that all the vendors be held up until all of them catch up. That is not what the contracts provide.

CHAIRMAN DAUS: Doesn't sound very fair to me either.

COMM. DEAR: Let's go back --
CHAIRMAN DAUS: Big firm, small firm, sounds a little obstructive to me.
MR. SLOAM: You let them have the test without following the rules of the contract.
COMM. DEAR: Let's go back to the first issue. I want to hear clarity.
They are saying there is an issue of violation of federal law. What are you saying; yes or no?
MR. FRASER: I am satisfied and the
Law Department is satisfied that neither our contracts nor our rules nor both in conjunction violate an antitrust law or any other federal law.

COMM. DEAR: They also recognize one company may have an advantage because it is the meter company that owns this system?

MR. FRASER: I disagree with you there is an advantage. Every meter company must make its meter available to every vendor who chooses to use that meter when they pass the testing, and the contract provides it.

MR. SLOAM: Is that before they go to market or after they go to market?

MR. FRASER: When they pass the testing they can go to market.

CHAIRMAN DAUS: Mr. Sloam, we are here to take your testimony, not for you to take ours, first of all.

COMM. DEAR: I want an explanation.

CHAIRMAN DAUS: Let me finish.

This is going beyond the discussion.

Number two, Chuck mentioned, for the Commissioner's edification, take it with a grain of salt. You have to realize to put things in context.
I mean, whether you think it is right or wrong what the first vendor was doing, Taxitronic, they also were the first vendor out of the gate and have a jump because they did everything they were supposed to do.

MR. SLOAM: No, they didn't.

CHAIRMAN DAUS: That is not what has been reported to me.

I understand your concerns about this. I am a little disturbed, quite frankly, that one day people tell me everybody has no problem with changes, that we are trying to work something out, and the next day people called, people are here and things change.

That is not the way we do business here.

MR. SLOAM: I was very clear on the phone last night.

CHAIRMAN DAUS: That is not what I heard, and maybe there was something lost in the communication.

I think when it comes down to this, I was the one who originally raised the concerns about the potential tying.

I asked Chuck very clearly and
succinctly numerous times to get an opinion from
the Law Department on the tying issue. I got the
opinion.

Do you think in your right mind
anyone here, morally or legally, that I and this
Commission and this counsel, who is one is one of
the most -- one of the people I have ever seen
with the most integrity is Chuck Fraser -- would
come forward and put forth rules that violate
federal law?

I mean, please, give me a break.

MR. SLOAM: Not intentionally.

CHAIRMAN DAUS: But it is a legal
issue.

I don't know if this is the place
and forum to work this out, to be honest with you.

We understand what you are saying.

We will talk about it further.

We think we know what your position
is, whether it is right or wrong, but just for
purposes of some of the comments that have been
thrown about here, I don't think it is a very
productive discussion, name calling, insinuation.

Everybody is trying to do the right
thing and fair thing.
We are trying to juggle four competing vendors that are under regulation, under contract, and they are trying to get a competitive edge.

That is life, that is America, that is what is happening here.

We are trying to do the right thing.

If we take some of the personal stuff out of it, and some of the whose lawyer is better than mine stuff out of it, maybe that is the way to go.

MR. SLOAM: We applaud the effort to integrate the meters. We just want to make it relevant.

If it happens after two-thirds of the market has been locked up, it is irrelevant.

CHAIRMAN DAUS: Your point is well taken. I just don't want this to devolve into a who is right, who is wrong.

This is not the forum for that.

You made your point so why don't we move on and get another speaker up here. Thank you.

Dave Pollack.

MR. POLLACK: Just for the record,
I am not an attorney.

David Pollack, Committee for Taxi Safety.

Comments on the proposed rules have already been sent in by our counsel, but I just want to highlight and add some things that may have been missed.

There are some concerns. The 3.5 percent limitation that licensed agents can charge drivers is truly not enough to offset the cost involved.

Using the TLC's formula of 2.69 percent but a 24 cents transaction fee on a nine dollars average fare, the actual percentile cost of a fare to an agent or owner is 5.4 percent, substantially more than 3.75 percent; therefore, if the TLC model used an average taxi fare substantially more than nine dollars, the model is flawed, and a higher percentage should be allowed.

The Committee for Taxi Safety is requesting a 5 percent charge with a yearly review after MasterCard and Visa posts new annual interchange rates or at any time the TLC reviews the entire technology system.
Note a 1 percent driver charge is equal to a dollar for every hundred dollars has in credit card charges; however, for an agent, that 1 percent loss is on every $100 of credit card fares for each taxi operated.

Why should the TLC approve a regulation that will cause and cost financial loss to licensed leasing agents?

There is a little formula attached there.

The regulations should not be promulgated that knowingly will cost any party to lose money. The rules should not be fair to just one party but to all parties.

On rule 1-11(g), as we speak new taxis are being hacked-up with partitions and meters that comply with TLC rules and regulations. These same taxis will require the purchase of new partitions with PIMs and possibly new meters when the new technology rules are implemented.

For those who have hacked-up within the last six months, we ask that they receive a 6-month extension as they have just paid for this same equipment.

There is also the same problem for
those taxis scheduled to retire. Driver owned
vehicles known as DOVs, and owner drivers that are
scheduled for retirement, will be faced with
choosing between prematurely retiring their
vehicles or paying twice for the equipment and
installations if mandatory retirement is soon to
occur.

The proposed regulation allows
these vehicles a 90-day extension from when they
are to be required to purchase the new equipment.
Although we are very appreciative of the 90 days
installation extension for these vehicles, we ask
for a 180 days extension so that the DOVs and
owner drivers are not compelled to prematurely
retire the vehicles.

We are asking for this for the
benefit of the drivers.

On 1-23 section 6(1)(a)(l), the new
rules allows for the driver to continue working
for not more than 48 hours following the filing of
an incident report. We question what happens
after the 48 hour period, for example, if the
vendor does not have a part, as Commissioner
Giannoulis mentioned before, to fix the system?

Under the rule, if this occurs the
vehicle must be taken off the road, penalizing the
driver, penalizing the agent for something which
is not our fault, and in that circumstance we ask
the vehicle be allowed to continue to be on the
road provided that the meter is still operable.

With reference to section 2-39,

passengers wishing to utilize credit cards,
perhaps a pre-authorization should be required so
at a destination a credit card charge is not
rejected. Surely for long trips or airport fares
this, should be done to prevent driver losses.

The proposed rules provide that

when someone with a disability flags a taxi, the
driver is not allowed to place the meter in an on
position until the passenger and the driver are
both in the vehicle.

We believe that this proposed
regulation, although seemingly well-intentioned,
will actually have an adverse effect on the
ability for a person with a disability from
utilizing yellow cabs.

We believe the driver and the
vehicle are and should be engaged from that moment
the vehicle is stopped by someone in a wheelchair.
If the driver is not paid for this time, you are
going to encourage drivers not to stop.

There is a practical side to these regulations that needs to be considered.

Thank you for allowing me to speak.

I did just want to say, Commissioner Giannoulis, just going back, and it has nothing to do with this, the minivans, I am a big guy. I can't get into a Prius, but I can get into a minivan. It is a shame the incentive isn't there for those guys.

MR. FRASER: Any questions?

Next speaker Luis Espinoza.

MR. ESPINOZA: Thank you very much.

I am going to a read a letter from Councilperson Diana Reyna. It is quick.

Dear Chairman Daus, I am writing this letter in response to your agency's proposal of equipping taxis with GPS tracking systems and other interrelated technology.

I am deeply troubled by this proposal. I do not see how this project will enhance the quality of life for New Yorkers.

Furthermore, I feel that the price tag for this innovation is too steep for hard-working taxi drivers to underwrite.
$5,400 for the GPS device along
with $175 per month for the limited returns of
this investment seems like a waste of money.

For this proposal to be made while
taxi drivers are universally uninsured and
overworked seems to be a misguided effort.

Taxi drivers suffer from high rates
of heart disease and other physical problems.

The US Department of Labor reports
that taxi drivers are 60 times more likely to be
killed and 80 times more likely to be robbed while
working.

Drivers are also victims of
non-fatal assaults second only to police officers.

I cannot make my stance on this
issue any clearer. I oppose this proposal, and I
urge the members of the Commission to vote no as
well.

MR. FRASER: The next speaker is
Michael Levine.

MR. LEVINE: My name is Michael
Levine. I am president of Ronart Leasing Taxicab
Company of New York City.

I am also chairman of yellow and
checker cab companies of Chicago.
You will pardon me. I usually don't actually read my comments. I just kind of make them up as I go along. There is a lot of math here. Everybody else gave you the civil rights stuff. I am giving you math.

Altogether I operate about 3,000 taxicabs in this country, all of which accept credit cards electronically.

My company's did over 20 million dollars in credit card transactions last year. I would venture to say there is probably nobody in this room who has more practical experience at credit card acceptance than I do in taxicabs.

I looked over the numbers that the TLC provided us with Ira and Gary I guess two days ago, and we all analyzed them together and found a couple of minor flaws, but it is important to note how credit card transactions work.

When a credit card company gives you a number, like the number Gary gave before was 1.65 for a small ticket transaction, that is Visa's best number. You almost never get that number.

They have a number for their small ticket, which is under 25, a number for their big
ticket, a number for somebody who gets mileage on
their credit card, they have a different number
for a corporate card, they have a different number
if you get from like a Bank of Tokyo credit card
from Visa or MasterCard you could be paying 2.5
percent. That is only for qualified transactions;
if it goes straight through.

If you have a transaction that
doesn't swipe because the credit card doesn't have
a good magnetic strip and they have to punch it
through by hand, you could pay close to 3 percent.

So the 1.65 is a small percentage
of the time you actually get to use that number.

On top of the percentage the credit
card company charges, there are flat fees. Visa
may charge 1.65 percent plus a nickle a
transaction, and then the bank that is actually
processing the transaction may charge you another
dime for processing those.

