CITY OF NEW YORK TAXI AND LIMOUSINE COMMISSION

PUBLIC HEARING

Held on Thursday, March 18, 2010

40 Rector Street

New York, New York.

Time: 1:45 p.m.
APPEARANCES:

MATTHEW DAUS, Chairman
HARRY GIANNOTIS, Commissioner
LAUVIENSKA POLANCO, Commissioner
ED GONZALES, Commissioner
IRIS WEINSHALL, Commissioner
CHARLES FRASER, General Counsel
ELIAS AROUT, Commissioner
JEFFREY KAY, Commissioner

SPEAKERS:

Ethan Gerber, Gerber & Gerber
Mr. Singh
David Pollack, Taxi Safety Committee
Bhairavi Desai
Beresford Simmons
Biju Matthew
Victor Salazar
Bill Landauer
Richard Thaler
Tariq Baig
Osman Chowdhury
Michael Woloz (for Ron Sherman)
Steve Seltzer
Patrick K.
MR. DAUS: Good afternoon, everyone.

Sorry to keep you waiting.

Going to Item 1 on the agenda, the Chair's report. What I will say is, I want to address outright the matters that have been reported on for the last week or so, the rate for the overcharging scam, I just want to reiterate my prior comments to everybody so they are all in one place on this. First of all, it is very unfortunate that this whole situation involving the overcharging has created a cloud over the taxi industry at this point, and it is very disturbing on a lot of levels, very disappointing to me personally and I'm sure my fellow colleagues here, and to all New Yorkers quite frankly. First of all, TLC wishes we would have caught this problem earlier, there is no question about that -- and I take responsibility for that. But I want to say that it is important to recognize that as soon as I and we knew about this problem that we took action immediately.

If it wasn't for the Global Positioning
Systems and the tracking technology system that we have, it would have impossible to learn of and stop this widespread scam or determine its scope. And I'm very, very pleased that the system we have which the Mayor set up, it's one system, and our complaint system at TLC led passengers to doing their due diligence to help us out here, and we greatly appreciate that.

I want to say, for those of you, because I have been around for a while, I think it's like sixteen years ago and fourteen years here, first as its general counsel, going back, this isn't the first time that something like this has happened in the industry. For those of you who have been around, you know what I'm talking about. We had in the late 90s something involving meter tampering which was widespread and actually could have been even more widespread than this, but unlike today where we have GPS to quantify exactly what happened and how many did it, in the past we didn't have that, and we had a situation where it was even more
nefarious or there were chop shops and people putting together meter accelerating devices to splice the wires on the cars and overcharge by advancing the meter faster than it should be going. People were arrested. Tens and thousands of dollars in fines were set against medallion owner drivers. People had their licenses revoked. And somewhat similar to today, and how we are addressing this problem, there were a combination of three things that we did that eradicated the problem when I was first general counsel and we finished it up when I became chair in 2001: We passed criminal law which made it a crime to possess a meter accelerating device.

Number 2, we also relied on and remanded to the meter manufactures a fix which they also got approval from Weights and Measures Division to make the meter be tamperproof and not capable of being accelerated with an external power source.

So, the technology, we had a tough criminal law, and we also had civil and
administrative penalties, much of the same of what we're thinking about doing here.

I want to just take a step back -- because I know a there's a lot of discussion, a lot of different stories -- and just look at the real victims that are here and the real perpetrators. The victims are the passengers and all New Yorkers. And really, the industry, a black eye it's gotten unfortunately. And the perpetrators are not all the drivers, but there are drivers that did this repeatedly.

When I tell you, when I saw the case I got from Albany that started this whole thing, I was shocked. There is no other way to describe it. It is stealing. The people that did this numerous, numerous, times, it is clear from the number of times, the evidence points to intent, and in my view, I think these people are criminals that need to be taken off the road. And it is very unfortunate that these people have really cast a cloud on our industry. There is really no other way to sugarcoat it. They
are a disgrace and they basically stole money from all of us.

I'm going to give you estimates on the numbers. I think we've said this to the public already, what we've given to the media are simply the universe of numbers. The investigation will determine who did what and why, and that is going to continue. We referred it to DOI immediately, the second this came to our attention, and they are working with law enforcement as I understand it, and there will be no further comments on how many investigations we are doing with criminal or civil, but at the right time, I'm sure that will be put out there.

In thinking of who is truly guilty, it is more disturbing to me and to the Commission and to the Administration, but to my fellow commissioners sitting here with me, that we all I think say that we believe in and helped the drivers. If any administration helped the drivers, it was the Bloomberg Administration. We gave them a living wage. The credit cards -- in times in
the economy when everyone was losing money, they were making it because of us and what we did. And for the few drivers who did this, this is really a slap in everyone's face, and it's just greed, dishonesty, and they are going to be held accountable. I think all of us can assure you of that.

I want to commend the New York State Federation of Taxi Drivers, and Fernando Meteo for actually stepping up to the plate and taking responsibility to apologize on behalf of those drivers. It takes a lot for people to own up to responsibility. You know, the people who were responsible for this, the real people, are those drivers. And you know what, Fernando, you did the right thing by apologizing on behalf of the industry instead of thinking up all sorts of excuses for why it was other things that caused this to happen.

And on a positive note -- I think I have to say that it is very unfortunate that right now, New Yorkers, and I don't blame them, and everyone watching us is painting the industry
of the drivers with the broad brush, but they shouldn't be. The majority of the drivers are good, hardworking people that have their thing, that don't deserve to be taken down like this. The investigation will bare this as time goes on.

I just want to say that we are still the biggest fans of the drivers. But for those drivers who let us down, there is going to be repercussions. We are going to do everything -- the Administration and the TLC -- within our legal authority or power to stop this scam and tell passengers. However that ends up, it will be announced over the next couple of months and weeks. So far, I believe we put a really big dent in solving this problem almost instantaneously; Number 1, by announcing it obviously and getting it out there, which was the intent of immediately bringing it to the public's attention, that creates awareness about it, and it creates a significant effect from anybody doing this moving forward.

Number 2, we now have a passenger alert
system. I want to thank the Taxi Technology Affairs, VeriFone, CMT, DDS for working with us instantaneously to put together these passenger alerts, and they are already in 5,000 cabs, and within the next few days to a week, we should see them in every cab basically alerting people to when a forward is being charged, and you would have to press the screen to turn it off from what I understand. So, we are doing everything en our power to fix this.

And there's a long term technological fix that I think we need to look at as well and I recommend moving forward. First, I think we need to ask the meter manufacturers who manufacture these meters -- not TLC, we don't manufacture them, we don't govern them. The meter manufacturers need to look at a fix, and we make some recommendations to them and to the technology vendors to work together to get State approval because we can't do anything. We don't have jurisdiction over the meters. It's the State Division of Weights and Measures which is
part of the Department of Agriculture that says what meters can and can't do -- not us. We can give recommendations.

So, I encourage everybody to put their minds together; our technology vendor, the meter manufacturers, because this is a broader problem. These meters are not just in New York City, they are around the world. All of the companies that we have approved and what the State has approved and we allow on the road are all over everywhere else. This is not just a New York City issue.

So, we want to make sure that this doesn't happen again ever here or anywhere, and I think it is important to realize that there are other players involved and that we need to work together to make it a good fix.

The last thing I would say is, you know, this isn't the first time we've had problems and issues in the industry and I'm very optimistic about it. We've worked together in the past to make this the best taxi industry in the world. We have had some good days, we have had some bad days, but right
now, there's a cloud above it, but I'm sure by continuing to work together, all of us, the industry, the drivers, the TLC, and the private industry that supports the taxi industry, the technology companies can collectively quickly restore the public's confidence and turn the cloud into a sunny day. We've seen it before.

And let's not forget, despite what happened, we are still the world's leader in transportation, and the systems that we put into place which helped us to catch this scam are being replicated in many major cities around the U.S. and possibly in the next ten years around the world, and it all started here. So, I want to just get that off my chest. I think it's important to get this out there because I think it really was not reported that way in the press.

On a more positive note, we have a few drivers here today. We talked about the drivers being what makes this industry work, and from basically what makes or breaks this industry. There are so many good drivers out
there. So, I want to take this opportunity for three drivers to join us to give them awards which we promised them we would do several months ago, but this I think is a good time for that, and to join us. As I call your name, please stand up, I'll talk a little bit about what you did, and if you would come up here and join us in the back for a photo with our commissioners.

The first driver is Moku Assad du Jaman (ph.) I apologize if I got that wrong -- I really butchered that, didn't I? Over the Christmas holiday, Moku took Felicia Latereri (ph) who is seventy-two years old to Nassau County for a family visit, and Felicia left approximately $21,000 in cash in the trunk of the cab, and Moku went out of his way to return Ms. Latereri's belongings to her. So, I want to thank you for doing that.

(Applause)

MR. DAUS: The second driver, who I met before, is Patrick Omayhe (ph.) Would you stand up, Patrick?

(Applause)
MR. DAUS: On February 16th, Patrick assisted the police department and police officers in apprehending Mr. Robert Craig, 42, and John Greg, 32 for allegedly robbing a Banco Popular on East 25th Street and Second Avenue. We commend you for your heroism and like you to ask you to join us.

(Applause)

MR. DAUS: And the last driver is Khalid Abid (ph.)

(Applause)

MR. DAUS: Hi Khalid. You represent what drivers do day in and day out, and don't get credit for. What you did was return a cell phone. You not only returned a cell phone to just anybody, but to a Deputy Mayor, who felt that you should be honored and recognized, who shall remain nameless. But we thought it important to recognize that every day the drivers are out there returning phones, going out of their way. Even our chief of staff went out of his way to return stuff on a Sunday, and our staff have done things like that over the years, but at the
end of the day, it's the drivers who
basically day in and day out, we never hear
about until someone writes a nice letter.
So, congratulations, why don't you join us as
well.