Then the vendors are adding like 13
cents on top of that, and they may also add a
percentage on.

By the time you get done, the
numbers that you originally quoted look nothing
like the numbers you actually see on your billing
statements. That is just to start with.

Let's assume the TLCs numbers are correct, the ones they are using. They came up with 2.02 percent in variable percentage costs on the credit card charges that will go through on the taxicabs.

They also came up with 24 cents in flat fees they say are the average that are going to be charged.

Then they said -- they based administrative fees, which would be what my company would have to charge to have one guy -- what I do now -- one guy who sits there all day now and does nothing but check out the little tags and handle the charge backs, and then you have more accounting fees, you have more cashiering fees, you have to have your accountants look over your statements three or four times by the end of the month and make sure you get all your charges, which if you don't you have to go back and fight them.

It is costing me about $60,000 a year in New York alone with only 300 cars to handle just credit card transactions.

Now, going forward with the numbers
that they quoted, they are saying 17 cents for handling administrative charges so their original assumption was that the credit card fare would be $25, the average credit card fare. That was based on cab companies like my own who are taking credit cards now.

The fact is, my credit card, there is a little bit of a swipe that is black on the back of the partition, and most people don't know it is there.

The only people that use it -- I got a lot of airport work and stuff like that -- a lot of math here --

MR. FRASER: If I may just ask you, I take it you are saying the 3.75 percent charge to the drivers is not sufficient?

MR. LEVINE: Even by their own numbers. At $18 it is the actual --

MR. FRASER: How much would you say is what the charge should be capped at?

MR. LEVINE: The average across the country based on TLPA results is over 6 percent. Most that have mandated have mandated 5 percent.

MR. FRASER: Can you sum up?

MR. LEVINE: I can sum up. The
numbers -- at the current level, the TLC's number at ten dollars, which is the average regular fare, it is going to cost 5.09. That is with .67 percent, which is not quite right.

If you go back to 17 cents, which is a flat, not a percentage, that same ten dollars fare gives you 6.12 percent in charges, but if you actually figure out the real costs of the administration, not the cost TLC is assuming, my charge would come out to about 8.82 percent on that ten dollars fare.

If you want to take all the administrative costs out and mandate that the vendors now do all that stuff and have the guys back there do it, that is great. Charge me my 3.75 percent flat from the vendor. I will pass that right on to the driver, I will be done with it and thanking you forever.

If I could go back for two seconds --

CHAIRMAN DAUS: We have a dozen speakers to go.

UNKNOWN SPEAKER: He could relinquish his time if it would speed up the process. It is covering the same topic.
MR. FRASER: Go ahead.

MR. LEVINE: The bottom line is the 3.75, even by the TLC's own numbers, aren't going to come anywhere near covering the cost of operating these transactions.

If you go back to the credit card meters that -- the Taxitronic issue, you don't want to explain from a vendor standpoint so I am going to explain it from a fleet owner standpoint.

I have 330 Taxitronic meters in my cabs. If I now go to Verifone and they say my price is $4000 to get this unit, and that includes the fact I already have the meter, that is great, but if I like somebody else's system and it is the same $4000, but now I have to buy another $400 meter, that puts me at a severe disadvantage.

I have integrated equipment in Chicago and New York, and it takes time.

The fact they will now open up their codes, which basically says to another company "This is how my information comes out of my meter," it is going to take another month of so for that company to take those codes and figure out how to integrate it in their unit.

Basically you are going to be
taking the choice out of my hands as to what vendor I want to use.

If I have Taxitronic meters, I am going to be a month behind the ticket before they can even sell me their unit or I have to buy new meters.

To go back to the credit cards for a second --

COMM. DEAR: Hold it just one second. This is important. This is the first speaker that really clarified the issue.

Could you answer that, explain?

Because you said that if a meter company does not cooperate, they get hurt.

Could you explain, answer him?

MR. FRASER: Yes. I mean, the meter company must be licensed by us, and a failure to cooperate, to comply with rules, which this rule would include, would result in penalties up to and including revocation of the license to manufacture and sell meters in New York City.

MR. LEVINE: Now you have revoked their license to sell those meters. What happens to the 8,000 of us that have those meters in their cars?
MR. FRASER: That is a question I would have to call on Commissioner Salkin or Mr. Goldstein.

CHAIRMAN DAUS: Buy new meters?

MR. LEVINE: That's right. So I am paying the penalty; not them.

CHAIRMAN DAUS: You also have the choice not to sign up with them.

MR. SALKIN: One of the concerns I think Commissioner Dear is raising that I think Mike Levine raised is it takes time for integration to happen -- one of the key things raised was it takes time for integration to happen.

The way the proposed rules are reading is until -- there are several months actually in which the taxicab meters will be required to figure out a way to become compliant with the vendors before the Commission, which they haven't even done yet, actually mandates that the systems start being installed.

There is going to be, I believe, enough time for that to happen so anyone who is a vendor, anyone who has any meter, can say with certainty that the systems will work together.
The risk, yes, is that if a company fails to figure out a way to integrate their meter, they would lose, I guess you are saying, their livelihood of -- I heard different numbers, 8,000, 6,000 thrown out today. They would lose their livelihood of having all those meters.

I guess that is kind of the way the rules are set up. If someone is willing to risk that and go down that road of not being in New York City and that is the new business model, we do have that problem.

I don't foresee that happening. I have worked with all the vendors on the meter side and on the vendor side, and there is a level of competition, yes, but there is also a level of cooperation.

I think people recognize there is access and benefits in having the whole market compete.

I think it is important that the meters are working with the vendors, and I think it is important that before the system is required to go in, that the meters are required to work with the vendors and there is enough time for all that to happen.
I believe the way the rules are set up and the time line we envision, that will be able to happen.

COMM. DEAR: I would like -- truth is, I am not knowledgeable. This is an impartial guy. He is a buyer.

MR. LEVINE: I don't know exactly what --

COMM. DEAR: One second.

They are making snide remarks, they are laughing. Do you own -- have any interest in any of these companies?

MR. LEVINE: No, I do not.

CHAIRMAN DAUS: I understand what you are saying. He is impartial with respect to being a buyer, but he also has a business interest.

COMM. DEAR: What is the business?

CHAIRMAN DAUS: He is concerned about losing money.

COMM. DEAR: Exactly. I want to hear him.

MR. LEVINE: I have gone through this before with Taxitronic meters and with products -- you know, Mobile Knowledge radios, and
it took -- the last time we had to do an
integration it took pretty close to a month, a
little more than four weeks.

You know, I don’t know what the
schedule is on the legislation, but if you are
saying to me that when Taxitronic finishes their
test they can now go out on the road, and if all
the vendors finish their tests at the same time --
just, for instance, they all finish at the same
time, now when these other vendors finish their
test Taxitronic has to open up their meter stuff
to them, that is going to give them a 4-week jump
on sales.

That is the way I understood it,
and I could be wrong.

MR. SALKIN: The way it is set up
to work, in order for a meter to be licensed, it
has to work with the vendor. The time frame for
that will be before the taxicabs are required to
have the system in their cab, which hasn't been
voted on yet by the Commission and will be
determined at an upcoming meeting.

The idea is, Ira Goldstein referred
to a roll-out of about four months. You are
thinking something that would start in the summer,
I think as the program said.

We are looking at a time from today of this discussion until early summer, mid-summer in which everyone has to figure out a way to get this thing integrated.

I think I understand your concerns. I think that time frame should be enough time frame for everybody to get that done assuming they are all working cooperatively and working.

UNKNOWN SPEAKER: What about the sign-up deadline?

MR. SALKIN: The sign-up deadline is a several months process.

MR. LEVINE: The original sign-up deadline was saying something about 60 days. If we could have assurances from this group that if we do not have -- if the stuff was not -- the data was not given to all the other vendors in time for them to integrate within that 60 day period, that there would be an extension so we can actually have a choice, a proper choice, that would be very helpful.

CHAIRMAN DAUS: That is a fair point.

MR. SALKIN: On the 60 day
deadline, it is separate than the notice to
proceed. It is 60 days so that the owners of the
medallions know that they have 60 days to sign up,
and that is not necessarily referring to the full
length of the time. We haven't hit that period of
time, and it hasn't been discussed.

MR. LEVINE: I think that would
solve the issue.

CHAIRMAN DAUS: It is a good
suggestion. I am glad you came, Mike. I wish you
were here last month. I got your letter.

MR. LEVINE: When I was misquoted.

CHAIRMAN DAUS: The way it was
explained to you that prompted your letter was not
entirely accurate. We were having a discussion
about the design trust, and things were taken out
of context.

Your name came up as someone who
was sitting on the panel. Somehow that got
misconstrued as saying you were the board member
that wrote the report, which was not something
that I ever said when I looked at the transcript
or anybody here.

MR. LEVINE: I was also misquoted
on this issue as well. It was said -- they didn't
use my name, but I gave a speech to the TLPA and said at 5 percent you could make money on these -- that is not exactly what said. What I said is at 5 percent you have enough money from the transactions to pay for what it is going to cost you to run them so you have the ability to --

CHAIRMAN DAUS: I didn't hear that.

COMM. DEAR: This was the best presentation I ever had, and it opened my eyes. Please come to other hearings.

When it affects your industry, be here to explain it to us.

CHAIRMAN DAUS: He usually does.

Dr. George Lipsky.

DR. LIPSKY: Good afternoon,

Mr. Chairman. Good afternoon, Commissioners.

My name is George Lipsky. I am Vice President of Research and Development and Operations for Digital Dispatch.

Digital Dispatch has been a vendor of equipment servicing taxi market for last 17 years. We have been supplying equipment to many, many operators, United States, Canada and many other countries.

We are essentially an independent
supplier. We are not tied with any taxi operators, we are not tied with manufacturers of the taximeters, okay?

This is just background.

I just would like to raise a couple of points with you. I don’t want to make any speeches.

One point relates to the interface between the taximeter and the systems.

We strongly believe that the choice should be with the medallion owners. The medallion owners should have clean and unobstructed choice to choose any taximeters that they please, and also to choose the type of systems they are the most comfortable.

I believe that choice, as I said before, should be unobstructed, which means that, essentially, the choice of whether a vendor wishes to supply or not really shouldn’t be with the vendor, and that is the part of the proposed changes that we don’t like.

We really would like to, once again, to make that choice clear and free for the users to buy it.

The other point would I like to
raise is issue of timing of notice to proceed.

   Yes, we do understand, there are
some issues related to whose vendor is coming
first, who is other; I don't have details on this
one.

   But, again, the issue here is
customer interest, which means the medallion
owners.

   You know, we believe that medallion
owners should have free and unobstructed choice to
review the benefits of its systems and choose the
systems based on the merits what the system offers
for the business.

   Therefore, giving one of the
vendors, whether it is us or some other party, the
advantage of going ahead, I do believe it taints
the area of some medallion owners to make that
choice.

   Thank you. That is all what I
wanted to bring for your attention.

CHAIRMAN DAUS: Thank you.

Next speaker is Julio Alvarez.

Jesse Davis?

MR. DAVIS: Good afternoon,

Commissioners.
My name is Jesse Davis. I am the President and COO of Creative Mobile Technologies, the contractor agent for Mobile Knowledge Corp., who is one of the vendors selected to provide the mandated new technologies as part of the Medallion Taxicab Enhancement Service Company.

As a vendor participating in this very rigorous process, I think it is important to provide you, the Commissioners of the TLC, with our thoughts on the taxicab technology rules which are before you today.

It is our opinion that the TLC crafted these rules with great thought to the initial guiding principle of this program, dating back to the RFP that was issued in 2005.

That guiding principle was a commitment to providing taxi owners and taxi drivers with the greatest possible choice in technology solutions; not to grant a contract to a single provider, not to grant a contract to a single provider that could not support the entire industry, and not to exclude any part of the medallion owner community from equal access to all available choices.

Very early on, the TLC wisely
adopted the principle that all vendors must
welcome all comers, meaning that every vendor's
passenger information monitor and technology
solutions must be compatible with all medallion
taxicabs regardless of what meters are in those
cabs or which advertising company the medallion
owner contracts with.

Based upon this understanding which
has been reiterated several times over the course
of the last two years, CMT made the necessary
investments and built a solution that has the
capability to work with all meters. The TLC must
now ensure that all vendors receive the necessary
tools to complete this requirement; that is,
require all meter manufacturers to interface with
all PIMs in a timely manner, a milestone that is
required but not yet achieved due to a single
meter manufacturer's failure to cooperate.

Passage of these rules would be the first step in
accomplishing that.

The proposed rules of section 15-44
seek to achieve this kind of totally integrated
marketplace that provides owners with equal access
to all solutions; a marketplace where owners are
provided choice and where no one vendor would have
an advantage over another.

I will use CMT as an example.

Clear Channel, our strategic partner, has 6,000 to 7,000 existing advertising contracts. Although today only taxi top advertising is permissible, many of the Clear Channel contracts provide them with the interior rights as well. The technology contract rightly prohibits Clear Channel from leveraging the contracts to get their clients to sign with CMT and ensures that all owners with taxi top contracts are able to evaluate and select the best solution.

While section 15-44 remains silent on a previous requirement that all PIMs must work with all meters -- a requirement CMT fulfilled at great expense -- it does stipulate that all meters must be compatible with all technology solutions. That is extremely important. It is at the heart of the integrity of this process. It creates a level playing field for vendors and allows all medallion owners to choose from all four vendors, all of whom have very different systems.

While we support this rule, I implore all of the Commissioners to remain protective of this rule. As far as I am aware, no
vendor has cleared stage 2 and received the
go-ahead to sign contracts and install devices.

And after clearing stage 2, no
vendor should be able to sign contracts and
install devices until its PIM works with every
meter and every meter works with its PIM.

That is the level playing field and
the competitive spirit of the technology program
that this Commission approved, and it is vital
that the foundation of this program be kept whole.

Thank you.

CHAIRMAN DAUS: Thank you.

Question?

COMM. DEAR: You heard obviously
the exchange between Michael, Commissioner Salkin?

MR. DAVIS: Yes.

COMM. DEAR: Are you satisfied what
was a response to Michael's concerns; that would
satisfy your issues?

MR. DAVIS: With regard to having a
vendor not support all meters.

From CMT's selfish perspective,
that theoretically opens up more of a market share
if one vendor chose not go after the whole market;
however, that violates what was worked so hard to
protect from the owners. They have to be given a choice.

Right now Taxitronic has been established in the market. Those people that are not Taxitronic customers have made that choice not to be Taxitronic customers so the market is already split into who they are going to go with.

We were required by contract which we all signed to take all comers, which means that we have to have a solution that works with all the people.

The taximeter was not part of the RPF. That is part of an existing product.

By allowing any one vendor not to integrate with all the meters, you have given them the ability to not take all comers, to limit their market share, and it is less expensive and less risky for you to build a product that only integrates with one.

So three of the four vendors undertook the risk and the expense to meet the requirements that were set forth and have an open product.

One was given a fast path, an inexpensive and safe way out, and we all had
concerns over what if we suddenly faced 13,000
people coming to any one vendor because we had the
best solution.

If Ed's is the best solution and
everybody wanted it, could he support all 13,000?
If we had the best solution and he
came to me -- we all went into this process
thinking there would be ten or twelve vendors; not
four.

When only four came out and the
City came back and amended the contract to insist
we all take all comers and we were not allowed to
adjust our backup, we agreed to that assuming that
we would have a level playing field.

We were told at that time by the
counsel Mark Lindsay, hired by the Commission to
negotiate the contract, and Chris Montgomery, who
was the project manager at the time, that the
meter issue and the taxi top advertising issues
were the biggest concern that could make it an
unlevel playing field.

Because the advertising is a party
to the contract, the contract binds them, and they
had to give up the right to participate.

Because taximeters were not bound
by the contract, we were told that that had to be
done by rule change to level the playing field,
and we were assured by Mark Lindsay and Chris
Montgomery in November of 2005 that the rule
change would be in so all the vendors would have
the opportunity to integrate with all meters
before anyone would be allowed, the program would
even go forward, let alone get to the stage where
we are ready to come out.

COMM. DEAR: May I respond to that?
Is someone saying -- is that true,
what was said?

MR. FRASER: I wasn't party to
those discussions.

CHAIRMAN DAUS: Ira?

MR. GOLDSTEIN: The RFP stated it
was highly desirable to have all meters interface
with all the vendors' products.

CHAIRMAN DAUS: So it was an
absolute?

MR. DAVIS: That wasn't the comment
I was speaking to.

MR. GOLDSTEIN: There were probably
verbal comments made to that effect, but we knew
there would be legal issues down the road and that
is why the RFP was purposely worded as such.

MR. DAVIS: I am not speaking to the

requirement saying all vendors --

COMM. DEAR: You have an attorney

representing --

MR. DAVIS: Mark Lindsy.

COMM. DEAR: -- this agency, right?

Is he here, Mark Lindsay?

MR. GOLDSTEIN: He was outside counsel.

COMM. DEAR: He is not here, right?

This is important. It is a very serious

statement --

CHAIRMAN DAUS: He works in

Washington DC, and he was hired for a short period

of time.

COMM. DEAR: Another fancy lawyer.

You couldn't get someone from Brooklyn Law School?

What is wrong with that?

MR. DAVIS: As far as what it has

come to today, basically just to explain the

position --

CHAIRMAN DAUS: Can I ask you a

question? Did you or did you not say that this

rule change the other day was acceptable to you?
MR. DAVIS: Absolutely never did.

CHAIRMAN DAUS: Did any of the

other vendors say so as well? Because I am

getting misinformation about this.

COMM. DEAR: Good morning.

CHAIRMAN DAUS: Did they or did

they not? Did I misunderstand?

MR. GOLDSTEIN: There were

comments --

CHAIRMAN DAUS: Were there

comments, or was there an agreement?

MR. GOLDSTEIN: -- that they

thought this was a good way of solving the

problem.

CHAIRMAN DAUS: From everyone?

MR. GOLDSTEIN: Not everyone.

CHAIRMAN DAUS: That is something I

did not know.

MR. GOLDSTEIN: Not everyone, but

in this case, yes.

COMM. DEAR: What do you suggest we

have to do, in two sentences?

MR. DAVIS: It is a timing issue,

and from a timing issue I am very concerned about

delaying the program, I am very concerned.
In fairness, the way the program was structured, all of the vendors were given equal opportunity to hit certain milestones, and if you hit those milestones you would be allowed to go forward. That is a fair milestone.

We can adapt what Andy has suggested for the meter and tweak it a little bit, and what Ed suggested for the meter.

CHAIRMAN DAUS: Isn't that outside the rules process?

MR. DAVIS: Now you want to amend the rules. First of all, you have to amend the rule to require to a taximeter to work with all the vendors. We haven't been given the time to do it.

Based on the way the timing is, if you gave me a notice to proceed tomorrow, with the amount of focus I would have to do on installations, I can't guarantee when I can get to my three, four, five weeks of work on the meter, nor can the meter manufacturer guarantee me today that his product, the way it stands today, is capable of interfacing with my product without him doing development.

All the other meter manufacturers
had to do development on their product. No proprietary information was exchanged.

We designed and discussed an interface. We came up and said the City requires these events to happen, this information to be communicated, here is how it has to work.

We worked cooperatively with the other meter manufacturers and designed a generic interface. They implemented their code, we implemented our code. They could both be independently verified. We put them together.

We worked together to debug the little misses until we got it right, and it worked.

The other meter manufacturers -- nothing proprietary was exchanged in the whole process, which was misinformation that has been put out there.

COMM. DEAR: Can we go along with that?

CHAIRMAN DAUS: Understood.