(Appause)

MR. DAUS: You are our unsung heroes.

(Whereupon, there was a pause in the
proceeding for photographs.)

MR. DAUS: Thank you, and
congratulations to all of you.

The accessible dispatcher report, we
have 4,147 dispatchers to date. We have had
518 cancellations. The average wait time
remains at 35 minutes, and the average daily
dispatchers were 9.4 in February and 9.5 in
March.

I would like to talk a little about
livery stands. The Livery Stand Pileup
Program, unfortunately we did not get many
participants that signed up. We did an
outreach, we went to BIDs, we went -- you
name it, everywhere. We only received one
potential application. So, I have also
spoken to the new chair of the Transportation Committee, I think what we want to do since there may be some others that might want to participate, our goal is to get at least two stands on private property in each borough. So, it's our hope that if we extend it one more time, that with the new Transportation Committee chair, he's very confident he can get some additional folks interested on the Council side and getting their communities to understand this better and to apply. So, we are going to extend it within the next day or two to sometime in May. We want to give it a little more time.

I am proud and pleased that we announced a project that has been talked and spearheaded by Commissioner Elias Arout for years at the Staten Island Ferry Terminal, As you know, Commissioner Weinshall, we had problems on the Staten Island Ferry Terminal where illegal liveries were picking up for years at Ramp C and F. It was literally a cat-and-mouse game with our inspectors going there chasing them away, and coming back.
So, finally we are able to announce, with EDC and DOT the other day at the terminal, a project that Elias has been trying to get done for a while along with a lot of other elected officials including Congressman McMahon and Council Members Oddo and Ignizio. A solution to the problem is -- it is really something that is innovative, it's part of the Livery Stand Pileup Program, and the difference being is that there is a stand that's on the property. So, as part of the renovations and construction that is being done there, the stand is now going to be part of the parking lot when you first get off the terminal and go to the right, you'll follow the signage, there will be dispatchers there, and the hope that for peak hours you will be able to be served within five minutes by one or more bases that have an exclusive contract with EDC, the Economic Development Corporation. And in addition to that, in off-peak hours there will be a twenty-four hour courtesy phone where you will be guaranteed service within ten minutes from
when you get there.

The point of this is to get -- now with reforms, all the cars now have the Passenger Bill of Rights, they have the markings, they have the licenses displayed, we are trying to get them with our license logos and get the public in the frame of mind of what's legal and what's not. Certainly this would solve the problem, because this is a neighborhood where only bases that have the winning contract will allow their vehicles only to this area, and if you want another car service base, you are going to have to go out to the street, not to Ramp C and F.

We are greatly pleased to get this off the ground. We are sending this out to all the bases. It's not just a Staten Island thing; any base can, or bases together if they want to can join together for this RFP. I can't give you too much detail out of it because it's an RFP process that has begun, and you know, for any further questions, consult the document and the following events we're going to announce. We released it on
March 15th. There is going to be on March 24th a pre-proposal meeting that will be held at twelve noon at the ferry terminal, I think in front of the fish tanks. I think that is where it is going to be, from what I was told. People are going to meet there.

March 26th is the final day to submit questions on the RFP, and on April 2nd, the addendum or the answers to the RFP questions will be posted and all the responses are due, and these proposals are required to be submitted on or before 4:00 p.m. on April 14th, right before tax day.

On group rides, I just want to say a few words. You know, we have launched group rides that are on the upper east and west sides of Manhattan, got off to a very slow start. I think the intention when we passed these stands, we all thought it was a pilot in experiment. I am a little bit optimistic that the other stands that we're going to launch and that you approved will have more people using them. And I have been up there myself a lot and the staff has been up there
every day. There is no question that we did
every possible outreach that we can. There
is either two things going on: Either Number
1, passengers don't want a fare in that area,
which I've seen with my own eyes.

Number 2, it's really challenging to get
the drivers and the passengers there at the
same time. But this is something the
Bloomberg Administration and the TLC is
committed to, to making it work, it can. And
if it doesn't, re tweaking it, maybe finding
different locations. Stands may work in
certain areas and not in others. So, the
next series of stands that will be rolled out
in the near future will be Penn Station, the
Port Authority Bus Terminal and Grand
Central, probably the Port Authority Bus
Terminal first. What makes that more likely
for success is you have people there already
who are looking for cabs, and at the bus
terminal they are going to have two lines.
And they are going to be doing this at
Laguardia Airport. So, it will be announced
in the Commission, and it's something that
will be voted on to have group rides at
Laguardia at U.S. Airways terminal. The TLC
will be working on some rates of fare and a
logistics plan. So, while we got out to a
slow and rough start, it is a pilot program,
it is supposed to continue for about a year
which this Commission approved, and I'm still
confident that some way, somehow, that this
is going to work.