COMM. DEAR: Is that an issue we can go along with it?

CHAIRMAN DAUS: I think we should hear from the remaining vendors too.
Thank you, Mr. Davis.

Joe Giannetto?

MR. GIANNETTO: Good morning, Commissioners.

My name is Joseph Giannetto. I represent the Metropolitan Taxicab Board of Trade.

As I have testified in the past, MTBOT supports improvements and technology that serves to enhance the delivery of taxicab service throughout New York City.

We have actively participated and contributed to the research and discussion in connection with the Taxicab Technology System since the beginning when this Commission mandated service enhancements at the public hearing in March of ’04.

Three years later, and obviously after a tremendous amount of work by the TLC, its staff and this Commission, we are at the threshold of implementation, but our taxicab operators are very anxious and they are very nervous, because we have yet to be presented with the actual costs of purchasing, operating and maintaining these systems.

And in the absence of that
information, we are faced with the most 
problematic component of these rules, and that is 
the limitation on what an owner may charge a 
driver for credit card transactions. 

We don't necessarily object to the 
cap itself, but 3.75 percent is too low, and it 
doesn't come close to covering the average cost of 
credit card acceptance. 

Even according to the TLC's own 
calculations presented today, the estimated cost 
of credit card acceptance on the average New York 
City taxicab trip is 5.1 percent. 

Today's rules proposals will 
undoubtedly impact the cost of our operations. 

According to information on the 
TLC's website, for a fleet of 100 taxicabs, the 
overall costs can be between $290,000 and almost 
three-quarters of a million dollars. 

This does not include the 
significant integration and administrative costs 
as well as the cost of the new partition. 

It is important to note that the 
TLC has stated many times in the past that the 
cost for this initiative continues to be financed 
by passengers in the form of a rate of fare
increase and shall continue to be paid for by this on going generation of revenue.

While the 2000 -- the 26 percent fare increase in 2004 has had a positive effect on the taxicab industry, it should be noted again, especially for those that weren't there at the time, that 85 percent of the fare increase went directly to drivers who also benefited from a one dollar rush hour surcharge.

Recently drivers benefited 100 percent from the wait time fare adjustment.

Again, during the eight years prior to the 2004 fare increase, taxicab owner operating costs have skyrocketed, and the relatively small adjustment to the lease cap did not significantly offset those costs, which continue to rise, nor will it cover the cost of the taxicab technology system, which, if you recall, we were told would cost $1,500.

While we fully expected that owners would bear most of the cost burden of the system, it was made clear to the industry that drivers would bear their fair share of the costs commensurate with the benefits derived from the fare increase as well as from the technology
system itself.

All we are doing is we are simply asking the Commission to better balance the cost between taxicab owners and drivers.

If the Commission wants to protect the drivers by placing a cap on the amount an owner can recoup from a driver for credit card transactions, then it must be certain that that cap allows for room for a fair recoupment of costs for owners.

At the minimum, we want to be assured that we can cover ours cost.

As was stated before, the cost for the average New York City taxicab trip is about ten dollars, and according to the calculations today, if that fare was to be paid for by credit card, the average cost of processing that credit card transaction would amount to 5.09 percent.

As Mike mentioned, according to the Taxi and Limousine Paratransit Association 2006 fact book, taxicab operators across the country that accept credit cards and charge their drivers a fee, charge on average 6.72 percent of the total fare.

It is also important to note, if I
could sum up, the authorized taxicab technology vendors will be charging owners credit card transaction fees inclusive of published interchange rates, dues and assessments and processing fees plus their percentage markup so when interchange rates go up, so will owners' costs, yet the proposed rules won't allow an owner to adjust the amount he can recoup from a driver so the TLC is establishing a fixed recoupment cap well below owners average variable credit card acceptance cost.

As Mike did so well, he stated that the rates that the TLC is referring to now are what is called a qualified rate, which is the lowest rate a merchant will incur when accepting a credit card, but three is different rates; the mid-qualified and non-qualified rates, each almost two-and-a-half to 3 percent higher than the qualified rate.

CHAIRMAN DAUS: What was the size of your sample, Joe?

MR. GIANNETTO: In which regard?

CHAIRMAN DAUS: How did you come up with the five percentage --

MR. GIANNETTO: Across the country?
CHAIRMAN DAUS: No. Did you do any actual data samples yourselves?

MR. GIANNETTO: I don't know if you are referring to the average cost of a taxicab trip. If the average cost of a taxicab trip, which, by the way, this whole initiative was premised on, was premised on a small ticket category. It was told to the vendors that the average fare in New York City is ten dollars, 9.61 right now after the fare increases.

We got them to buy into the fact that this is a small ticket category and so if you do the TLC calculation on a ten dollars fare, you come up with a 5 percent credit card cost.

To use a $25 fare is not fair, and we know what the trend is as we have seen it in McDonalds, as we have seen it in convenience stores.

The small ticket category is probably the fastest growing category in the credit card business today, and everybody in this room expects that the average fare that will be paid for by credit card is going to be closer to ten dollars than closer to 25; therefore, our percentage costs will increase.
One last thing. The prevalence of rewards cards today, some people estimate that 15 to 40 percent of all transactions are used on rewards cards, which is just going to further increase the costs passed along from the vendors to us.

We won't know, as Michael said, we won't know what our credit costs are until after settlement occurs, if it is an international card, if it is a mid-qualified card or a non-qualified card.

We understand there is a lot of competing interests in this room. To be fair and to better balance the cost of the required service enhancements, in light of those competing interests of all the stake holders, we are simply asking the Commission to be fair and consider a cap of no less than 5 percent, which would mirror the current costs.

Thank you.

CHAIRMAN DAUS: Thank you much.

Savas Konstantinedes?

UNKNOWN SPEAKER: He gave his time to Mike.

CHAIRMAN DAUS: Thank you. We
appreciate that.

Paul Gilman?

MR. GILMAN: My name is Paul Gilman. I am a licensed medallion driver. I have been driving for over 19 years now, and I think this whole thing is outrageous that we have to be forced to use credit cards, because when we -- you know, they tell us -- they give us this nice chart, pay 1.1 percent, and then we find the true cost is over 5 percent.

Say half your jobs are, you know, credit card jobs so you bring in about 250, $300 so you have to pay 5 percent of that, and that is including the lease fee, and these guys who get the 5 percent, they don't lift one bag, they don't drive a passenger, they don't take any of the risk.

We are taking all the risk, yet they are taking a piece of our money for doing nothing but sitting on their asses, and that is wrong.

We are doing the work, and they are keeping the money. That is not fair. That is not right. That is immoral, that is restraint of trade.
We are talking about our right to do business and the way we want to do it. This is not a question of safety or health; this is a question of how we do business. You do not have a right to legislate that.

We are talking about free trade agreements here, restraints of trade, all this kind of crap, but yet you violated it by forcing us to do stuff we don't want.

That goes for E-Z Pass. We should have the right to collect the money in our own way. That is our prerogative, not yours.

Second, with GPS we know very well the privacy issues. They have been talked about ad nauseum.

I worked for a black car service at one time. They gave me -- they had GPS. They sent me to Williamsburgh to pick someone up at Peter Lugers.

I am sitting there waiting for the client.

They thought I was in New Jersey.

The thing doesn't always work.

In England if you go above a
certain speed limit, they will send you a ticket.

What if the thing is not working?

Your word against a machine?

That is not right. How are they going to sort all this out?

You are mesmerized by technology like it is going to solve all the problems.

Technology has created problems; it doesn't solve all the problems.

I am going to give you a parable.

When they were having the space age a long time ago, the astronauts were trying to figure out how to do the ball point pens in gravity, like they wouldn't write with zero gravity because you try to write upside down.

They spent two, $3 million to get a pen that would work in space.

You know what the Soviets did? They used a pencil.

We use pencils. That is good enough. We don't need no GPS. GPS is not for the drivers.

I can tell you when we had the computers in the back seat? Passengers didn't like it. That is down time for them.
One last thing I want to sum up.

Right now you are controlling us through GPS and all of that. They are going to be making it mandatory in all your cars; it is not going to just stay limited to us. You are driving on a slippery slope. You are going to be forced to put GPS in your car.

You go over a certain speed limit, you double park, you are going to pay the penalty eventually too.

Right now we are the canaries, but this gas is going to bomb all of you.

Don't think you are going to get away with it.

It is not me that is going to do it. You are supposed to know better.

You are supposed to go to college and read the Constitution. I don't know what the hell happened to you guys.

CHAIRMAN DAUS: The next two speakers are Mor Thian and Osman Chowdhury in that order.

Mor Thian?

UNKNOWN SPEAKER: He had an emergency and had to leave.
CHAIRMAN DAUS: Sorry to hear that.
Osman is not here?
MR. CHOWDHURY: Hi. Good afternoon. My name is Osman Chowdhury.
Chairman Daus and Commissioners, I would like to thank you for giving me the time last month to honor me for returning the diamonds when the passenger left my taxi.
This honor not for me; all for New York City, those are driving, brother and sister; goes to all of them. They are sharing with me. All taxi drivers are honored working hard, seven days, 24 hours shift.
I can say something about GPS, like lost and found for a party, the GPS you can send a text message, the lost and found for a party, but that is not a solution.
The easiest solution, when you shut off the meter, you get a back light giving a powerful light and you are going to see what stuff they have inside.
Now they shut off the meter, from the back seat, very dark.
When you shut off the meter the back seat has the powerful light, people can see
what stuff they had. Now I shut off the meter, bad light, nothing light there. You don't see anything.

The easy solution, meter, lost and found property.

Another thing, sometimes a party, some passenger, notified me "I found some things."

Okay, they are given to me. I tracked down and give to them.

Sometimes some passenger wants to keep the stuff. "I found in the back seat property," a passenger found it, sometimes they wanted to keep it. I said "No, it is not your property. You cannot keep it. Give it to me so I can track down."