MS. WEINSHALL: The one at the airport,
will that just be a group ride to Manhattan,
or Brooklyn as well?

MR. DAUS: This is going to be only to
Manhattan. That's what we voted on, because
of the GPS data for that, what we had spoken
of, and we urged that we would have a future
meeting to come back with the data, is the
possibility that a group ride stand can go
from either J.F.K. or Laguardia to a place
outside of Manhattan, especially at J.F.K.,
and I think we need to see whether the data
supports going to those locations. But we
will get that information before I go.

Backseat Driver, I want to thank
Commissioner Catherine Oliver and the City agency for supporting us on this project. This is if you get in the back of a cab for the last month or two starting in late January, there is like a petition or contest for what the next screen shot that you will see when you get in the back of a cab. There are three different options and people are urged to vote on those ads, and they way you vote: NYC.gov/backseatdriver. Voting is scheduled to end on March 31st 2009. But we got a positive feedback with the competition, and I think this is the first step in further extension of how interactive the technology screens are to be in the future. There's so many things that we can do building on the technology, and this is one example of the interaction that we can have with passengers, surveys and possibly one day immediately filing complaints or compliments in the back of a cab.

Distracted Driver Enforcement. We have issued a total of 977 cell phone summonses, 631 of them were issued to medallion drivers,
and 346 to for-hire vehicle drivers.

Enforcement is continuing, the numbers are coming down slightly, but the month is not over yet. So, we'll see where that goes, whether it remains going down in that direction, but if it does go down, it will be slightly down.

MS. POLANCO: I'm sorry to interrupt you. Those summonses, are they strictly for cell phone use? Because I know within the law there is other equipment included. So, do you know if they're strictly for cell phone use so far, the summonses?

MR. DAUS: Well, I don't have a breakdown of that with me. But in terms of whether it's a pure summons for a Bluetooth or talking --

MS. POLANCO: Or the radio.

MR. DAUS: We don't have those stats, but these are any violations issued under those rules which include all other activity. So, whether you were talking hands-free or whether you are talking with a hand-held or wearing a Bluetooth, that's what these
numbers are. It's a combination of all three. We will try to get the breakdown email to you today. I know I saw it somewhere.

MS. POLANCO: Thank you.

MR. DAUS: The Taxi of Tomorrow RFP, if you haven't heard already, the deadline for submission of the proposal has been extended to May 14th. We still anticipate that the contract start date will be at this time in November 2010 unless you hear from us sooner.

The next thing is something that has been in the works for over seven years. When I was re-appointed at the Council seven years ago, I had promised the Council members that we would have a Driver Handbook, that we actually used our TATC consultants and all of our rules revisions to do something friendly for the drivers. We actually have a draft on the website, and I want to distribute it to the industry to get the feedback before we actually finalize it. If you are a driver, what the main thing you need to do, the main laws in plain language -- not citations to
numbers -- but, "this is what it means to be a driver."

This is some helpful information for you, a potential list of rest stops or stands, livery relief stands, or taxi stands, or places to go to the bathroom, information about what you need to do before your license renewal, real barebone facts that every driver should keep with them and use as their bible as they do their jobs, almost like an employee handbook.

In the past, we had something that they carried around, but it was just a reiteration of some complicated complex rules that it takes many attorneys to be able to figure out and still then some. Our priority was basically geared toward putting our rules in plain language -- this is different. This is an actual book that just describes the rules. There is a draft on our website and we'll distribute it to all of our industry stakeholders if it hasn't been done already. If there is something that's not there that you'd like to see, let us know so that
MR. DAUS: Well, for now it's in English, but we think we're definitely going to put it in every other language. In fact, I think we are working on putting the draft in Spanish if it's not already up there. It is just going to take some time. We want to get it up quickly. It's in English for now. When it is finally distributed, it will be in different languages. And we have the money to pay for that and that will end up being the third phase of the rule making project.

Now I would like to address the elephant in the room, a major personnel announcement that you probably already know about already. I'm leaving and we got a new chair coming in. This is my last Commission meeting in all likelihood. I will as of today have had a perfect attendance record. I have not missed a Commission meeting for
the last fourteen years. So, it has really been quite a run -- and I look forward to watching the next meeting potentially on TV late at night with my feet up eating a cupcake and drinking some soda.

But we have been privileged to have somebody join us today who I can't think of a better person to take my job. My friend David Yassky is here, a former Council Member from Brooklyn, our hometown. We were both from the same borough. David has not only worked with the Bloomberg Administration, but also has worked with me personally. We're friends. We have known each our for many, many years. Sometimes we disagreed on things, but most of the time we agreed philosophically. I can't think of a better smarter person to take my job, and I am so thankful that the Mayor picked you.

Congratulations.

(Applause)

MR. DAUS: I think you are scheduled to go before the City Council next Thursday.

So, it is possible that if all goes well, I
should be out of here within a week or so, so
my last day will probably be shortly
thereafter that. We have already started
some transition planning, and so David is
getting used to some of what goes on here.
I'm very, very confident that David is going
to take this place to the next level. I
couldn't be more pleased with David.
Congratulations and welcome.

If I could just have one minute or two
minutes of personal privilege -- I mean this
has been a long time of government. I just
want to try and say a few words to try and
recap everything that has happened over the
last fourteen to sixteen years. I basically
came to government as an employment lawyer
looking to get some experience helping people
at the Human Rights Commission as a
prosecutor, and then through a long series of
promotions and working hard, I somehow ended
up here, and I don't regret a minute of it.
I feel that I'm not totally leaving public
service, but I truly feel that while it has
had its ups and downs, it has been a very
difficult long road, it has been fantastic.
I can't think of a better job than working
for the government at this level and getting
things done. So I really had a great run,
and we did everything, and a lot of
colleagues here on the Commission, you know,
some of you have been on board since I have
been here, others before me. And I look
around at the faces around the room, and
we've become colleagues and friends -- even
if we were fighting with each other and
disagreeing.

There has been a lot that's happened
since I've been here. We had a taxi strike
in '98, a real taxi strike. We had 9-11
which was really devastating to this agency
being two to three blocks from Ground Zero.
It was two weeks after I was appointed, if
you remember, that 9-11 happened, and we
recovered more quickly than any other
industry out there.

We had blackouts. We had transit
strikes and threatened transit strikes. We
had private bus franchise strikes that we
helped the City in the time of need. We have had recessions, more than one. We have had fair increases, more than one. Lease cap increases, never a decrease but increases.

We have had border wars. When I took over, the agency was at war with Westchester, Nassau, and New Jersey. We solved the problem, passed the law, and there has never been an issue since. And it's actually been replicated around the country.

And for those of you who are TLC aficionados, we have had March Madness eliminated, I'm proud to announce at the end of March. Thousands of people used to line up around the corner at 4:00 in the morning in freezing temperatures, and that was the first problem that I had faced and we were working on, not only in the management capacity but when I became chair, we really started tackling and finishing it up.

So, all of these things are some examples of things we have seen over the years. But also I just want to talk about the two or three or four major
accomplishments to put a perspective on things, especially because I've been hearing in the press lately, some people think we're villains and we don't really do our job here, but that is nonsense. The entire world recognizes us as the world leader in what we do. Any commissioner and any city agency from around the world, even London, they come to us for advice and continue to do so. The taxi technology system that we started here and dreamed up here is basically being replicated in every major city and then some. The medallion system and virtually everything that we've done, starting with the point system, the driver standards, have been replicated in every city. In fact, they don't do anything until we do it here. They're probably waiting to see what happens with group rides. They basically wait until we do something and then they replicate it. Right now, there are medallion systems being developed like ours that have led to better lives for people where there are auctions and increases in value. Around the
country, medallions are increasing in value
after they implemented the things we have
done here. So, that is another thing that we
should be proud of, that we basically set the
standard for the world.

Number 3, Mayor Bloomberg, who had
gumption to allow us to use 311 to service
the Community Dispatch Project, basically
that is being looked at as a model out there
too, while it's not perfect, we've actually
created services for people where there was
none before. And you know what, no matter
which way you look at it, that's got to be
considered an accomplishment over the years.

And last but not least, something that
is really near and dear to my heart, because
I thought that this was something that saved
lives, is the Distracted Driver Program. The
various entities around the country, now that
we have the strictest Distracted Driving
Program that will save lives, has been looked
at nationally and internationally as a model
for a safe program that will help save lives
and lead to a better system for people.
So, here's a couple of things, and you know, the agency improvements, we can go on and on. Waiting times have been reduced.

Our agency has become more transparent than before.

For incoming Chairman Yassky, I can say we have a road map that the Administration has worked on with J.F.K., Deputy Mayor Ed Skyler, and also let's not forget the Deputy Mayors that were before them, Dan Doctoroff, and Iris was very involved with a lot of stuff. We have a road map that the Mayor has which includes taking our technology systems to the next level, making sure the Livery Stand Project works if it can, maybe experimenting with all types of livery stands similar to the ferry, the Ferry Program I discussed, the Taxi of Tomorrow Program which is the first of it's kind and hasn't been done anywhere before. I'm sure you're going to make that an outstanding success, because that will be something that becomes world known, and we'll have, I'm confident, the best cabs anywhere when this is all over and
done with.

Of course the Mayor announced what's called the Taxi Voucher Problem, but we're working with the MTA on a solution to help Access-A-Ride and the MTA provide a service and use our technology system and apply them in different areas.