Also, the passenger can notify TLC or anyone they found some property, they give it to the driver. We need a solution on this thing.

Also, sometimes you put the text message to send the driver somebody left stuff on the seat. That I don't know anything about. They took it. I saw lots of things.

How can you text message taxicab? Driver doesn't know. How can you solve this problem?
Also, sometimes -- last year I go
to the station and I gave them the return.
Sometimes a doorman is there waiting. I give it
to them; empty handed back. I don't mind.
Sometimes ten dollars, times $20, sometimes $50.
I don't care about -- we feel anything found,
return to them. Text message is not the solution
to everything.

The other point, GPS, the problem
is midnight, driving night driver, 3:30,
4:00 a.m., four people came. One guy wanted to
sit in front seat. I refused them because they
are drunk.

I don't take them.
They are going to make a complaint.
What reason? They are drunk.
Because I know they are talking --
I told them now you can go in the back seat.
No, no, they wanted the front seat.
I refused them.
GPS is going to accept a rider?
This is not a solution.
Midnight, other place in the far
away, you go there, only one credit card, go to
the destination, no authorization, what can I do?
Then I am losing the money.

Thank you.

CHAIRMAN DAUS: Thank you for doing what you did. You made all of your fellow drivers very proud.

Congratulations. I hope you got the invite to the driver ceremony.

The next two speakers are Lawrence DiMatteo and Dick Thaler.

MR. DI MATTEO: Good afternoon.

My name is Lawrence DiMatteo. I have been a cab driver for almost seven years.

I got several points. One, am I going to have to be listening to advertising with this stuff? Because to me this is a very serious workplace issue, okay? It is like torture to have to listen to this stuff all the time.

Also, it is a safety issue. It is distracting, taking up my mental space. I have to be concentrating. I am going milliseconds all the time. I don't need to be listening to this crap.

It is also -- and it blocks also my ability to hear my environment, okay? Which is a very serious safety issue.

This is important. For what;
advertising? What does that have to do with cab rides?

I mean, it is not intrinsic to cab riding. You are really moving away from the center here.

Also, my second point, why couldn't we have a credit card reader, instead of all this big expensive stuff, have a credit card reader and a hundred dollars a year cell phone that connects to one phone number for one car. You can call the car, which I think your system can't do, for all this Mickey Mouse technology and you can't do it?

One cell phone for $100 a year, you can call the car. If there is something lost or you have to contact us, and -- like Cab Watch, but just a little bitten enhanced.

One hundred dollars a year max, probably much lower. You could do that, but you want all the fluff.

Next point, I think you ought to put it to a vote for the drivers. I think this is somewhat a real -- you really are kind of riding over us, you are riding roughshod over us, steam rolling it, this is inevitable, we can't stop, all the rest, okay?
This is not fair to us.

We don't have any representation.

We don't have a single official who represents our interests, okay? You represent the riders, but not us.

We need an official who represents us.

I think the Mayor should address that, City Council should address that.

We need somebody to represent our interests because we have nothing.

This is the perfect example. All the cab drivers are showing we really, really hate this, and you don't give a damn.

Thank you.

CHAIRMAN DAUS: Mr. Thaler and then Ajay Gupta.

MR. THALER: Good day.

The aspirin dosages you referred to earlier are likely to increase.

I would like to refer to some highlights in my written comments that have been submitted to the record and refer to some comments made earlier.

First, I am very, very happy that
some of the vendors have raised an
anti-competitive issue. Now that that is out of
the closet, I would like to raise two more
anti-competitive issues that I was not prepared to
talk about, because if it walks like an
anti-competitive issue and walks like it and talks
like it and smells like it, perhaps it is.

The first one, as I remember, is on
page 33 of the contract between the vendor and the
city refers to no-fees payable.

In the no-fees payable provision it
says that in consideration for restricting the
market, which goes back to in my view the
unjustified use of the innovative procurement, in
consideration for receiving data, the TLC will
restrict the market and provide for additional
benefits or encourage additional financial
benefits for the vendors.

The next one is perhaps even more
serious. In the last Commission meeting, I think
the whole idea of advertising, interior and
exterior was considered, and because it is being
considered, new approvals for rooftop signs are
being frozen. You can't get a new rooftop sign
approved.
Well, this to me is a tremendous anti-competitive force related to the program. Right now the most significant source of enhanced revenue, as you call it, is on the roof.

So an individual vendor can't come and get approved their rooftop sign. What you have is a de facto monopoly rooftop sign vendor is protected because he happens to be in an exclusive subcontract with one vendor, and I assure you the deals that that subcontracting arrangement will provide for might be better than any of the other deals.

I don't know why advertising for the roof that is approvals for new rooftop signs can't be considered along with this program.

I would like to refer to a few things that I have referred to in the written comments.

First, the definition of a merchant. When you have an agent fleet operator, the merchant of record acting as the merchant with respect to the card issuer rules and so on, what it turns out, there is then a legal connection between the merchant and the passenger, because he
is the guy, the merchant is the guy, that honors
the cards, and in consideration for delivering a
service in this case, transportation services,
gets paid.

There is a legal link so it is a
legal fiction that the lease agent or fleet
operator is delivering the transportation
services, yet there is a legal link.

I really wonder if the trial
lawyers are lining up to get their hands around
this one.

In terms of --
CHAIRMAN DAUS:  You can sum up.
MR. THALER:  The sum-up is in the
written record.

Thank you very much for your time.
CHAIRMAN DAUS:  We actually had
your comments in advance and distributed them.
The Commissioners did read them.

Thank you.

We have two more speakers, Ajay
Gupta, and the final speaker is Byron Corcoran
from Centrodyne.

UNKNOWN SPEAKER:  You missed me.

CHAIRMAN DAUS:  We will take a
ten-minute break.

Actually, what we should do is --

let's conclude this. If you were on the list --
because it is all discombobulated now -- I can't
make heads or tails out of this.

I have two more speakers on this
list that I think want to speak, but if you were
on the other list, if you could sign up now and
when we start in ten minutes that will be the end
of the hearing, whoever is on this list.

(A recess was taken.)

Ajay Gupta, and next speaker is
Byron Corcoran.

Good afternoon.

MR. GUPTA: Good afternoon, Mr.
Chairman, Commissioners.

I want to request to be very
practical and realistic about the GPS system and
technology.

I am against the GPS, and my points
are, tracking the taxicab by GPS technology will
take away the privacy of driver and passenger.
Which way we going, which way we coming?

I think it is a very uncomfortable
feeling.
If the credit card or debit card will bounce or denied, and the passenger says "I don't have the cash," and then the taxi driver has no way but to let him go and lose the money.

Regarding the GPS unit $5,400 cost and $175 monthly maintenance, you say that the medallion owner or broker will pay the bill, but in my twelve years experience, the medallion owner or broker will never pay any penny regarding the taxi expenses.

My broker increased at least $22 from this Monday, and I can guess it is because the cover of that $5,400.

If the GPS system broke down, then we have to stop work. Just be practical. It won't be fixed in 48 hours because of technology. We have to find the real mechanic, real master of that, but the broker wants the lease, and he will take away the car in the middle of the job, and we will lose the job, and our family will lose the support, the livelihood.

Regarding the trip sheet, in childhood, if you remember, if you write down anything, you remember more of that word, that sentence rather than any other way means to
remember. That is why I prefer trip sheet.

Also, it is useful to enhance the beauty of writing, increase the handwriting, and it is very important that you have a good handwriting.

Regarding the big screen in the back, as you remember, if a person watches just in front of him a big TV screen about 1 foot, one-and-a-half foot, in the long run he will lose his vision. It will damage his eyes, and we don't want a passenger to lose his vision.

Also, New York City is a very fast lifestyle. We live a very fast pace.

But since we have no time or don't bother with the computer -- he wants to talk on the cell phone about the business deal, a million, 2 million. He wants to talk to his wife, his child who is sick, he wants to talk to his colleague about what is going on in the stock market.

This is not making any sense; it is just a distraction to the passenger.

CHAIRMAN DAUS: As he is talking on his cell phone.

MR. GUPTA: And then about the --
also, I am not sure -- I am very skeptical that
after the GPS system I will be willing to work as
a taxi driver. I might quit, because we don't
feel comfortable; you have to pay.

My other colleagues also have the
same opinion, because it is not worth it to drive
cabs after GPS unit so thank you.

CHAIRMAN DAUS: Thank you, and
thank you for your patience.

Brian Corcoran?

He left.

Biju Mathew?

MR. MATHEW: Honorable
Commissioners and the Chair, I am here as part of
the New York Taxi Workers Alliance and as a
professor of information and communication
technology.

One of the things I am absolutely
certain about at this point is that in this room,
outside of the vendors, a lot of other people in
this room don't really have a good sense of the
technology, as to what it does, its minutiae and
how it is framed, and that is obvious in the way
the rules have been written.

I want to make three points, and I
want to start with where Chairman Daus started. He said the technology is very complex. Yes, it is.

There is no way this technology can work without data being collected.

The TLC has been trying to convince everybody that the only data the TLC is going to collect is the beginning of trip, end of trip, trip sheet data, but there is no way this technology can work unless the data is being collected, that the data is being generated, held in the box, inside the cab and then transmitted at a frequency of anywhere between four to 12 seconds.

That is data about the driver's movement, the cab movement, all of that is being collected at some frequency between four seconds to 12 seconds that is going to be held by a private agent, and that becomes in all probability. Nothing is clear in the rules, and that in all probability becomes the private property of the private agency.

We have been talking about privacy. We have been talking about protecting people's privacy, the drivers and the passengers, but there
is nothing in the rules.

The TLC told us that there are some special provisions in the rules that have been created to protect the privacy of the driver and protect the privacy of the passenger.

There is nothing in the rules -- we can go through it clause by clause -- there is nothing in the rules that does anything specific to protect privacy of the passenger or the driver when information is being collected at a rate of somewhere between four seconds to 12 seconds.

That information becomes private property. That information is information the driver loses control over. That information is information that the passenger loses control over. That information is information that will be sold in the flea market, and that information is what will finally destroy the privacy of all drivers and passengers in the city.

Just go through the clause by clause. It is a boiler plate definition of privacy.

I am a professor of information and communication technology. A lot of the modern scholarship on this is happening right now. Every
new technology project is fully filled with the concept of how to do incremental work on the issue of privacy.

There is not one iota of incremental work in these rules.

Let me tell you a second thing about this, if you don't mind granting me another minute.

This technology, the fundamental assumption that all the people in this room seem to be sharing is this is an aggregate piece. Not at all. The GPS signal has nothing to do with the credit card transaction. The credit card transaction has nothing to do with the PIM.

So for this technology, to protect privacy, pull things out. You have implemented rules little by little, and you can do it again when you actually pay attention to all of this and actually ensure that the good rules are created if at all, so they can ensure the technology program is really worthwhile, that it does something for the people it claims it is going to be doing something for.

One last thing, which is simply this: Lost and found -- this is addressed
especially to you, Commissioner Dear. You said
this technology will help us find lost and found.
Can you believe that this
technology will not do one more thing for lost and
found?
Lost and found depends on three
simple rules: Any lost and found system in the
world will tell you it is recall, recovery,
return.
The GPS system does nothing for
recall. You can do something very simple, put a
weight sensor in the trunk or put a switch in the
trunk so when you put a bag in the trunk, you
switch the switch on.
An alarm goes off in the back cabin
when the ride is over. That is recall.
Put a system of two mirrors that
can look at the back seat -- wait a minute -- look
at the back seat --
CHAIRMAN DAUS: Can you sum up,
please?
MR. MATHEW: I will be done in 30
seconds.
Put a system of three mirrors and a
light in the back seat, and you will be able to
scan in that back seat five seconds after a
passenger leaves, and therefore turn around and
say "Hey, you left your wallet behind."

All of these technologies I am now
suggesting costs not more than $100. Instead you
are putting a $5,400 monster which does nothing
about either recall or recovery.

That is what this technology is
about. It is a sell-off and nothing more than
that.

I think you should examine the
rules in far greater detail than we have been
given an opportunity to do and stop these rules
from moving forward.

CHAIRMAN DAUS: The next speaker is
Morcelino Hervias, and the next speaker after you
is Krishna Goswami.

MR. HERVIAS: Commissioner,
Commissioners, my name is Morcelino Hervias. I
have been in the business for the last 24 years,
and what I would like to say is about -- I am
listening to everybody up here saying technology
is great, and I think it is great, but why should
it be imposed to the drivers, all the drives like
myself? Where are the monies going to come from?
We just got a raise a couple of years ago, and waiting time a couple of months ago.

What it does, instead of me working six days a week and half a shift Sunday, and now I work five days a week and Saturday half a day.

Many years ago I didn't mind. Now I have two kids. My kid is eight years old, and he complains about I am not spending time with him.

Sunday comes, he says, "Daddy, you tell me we are going to the park."

What I want to do, I want to sleep.

Now, you think that I work 10, 12 hours? I do work 12, 14 hours a day four days a week.

Friday I work from six in the morning, and I am getting home by 11 or 12.

It takes a lot of discipline, a lot of responsibility.

Now, on top of this technology, maintenance comes. Why don't we talk about TLC helping us or showing us how to fund a college fund, IRS or some kind of pension?

I mean, my age, you know, I look
19, but I am not 19. I mean, talking to my friends, we already have, a lot of us, prostate problems. We don't have enough time to go to the bathroom.

And expenses, how is it going to increase my pocket? I don't -- I mean -- now, again, I not against technology, but if it is good, it will get there.

They said it is wonderful, but let the free markets run by itself. Let the competition say "Hey, Mr. Driver, you run want to run my advertisement? Here is my advertisement," whatever you call it, "and $100 on top of it. You run my advertisement."

Well, I say, "I will think about it," because actually I, myself -- talking for myself -- I don't need any of those things. I like to talk to my passenger and show the way I go, tell them the time it is going to get from one point to another, and if they are tourism I like to show my city, which I probably do. I know my city well.

If there is some complaint about drivers not knowing how to get from point A to point B or they don't speak the language, it is
not the taxi industry's fault. It is the Taxi and
Limousine Commission's fault, whoever is issuing
the license.

Now, there is a remedy for
everything. Why don't you come up with some kind
of book or magazine, pamphlet, saying "Hey,
Mr. Driver, this is what you got to do. You got a
passenger in your car, hello, how are you, how are
you doing" so we can communicate much better.
Believe it or not, even if you told
them a joke, something, your tip is going to be
much better.
Not this technology they are going
to waste -- sometimes what if I am in heavy
traffic and suddenly moves and the guy is punching
buttons or whatever is there, and then suddenly
somebody is jay walking and I got to brake?
They are going to hit the screen.
Who is going to be liable? I am going to be
liable; nobody else.
Thanks so much. That's all I have
to say.

CHAIRMAN DAUS: Thank you, sir.
Thank you for your patience.
Mr. Krishna Goswami, and the next
speaker is Victor Salazar.

MR. GOSWAMI: Thank you very much for giving me a chance to speak to you regarding this problem, which I will speak the same issue which was speaking previously.

I would request you first not to allow GPS in our system. We are already suffering for cabs, which is the engine problems. Every time we have a problem, we have to go back to the garage to fix it. We waste our time.

The meter has the same problem. We will have to go back to the garage to fix it and they will send us to the meter shop.

We spend our time. The garage gives us credit for five dollars an hour, but we pay $20 an hour including our gasoline, plus we don't make money that period.

Now, the thing is, if I have to install it, if you allow me to do it, of course I will have to do it if it is your rules, but if it is break down by somehow, by drunk people -- I have passengers drunk -- who put the leg on the screen -- forget about the brake. If I brake, they will do it, but they put the leg or foot on the screen where it is partition.
Now, if it is break down or I park
the car on the street when the shift is finished,
the next partner is coming to pick up the car, he
will see that GPS is broken, meter is broken, then
his shift will be finished and also we will suffer
from that if I am a private owner.

Now, the thing is, instead, I would
request you to install a camera with a recorder
which will save our life, also people who are
sitting in the cab which will help you, help me,
help the city, help USA.

That is all I would say. Thank you
very much.

CHAIRMAN DAUS: Thank you.

Mr. Victor Salazar, and the next
speaker is Ronald Blount.

MR. SALAZAR: Hello. Good
afternoon, everybody. I am an owner operator.
That means that I am a driver with a dream, and
the reason I refer to my job as a dream is because
it started with an auction, and during the auction
it was said in the papers the driver has a dream
first, but we have to face reality on top of that.

Now, I never expected the fact that
once I purchased a medallion, you know, that a
taxi commissioner is going to keep on increasing
the price of the medallion, and for sure as a
driver, I am totally opposed to GPS.

One thing I know is the GPS is
definitely against our constitutional right. In
order to protect our property, I think we have
every constitutional right to do so.

I hope that the Taxi and Limousine
Commission look upon us in a humane way rather
than pieces of a chess, you know --

I know the Taxi and Limousine
Commissioner, we felt like he abandoned us as
drivers, and we would like to look upon our
conditions of work like my friends referred
before, and that is one thing.

Another thing is about credit
cards. If I go to a restaurant and if my credit
card doesn't work, I don't think the restaurant is
going to be closed, but I don't see why should
drivers have to stop picking up fares because one
passenger's credit card doesn't work?

The GPS is simply injecting more
anguish and more problems to all of the drivers,
and in doing so it affects the cost of the
maintenance of driving the taxi and medallion.
As an owner I tell you it is very expensive. My dream, actually, has become like a nightmare because it is very expensive.

Like my other colleagues say, we all have families, and we need to maintain a certain order with us.

About technology, I think cell phones work very good in giving the text messages. If there is lost and found property -- I receive sometimes some calls from the TLC on my cell phone asking me to eventually return or to check the van, whatever.

So far it works very good instead of GPS.

That is all I can tell you.

One thing, Taxi and Limousine Commission, I can see it is more or less like Taxi and Limousine Corporation, because I see you guys talking about percentages and vendors, and everyone is kind of in an arena here trying to sell whatever, the technology, which doesn't really help at all.

That is basically what I have to say.

Please, don't abandon us, the
CHAIRMAN DAUS: Thank you for your time.

Mr. Ronald Blount, and the next speaker is Luis Molina.

MR. BLOUNT: My name is Ronald Blount. I am from Philadelphia from the Taxi Workers Alliance of Pennsylvania.

I am here just to say the problems we are having in Philadelphia with the GPS system. We had a Taxitronics system down there, and at any given day 10 percent of the cabs are down.

On my phone right now today I have five or six calls, the problems they are having in Philadelphia with this GPS system.

The system goes down, the meter goes blank, the drive has to argue with the customer over the fare. The customer says "I am used to paying seven"; the driver says "No, you have to pay eight."

At the end of the day the driver has to go back and argue with the medallion owner. That is credit card money that is being lost. He just bunches all the credit card
payments to the driver all at once.

It is up to the driver to try to itemize where the money is.

They are telling the drivers, or they are trying to calculate the hours the drivers are working, and the machine is sometimes telling the driver he worked 12 hours already when he has only been out there three hours.

I am going to say at least 10 percent of the taxi drivers in Philadelphia have quit, and the whole industry has been volatile over the whole year; strikes, protests. In fact we had a strike like last month at the airport. I don't see no end in sight.

Maybe you guys might want to take a look in Philadelphia and might not want it to go ahead and happen in New York.

That is all I got to say.

CHAIRMAN DAUS: Luis Molina, and then and Abdul Qayyum.

MR. MOLINA: Good afternoon, Commissioners.

Luis Molina, president and ten year veteran yellow cab driver and proud member of the
New York City Taxi Workers Alliance.

I almost forgot that I am a member still.