My next step, at some point after I leave, I will announce some of the things I'm doing of a private nature, but I am going to stay involved in public service. For those of you who haven't been following it, I'm going to be actually working hopefully -- which I discussed with David -- with TLC. Despite a one-year ban, I got approval. I'm going do be at the University Transportation Research Center. For those of you who don't know much about it, it is a center that is funded by Federal DOT, the State and City DOTs for a variety of grants in both New York, New Jersey, Puerto Rico. I viewed it as a unique opportunity to do something about the things we've done here, which really in the transportation world, there is billions
of federal transportation dollars being spent and taxis. With the innovative things that we have done with this Administration, it can be part of the broader public transportation solution. Whether it's group rides, technology, we are going to be doing studies that focus on my work that I've done here with taxis, and I'm bringing that to the Board of the Transportation Committee.

I'm very excited about that because I feel that I can use the expertise I gained here to give back, not only to the TLC, but to the transportation departments in our region to use the GPS data and some of the lessons that we have learned to have targeted the independent studies by people who are really good researchers and know what they are doing to figure out ways in which we can improve all transportation in our region -- not just taxi transportation, but that too.

And my hope is that by me being the first expert of this nature going into that type of facility that this will start a trend around the country that the people who give
out the DOT funds and look at transportation will include taxies and not let them be a side of it, but being part of the bigger picture and bigger equation.

And I'm also going to either next Thursday or the next dated meeting be going before the Council as well. I though I was getting out of filling out all the forms as David had to, but nevertheless, I had a fifteen-page questionnaire from DOI that I had to fill out to become a commissioner on the Civil Service Commission. As a former Human Rights prosecutor, I'm very excited about making sure -- having represented sides of defense, both people who are suing City agencies and also defending it as general counsel for two agencies -- to be fair and impartial on rendering decisions on people who were fired and terminated and give them a fair shake and be in a quasi-judicial capacity. So, that is my next gig.

Finally, I would like to thank each and every one of you. It has been a long road. I have my colleagues here on the
Commission -- what can I say -- but they have been coming to these meetings, and unlike decades past, you guys and gals have really been working hard. While we don't agree on things all the time, I can't think of a time that our Commission has been more thoughtful, more collegial, and more effective. I think we really are a model for how our Commission should be run. We are not a rubber stamp, you all know that. I consider you all friends. I am hoping to continue to talk to you before my year is up, figure out if it is possible. I'm going to talk to Iris because I'm going to be joining CUNY. We both graduated from Brooklyn College, so we're both with the community system, so, it will be nice to return home there.

I want to thank not only the commissioners, but the staff. Couldn't have done it without the staff. The staff is one of the best staffs if not the best staff in City government in my opinion. They are really the unsung heroes. This is a difficult agency. It has it's moments. It
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has a lot of politics. There is a lot of different interests that stakeholders have that you have to balance. I believe that we've done that but couldn't do it without the staff. The staff has really stepped up. I have asked so much of them, and we all have, and I just want to give you and my board a round of applause. Thank you for doing what you do for all of us.

(Applause)

MR. DAUS: That is basically what it's all about. You guys have become friends, and you really have despite all our disagreements.

I can say that truly, consistent with my hands-on management program and also with my open-door policy which I was assured by David will continue, that we have listened and we have learned and we have made regulation for the better. I have seen other systems and how it works and how things get screwed up when you don't listen. Distracted driving is a perfect case point, the most recent thing we have done. I was assured that that will
continue and that basically I want to thank you, because all of the things we got done, we couldn't do it without you. Basically all of the things ended up being compromises and you folks committing to work with us one way or another, and I thank you for that and I hope to stay in touch with you now that I'm on the outside.

I will at some point announce a date for -- I think they are planning some type of party for me or something like that -- we'll make sure everybody is invited, and I hope to see you there.

It has been a true privilege to serve the people of the City of New York. Thank you.

(Applause)

MR. GONZALES: I would like to say one quick thing. Matthew, overall you have been here for quite a few years now. I just want to personally thank you for, you know, helping me out while sitting here on the Board.

More specifically, I would like to thank
you in partnership with myself and Commissioner Arout for revamping the for-hire vehicle rules. I really appreciate in our sponsorship and dedication both yourself and the staff on getting that up and going. Wish you good luck in your new role.

If it's not premature, I would like to welcome David Yassky on board here. Take care.

MR. DAUS: Thank you very much.

MR. AROUT: Matthew, it is a great privilege for me to be with you here today.

How many years have I been here? Twenty years ago, or something like that. But when you came on board, you did a tremendous job throughout this agency, and your staff is outstanding. Any time I had a problem, they were right there.

We wish you luck and I'm sure you will do good wherever you are. Thank you so much for being chairman. Thank you.

MR. DAUS: Thank you.

MS. WEINSHALL: Matthew, we worked together in government.
MR. DAUS: We're back.