I have seen them grow in eight years, and they have become not a group; it is an insult. We are a union, and you need to deal with us as such.

Let me make several important references with regards to both the economic and moral reasons why I am against the GPS system.

First of all, I am a lease driver. I lease from Checker Management. My nut is 1,120 a week for seven days.

Imagine what I have to go through without any health insurance, without any benefits, okay? No sick time, no sick leave, no time off for my family.

My body is tired, okay?

I am saying this: With reference to it benefits the brokers, the garages and the principal people and players that are behind the deal, and it puts drivers' lives at risk, because if the lease goes up against, it is going to pay for -- it is going to go against the drivers.

GPS will be an added burden on top
of the lease we already have to pay.

They have raised our leases arbitrarily. I think some of them are in violation against your rules and they should not have raised the leases.

They need to dispatch TLC inspectors to investigate the garages and shut down some of these garages in violation of the leases that have gone too high.

Drivers will not be helped with their leases. It will go up, and if they add on the burden for us to pay for the GPS system, we are going to work more than 12 hours. We are going to work 14 or 15 hours. Unheard of in the United States.

This is a form of extortion.

I would like to make some final comments on this.

What the Taxi Workers Alliance and what common sense people of the Central Labor Council and everybody from A to Z that believed in the unionization of yellow cab drivers is this:

The decent thing the Commission can do is to have a rule put in that says that the brokers and the garages and yourselves are to pay for drivers'
benefits. That includes health care, time off, sick leave, okay, and personal leave, because you have that in your package. Why can't we have that as cab drivers, and why do we need a 12-hour workday when it can be an eight-hour workday?

I want to come home to my grandchildren. I have two grandchildren, one already born to me a couple of months ago. I hardly see my grandchild. I don't even know what he looks like sometimes. I had my grandchild this morning. I dropped him off to the day care.

He doesn't understand the hardships I have to go through to put bread on the table, and my wife is already telling me "Quit this business, quit this business. You are making the brokers rich. You are making," you know, "this guy at Checker Management rich."

Where is the money in your pocket?

Just last night I had the awful pain of shelling out the last $400 that I owe on the 1,120 lease. It hurts.

You know what I have to start for my shift right now? Fifteen dollars. Is that fair? Is that fair?

And to put GPS on top of it, 175
extra a month?

I am going to have a heart attack before I ever see another shift.

My life is at risk as it is, you know, dealing with sometimes irate passengers that are very disrespectful, and some of the very racist comments against drivers of color.

I hear the most outrageous comments that they say against my brothers and sisters behind the wheel.

And I don't think you realize also that there is probably 2 percent of women drivers that drive behind the wheel. What happens if they stop working? They still have the burden to pay the lease, and on top of that the GPS maintenance a month? That doesn't make sense, it doesn't make sense.

If your wives had to drive a cab tomorrow, they are going to pay $175 for a GPS system that is not certain to work?

I mean, that is common sense prevailed. Let's have health care instead in the rule.

Please, think of me.

CHAIRMAN DAUS: Thank you, sir.
The next speaker is Adbul Qayyum, and then Michael Higgins, and then one more speaker after that, the final speaker Kevin Fitzpatrick.

MR. QAYYUM: Good afternoon.

My name is Abdul Qayyum, and I am driving a taxicab since eight years. I do have a GPS and credit card system since one year. I do not like the GPS because this is interfering in our privacy.

The credit card always we have a problems, whether a communication error, blah blah blah.

I am paying at least $15 a week for the GPS plus 5 percent on the credit card.

Sometimes we have a request from JFK or La Guardia. We go out of town.

What happens? GPS says communication error.

The passenger shows us a card.

What are we going to do if communication error? We have to wait or lose the money.

I do not like the GPS.

Credit card only -- I do like health insurance.
If you could do something for the driver, whether he have a heart problem, kidney problem, diabetes, back pain from the cab.

We only need health insurance; no credit card.

I have not more than five times credit card problems. I lost more than 250 to $300 to the credit card system.

Nobody paid me, credit card system, even my broker, even TLC. No benefit.

Thank you for listening.

CHAIRMAN DAUS: Thank you.

Michael Higgins?

MR. HIGGINS: Good morning, everybody. First of all, good afternoon, Commissioners.

At the risk of damning Chairman Daus with faint praise, I would like to say he is one of the best commissioners we have ever had.

CHAIRMAN DAUS: Well, I got one person clapping.

MR. HIGGINS: You are upgraded to smattering.

Also, with the credit card, I sell advertising for a living so the sell on getting
cab drivers to take credit cards is this: I have
a great idea. I am going to show you how to make
5 percent less money. What do you say? If I sold
my product like this, I would be out of business.

I would ask anybody trying to pitch
the credit card program to show -- all together,
class -- the drivers how to make more money for
taking credit cards, and show them if they are
spending 5 percent of their money or losing 5
percent of their money, that there is a way for
them to make more money accepting a credit card.

That hasn't been done. That is why
they are upset.

As far as the TV monitors, the
gentleman brought up a good point. I have seen
one of the monitors situated below the partition,
and the passenger literally has to lean up to the
monitor so whether you want to put some more
padding around it, or whatever you want to do --
that is lawyers in love with the positioning on
the monitors.

I had a couple of insurance
executives say the same thing to me so it is not
just me spouting it out.

Also with content, we have two
channels bragging about exclusive content. Last I checked on Cable TV, we had 175 channels.

To me it begs the question -- I also besides having a newspaper, I have a radio show and Cable TV show.

If I wanted to put content on these devices, how do I do it? Do I have to go through two guys, or is there going to be some fair play involved with me providing content as well if they go on tabs?

Last but not least, there was a big fiasco a while back on the New Jersey turnpike where tickets were written based on the E-Z Pass where if it took nine minutes to get to a certain point on the Jersey Turnpike, and the driver did it in eight, he would instantly be issued a summons based on the time of his ticket on the Jersey Turnpike.

The question, and the reason you had 400 people standing in front of the TLC in 15-degree weather about the GPS, on the rare occasions where a driver goes faster than 30 miles per hour on Park Avenue, will the GPS be used to give him or her a ticket?

If the driver is going faster than
40 miles an hour on the FDR Drive, will the driver
be given a ticket based on GPS technology?

Chairman Daus, since you are one of
the top attorneys in the city, if not the top
attorney -- no problem with that. It is true --
since you know how to write the rules, what would
the language be to assure these drivers that if
they going 31 miles an hour on city streets, that
they are not going to lose their hack licenses?

CHAIRMAN DAUS: Trying to flatter
me to answer that?

MR. HIGGINS: I am just trying to
get you to answer that.

CHAIRMAN DAUS: I think we are on
record what we intend to use it for.

MR. HIGGINS: Could you please
explain to me and to the drivers? We are outside
in the cold.

CHAIRMAN DAUS: Data.

MR. HIGGINS: Data?

CHAIRMAN DAUS: We are looking for
data. We are certainly going to use it the next
time we have a fare increase discussion. We are
going to get not samples; we are going to get
data. We are not going to be looking at John Doe
and Jane Doe and where they went; only for the
purpose of retrieving lost property.

As Chuck Fraser pointed out
numerous times, it is in the contract, in the
contract between the city and the vendors that it
cannot be used for any other purposes other than
stated therein.

Even though some people testified
about the privacy issues, even though it is not in
the rules, it is in the contracts, which is the
place where it should be, and that is where we
stand.

UNKNOWN SPEAKER: We haven't seen
it.

CHAIRMAN DAUS: We can give you a
copy. It is public record.

MR. HIGGINS: The vehicle, the
automatic red light flash cameras send tickets to
the vehicle owner. They can say this vehicle was
going 35 miles an hour in a 30 mile an hour zone,
and the owner would get a ticket as well.

CHAIRMAN DAUS: That I am not sure
about, but we will talk --

MR. HIGGINS: You should clarify it
as much as possible.
CHAIRMAN DAUS: We will talk to the DOT Commissioner. She is an expert in that area. She understands how the cameras operate. I don't.

MR. HIGGINS: If you clarify that, it goes a long way, because they are worried about getting their license taken away --

CHAIRMAN DAUS: It has nothing to do with this system. You are asking questions about the red light cameras.

MR. HIGGINS: I am asking questions about GPS technology.

COMM. GIANNOU LIS: Red light cameras take pictures of license plates, and then DMV figures out who the license plate belongs to, and they send them a ticket.

MR. HIGGINS: GPS can be used to see if a guy or a car for that fact is speeding. If the speed of the vehicle is 31 miles per hour, it can be used against the driver, correct or not correct?

COMM. DEAR: The law right now is in order for someone to be taken up on charges, or to be ticketed and summoned, has to be the person who is issuing a summons has to personally observe it. It can't be a friend of his or anything like
that. There is nothing you can do with that right now the way the law is written.

CHAIRMAN DAUS: Thank you very much, Mr. Higgins.

Our last speaker, Mr. Kevin Fitzpatrick.

MR. FITZPATRICK: Hello. How is everybody doing?

Actually, I just have a couple of questions, and it is about who is going to pay for these things?

Now, the TLC says that the medallion, the medallion owner is going to pay for GPS. That seems pretty clear.

But I have heard talk that on DLVs they are making the driver -- not the medallion owner -- the driver of the car pay for the GPS units.

Now, I would just like a clarification on that.

You know, David -- you are a top honcho in the Committee for Taxicab Safety. Are guys made to sign contracts to that effect?

MR. POLLACK: No, not that I am aware of.
MR. FITZPATRICK: That is all I wanted to know. Everybody have a nice day.

CHAIRMAN DAUS: That conclude our hearing.

MR. POLLACK: I would just like to respond to that.

CHAIRMAN DAUS: Very briefly.

MR. POLLACK: $800 is the lease cap to lease a DOV medallion, and no member for the Committee for Taxi Safety is charging more than $800 for the medallion lease.

CHAIRMAN DAUS: A little bit off topic.

It has been a very, very long day. First and foremost I want to thank our Commissioners for their patience. We didn't expect -- we expected a big turn out, but not as big as this.

It has been over six hours since we have been here. Some of the people on this podium are not feeling well and they came here and have endured this, and I thank you for that.

It has been rough. When you are not feeling good and you have to sit for six hours straight and not get paid for it, I certainly
I want to thank Helene for -- it is a long time to be doing this for six hours with minimum break so thank you.

On these rules I want to open it up for discussion, but I want to make a few comments.

I have had some discussions with Commissioners and thought about some of the things and comments.

I have three items that I think -- unless Commissioners have other ideas -- three items that have really come up as part of the discussion and deliberation and the comments we received that are non-priority items in terms of the timeline for getting the project done so there is really not a rush for us to vote on it in terms of the project.

The first is with regards to credit cards. Drivers, you know, we hear you. I understand your concerns.

Granted there has been an incredible amount of revenue that drivers are earning now compared to what they did before thanks to this Commission, yet at prior Commission meetings -- I need to remind people, because I
reviewed the transcripts myself -- the last two
times we voted on this, the first time when we
actually did this three years ago and the second
time when we had some other technical amendments,
Commissioners gave our staff specific instructions
to make sure they did everything they could to
minimize or reduce the costs that would have to be
paid for the drivers.

And they did that, and they have
come up with some estimates. They came up with
3.75 percent.

On the other hand, there is some
very interesting and valid points being raised by
some members of the industry about what are fair
estimates based upon data and standards across the
United States.

I think the answer could be
somewhere in between.

I think I would rather, since we
have the ability to get hard data, not necessarily
have to rely on those estimates.

Since we have time, I would like to
recommend we use the data testing going on right
now as well as some of the data we were recently
given by the industry.
I would like to use the beta testing data as one mechanism for us to determine what the credit card usage is and what the average fares are.

On the other hand, look at some of the new data we got and come up with a fair and reasonable and appropriate percentage.

I guess the first item that I am recommending is that we from the rules table that for further research and for additional data gathering.

Item two, there was a proposed amendment that was put forward by staff and by Mr. Fraser that he mentioned at the beginning when there was considerable discussion about the compatibility issues.

It is mostly my fault, quite frankly, because in allowing that amendment to go forward at this point, it was based upon a misunderstanding that is my fault.

I had basically understood and thought that all the vendors were in agreement on it, not to say that that should be the standard, but I think there has been enough debate, enough issues raised that I think we should table that
and revisit that one issue in the rules.

I would like staff to come up with

a recommendation in light of everything that we

have heard here today, the Commissioners, even

though it got a little contentious at times,

people got a little testy -- it is a long

meeting -- there are some valid issues being

raised here.

At the very outset I indicated my

concerns to counsel and the staff, and I am sure

they remember this, that this looks a little

weird, that there is -- it kind of looks on the

face of it like there is a potential tying

situation.

I was assured and reassured by

counsel and outside counsel, the Corporation

Counsel's office, that that was not the case.

Obviously, reasonable legal minds

can differ. I believe that the staff should

revisit this issue and come back with another

recommendation to the Commissioners that is based

upon a review of not only the fairness of the

situation in light of people competing with each

other fairly, but the legalities involved.

If there are any questions about
the legalities, I would like to revisit any issues
decisions that are coming up.

I think, most importantly, it is not whether someone gets a competitive edge; it is
whether they get an illegal or unfair competitive edge.

The very essence of competition is they should have a competitive edge if they have
done things the right way as opposed to people who weren't competing as well.

I think we have to -- I would recommend that we table that and revisit this.

The final thing I am proposing, the final non-priority thing but we could actually vote on this aspect of it today, is an amendment to the rules regarding the 90 day provisions.

Commissioner Dear, you want to explain what you had in mind?

COMM. DEAR: In the provisions right now, and it is a one-shot deal, is when this plan is implemented, if a car is up for retirement at a certain time, according to the rules now, the proposed rules, it is 90 days.

If it is not within 90 days, they have to go ahead and put in this equipment prior
to 90 days, and 90 days later when they get a new
car, they have to reinstall this equipment at a
considerable amount of money.

What I am proposing, and making an
amendment -- do we have to make a motion on this
too?

CHAIRMAN DAUS: We can make an
omnibus motion, I believe.

COMM. DEAR: Instead of 90 days, it
would be six months.

CHAIRMAN DAUS: Does anybody have
any issues with that?

I think that is fair to the driver.

I guess what the motion on the
floor is as amended by Commissioner Dear, that we
adopt the rules as written with the exception that
we table the provisions for now on the
3.75 percent credit card piece, that we revisit
the issue of any provisions that are in the rules
regarding the amendment that was proposed, as well
as the compatibility issue, and that we enact a
 provision that would provide for six -- if you are
going to retire your vehicle within six months,
you can wait until you get your new vehicle to put
the system in. I think it is fair.
The other rules being passed would ensure the project moves on and we meet other deadlines.

These things we have some time, because we don't need until the time we actually come back here and set a date, which the Commission will be voting on a date in the future when this has to go into every cab. On or before that time, obviously we can come back with some of these issues.

That is what the motion is.

Do you want to make the motion?

COMM. DEAR: I make a motion.

CHAIRMAN DAUS: Second for the motion?

All in favor?

(Chorus of "ayes".)

It is unanimous.

We will ask counsel to try to figure that out.

When we publish the final rules, those provisions will be taken out.

A couple of other things. Various Commissioners have brought up some good ideas as part of this proposal process. It is not part of
these rules, but we will consider them.

Number one, there are credit card
stickers that are on the sides of some of the cabs
that have this. I am not sure if it is too big,
too small, if it is in the right place.

I think there is a fair point to be
had that a part of this excessive credit
card/debit card project is people use it and there
is awareness.

Certainly at the beginning of the
project I think there is some value to having
aesthetically appropriate and functionally
appropriate placement of the sticker that says
that this cab takes these credit cards.

I think it is a good idea and would
like to ask staff to work on a proposal on how
big, where, and if they think it is a bad idea
they can come back and tell us it is a bad idea.

I think it is certainly something
worthy of some discussion.

I would like to see the vendors,
and I think we all would like to see the vendors,
explore the use of the bevel on the outside of the
PIMs as potential, you know, use of static
advertising if that will, in turn, hopefully
benefit them so it will cost the drivers and some
of the owners less money.

I think that is something that
should be explored. I would love to see some
analysis from staff on how much they think that
would save in terms of the project.

Certainly last but not least, and
this is more of a comment, I mean, moving forward
with this project, I think, I implore the vendors
to work with each other and work with us on this
to make it happen.

I understand some of the attorneys
and some of their clients and some of the business
interests that may exist in any business context,
but this is a big project, and we thought it would
be in the best interests of the public to have
more than one vendor.

This way if one vendor has a
problem, there will be other options to choose
from.

From the good of multiple vendors
comes competition, which always hopefully drives
the price down.

I guess the one word of advice and
the one request I have is everybody kind of slap
some water on their face and say look, this, even
though it was a great public forum to discuss the
issue, a lot of the issues could have been
hammered out between the vendors and the staff,
and I would appreciate it if they did that,
because I would like to come back to the
Commissioners and have them say everybody is on
the same page.

If we can't do that, I think it is
important, and I would implore the Commissioners,
as they indicated they wanted to do today, to do
the right thing.

If we can't work it out when we
come back, we are going to do what we believe is
the right thing even if that means that one or two
of the vendors may strongly disagree and it may
not be in their interests.

I don't know if anybody feels the
same way, but that is how I feel.

Anybody have any comments?

COMM. AROUT: I have been in this
Commission probably going on 20 years in October.
It seems like yesterday, and I have never seen a
reaction as I have seen today of the drivers and
the owners, et cetera, that are looking to help
each other.

This Commission is helping you out there, even though you might not know it.

Somebody said out there that this gentleman up here is the best lawyer he has ever met. I think he is the best chairman I ever worked under. He is just fantastic, and he will do a great job with all the people he is working with.

They really go out of their way to do the right job for everybody so I would give them a round of applause.

CHAIRMAN DAUS: Thank you, Commissioner Arout. Those were very kind words. Any other comments or issues?

COMM. DEAR: We have gone through a long day today and the staff has really worked hard. We are trying to work this process. We have come a long way since your predecessor and others where there is an involvement with the Commissioners, which I applaud, and I always continue to work towards that and with the public having real input.

I just wanted to clarify something.
This Commission now in the last four years has done for drivers more than any other Commission has done in the past. We have given them two increases. They are doing well.

In fact, they are doing so well the garages are telling me they have sort of a shortage of drivers, because now instead of working six days a week, the drivers want to work five days a week.

So obviously something is happening, and I believe when --

CHAIRMAN DAUS: Could we have quiet, please?

COMM. DEAR: You give somebody something and they spit it right back at you.

I just want to quote -- I remember Mayor Ed Koch, he used to say piggy, piggy piggy.

This is unbelievable. They have gotten something, and in return we get blamed, we get criticized, we get everything.

The more you give them the more we are going to get criticized.

We are going to continue doing the right thing for the drivers, and that is what we are here for.
I appreciate the work I do, and I appreciate my colleagues on this Commission.

CHAIRMAN DAUS: Thank you, Commissioner.

Last but not least, I want to thank the members of the public and especially the drivers for being here.

You may not always agree with us, but we appreciate your patience and we appreciate your input.

COMM. DEAR: I make a motion to adjourn this meeting.

CHAIRMAN DAUS: All in favor?

(Chorus of "ayes.")

CHAIRMAN DAUS: Motion passes.

(Time noted: 3:27 p.m.)
CERTIFICATION

I, HELENE GRUBER, a Notary Public
within and for the State of New York, do
hereby certify:

THAT the foregoing is a true and
accurate transcript of my stenographic
notes.

IN WITNESS WHEREOF, I have hereunto
set my hand this ___ day of __________, 20__.

_______________________
Helene Gruber, CSR