MS. WEINSHALL: We're back. We keep following each other. Anyway, I just want to say it was a pleasure working with you here at the Taxi and Limousine Commission, and that you highlighted a lot of the challenges that we had to go through, the transit strike and blackouts and all the work that we've done here at the TLC, and you are going to do a great job at CUNY there, very eager for you to join the faculty there, and you'll pass on to students all that you learned in government here. So, I wish you all the best.

MR. KAY: Thank you. I guess everyone is compelled to say something now. This certainly is a matter to speak from the Administration, besides the Mayor himself who has said on a number of occasions thank you for your service, but on behalf of myself as well as the rest of the Administration, we have had a number of projects together over the last several years, and you should be proud of what you accomplished here at the
TLC. Good luck.

MR. DAUS: Thank you, Jeff.

MS. POLANCO: Well, Matt, although I spoke with you before, I really want to thank you. Although I have been here two years or so, I want to thank you for guiding me, for listening to my concerns, and also for your advice as well. I wish you all the best, and we'll continue seeing each other.

MR. DAUS: Well, I'm in your neighborhood.

MS. POLANCO: Yes. I wish you the best. And I really appreciate everything.

MR. GIANNOULIS: Congratulations. You have done a wonderful job with the staff here, and a lot of good stuff has happened. I think for me, the most important thing is, no matter what we had in terms of policy disagreements or dealing with a very tough audience, you always showed up to every meeting with a smile, with your hand out, you know, willing to work with people. In government, that is important because a lot of times that doesn't happen. So, you
deserve a lot of credit for that.

And just because I won't to be able to talk about the new Chairperson once he's there; I have worked with David Yassky, he is a very fair person, he is a very good person. I think he's going to be a good chairman of the agency. We have disagreed; you are perfect because we have already disagreed on stuff, stuff relating to the TLC. We have had private discussions about it more than once.

David is always very polite, very focused, and I welcome him on board and I think he is going to do a good job just like Matt did.

MR. DAUS: Thank you. I want to thank all of you. Last but not least, as Jeff mentioned, I want to thank Mayor Bloomberg for giving me the chance. He re-appointed me to serving another term, and I have served like I promised to the end, as well as for Mayor Giuliani for quite frankly giving me the chance. I didn't think I would be here for this long. I thought I was in government
and out in two years -- and what do you know, sixteen years later.

But thank you, everybody. I'm sure we'll remain in touch in one capacity or another, and I thank you.

So you, now on to the business. Now that all the emotional stuff is out of the way. I would like to also announce one more thing. We are going to have a lease cap hearing today, but I also want to just, ahead of time, for people who are here and may be leaving, we are going to extend the written comments to the end of April, and it is going to be an ongoing process; we need to have follow-up questions and information, you know. There is going to be a second hearing with the Chair that will be held at some point I was told in April. So, this is not the end, it is the beginning of the process, and it is going to take some time. So I think the testimony here is really the starting point.

So that was probably the longest chairman's report in TLC history -- but we
are about making history here right?
The next item on the agenda is the adoption of the minutes is from December 17th 2009 Commission meeting.

MR. AROUT: Make a motion we adopt.

MR. KAY: Second.

MR. DAUS: All in favor?

THE BOARD: (I unison) Aye.

MR. DAUS: It's unanimous. Thank you.

Base applications. Licensing would like to present before the Commission two new bases for approval.

Any issues with the bases?

(No response)

MR. DAUS: Do we have a motion to approve?

MR. AROUT: Motion to approve.

MS. WEINSHALL: Second.

MR. DAUS: All in favor?

THE BOARD: (In unison) Aye.

MR. DAUS: Thank you.

Also there are three bases that licensing is recommending for denial. They request that the Commission grant them an
additional thirty days so that they may present the outstanding items.

MR. AROUT: So move.

MR. KAY: Second.

MR. DAUS: All in favor?

THE BOARD: (In unison) Aye.

MR. DAUS: Thank you. I have four staff presentations. David Klahr, do you want to join us?

This is on the Commuter Van Passenger Bill of Rights which was pursuant to a law which was signed by the Mayor and passed by the Council, and we're going to talk a little bit about what this is recommending moving forward after this as well.

MR. KLAHR: Thank you, and good afternoon. I'll try to be as brief as possible. Recently the Council passed a bill mandating Bill of Rights for livery vehicles, commuter vans, and taxicabs. There has already been a Taxicab Bill of Rights in medallion cabs since at least the 1990s, and this agency really took the lead in the general Bills of Rights for the City. So I
just want to kind of go through quickly what
is in these required bills of rights and kind
of what the obligation of the agency would be
due to legislation.

I do want to note also that black car
and Paratransit industries have consumer
protections, but we're not talking new
consumer protections now, we're just kind of
codifying them in a way that makes it easier
for passengers to understand, but these
industries are not covered by this bill, and
so, therefore, they do not have an official
Bill of Rights.

So, why do we do we have bills of rights
in the first place? The simple answer is
that we're taking rules and obligations and
rights that are found in different places in
the rules and we put them in one place for
easy access. We find that it could be
written in plainer language in the rules
themselves, again we are hoping to change
that later this year.

And you can actually put it in the
vehicle so the passenger can interact with it
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right there while they are having their ride
to see what should be happening. So, the
Administrative Code has been amended, Section
19537 creates again Passenger Bill of Rights
for medallion taxis, for-hire vehicles and
commuter vans. It specified elements that
need to be included in the Bill of Rights.
It took effect last month.

The good news is that medallion cabs and
liveries already have decals with bills of
rights that match with the text already in
them; for commuter vans, not. So, there will
need to be some agency act in that regard.

I wanted to quickly go through what
rights are covered, and there are universal
passenger rights.

And these are the rights: You get the
right to a vehicle that's in good condition
that passed all required inspections. It is
clean. It comes with a properly licensed
driver with their credentials displayed; a
courteous driver who obeys all the traffic
laws; air continuing or heat; seat belts that
work; and at the passenger's request a quiet
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trip without radio music or excessive honking; clean air; no smoking; no incense at passenger's request. The driver does not use a cell phone. You have the right not to tip for poor service. You have the right to be accompanied by a service animal if you have one. And also it has a statement on when and how to file complaints or compliments, and that's usually taken care of by instructing passengers to call 311.

Now, certain industries have certain rights that are added that are specific to that industry. Medallion passengers, they have the right to pay via credit or debit card. They have the right to go to any destination in the City, Nassau, Westchester or to Newark Airport. The passenger can direct the route taken, and have a driver who speaks English and is familiar with city geography.

Livery passengers have slightly different rights. They have the generic passenger rights, not rights that are included in the medallion component. But you
do have the right to pay a fare that's provided by the dispatcher in advance.

Then for commuter van passengers: The right to have a knowledgeable driver that is familiar with the areas the van is authorized to provide service in.

And that covers all the rights enjoyed by passengers under this bill.

Staff hopes to have for you at your next meeting relevant rules, to update the rules -- not necessarily anything in the Administrative Code, we want to make sure the rules are harmonized. We hope the Council has support for us. We also hope to have the actual sticker to have for the commuter van. We'll have a description on how we plan to distribute the Bill of Rights to commuter vans, it will probably emulate what we did with the for-hire vehicles.

The staff would also like you to perhaps consider expansion of the Bill of Rights concept to the remaining industries. It does not necessarily have to be in the form of a decal that goes in the vehicle. For example,
in the lux limo world, transactions are handled by a business negotiation or contract. You could require a rider in a contract or require a handout. You could require a decal in the vehicle, but I suspect the industry might not be interested in that.

Are there any questions?

(No response)

MR. KLAHR: Thank you very much.

MR. DAUS: Thank you, David. One thing I recommend we look into is making sure -- David Yassky too -- we may want to recommend we try to do Bill of Rights in every single licensed vehicle. There is no reason in my mind why we should have Paratransits and the commuter vans situated differently and separately from others. They all have rights and they all should be in some way shape or matter enforced at some point.

We have Chris Wilson here for items 4-B, the Livery Drivers' Workers' Compensation Benefit Fund, and we decided that we should do this presentation, there is a lot of
concern in the livery industry about how this is going to work, and I think it is very important for the industry commissioners to understand the new laws and rules and how they are going to impact industries.

Chris has become guru in this area, and I would like to thank you for having a presentation put together, you and Chuck Fraser.

MR. WILSON: Good afternoon, Commissioners. I'm Chris Wilson and I'm an assistant general counsel at the TLC, and I'm here to talk about some provisions of State Workers' Compensation laws which recently became effective and affect the livery drivers.

We worked with the Workers' Compensation Board in terms of both of the legislation and implementing the legislation, and we actually think that adding livery drivers represents our step forward in terms of the coverage and work conditions available to them.

Workers' Compensation generally is a statutory scheme that provides that workers
who are injured on the job can recover for those injuries. Most of the drivers we regulate today are already covered by Workers' Compensation Insurance; taxi drivers are, Paratransit drivers are, commuter van drivers are.

Luxury limo drivers and black car drivers have a slightly different arrangement. The State has set up by legislation a Black Car Fund which covers these drivers. The Black Car Fund is funded by a surcharge on black car and lux limo rides, and that in turn is what pays for coverage to drivers who file claims.

The livery drivers have always been a special case in terms of the Workers' Compensation world. Although the law appears to mandate coverage for livery drivers by the owners of vehicles, in fact, our experience has been that livery drivers are not covered because most decisional authority is determined that most drivers are independent contractors and therefore, not entitled to coverage. As a result, they have had
difficult times getting covered for their injuries incurred while they are on the job.

MR. GIANNOULIS: Are yellow cab drivers considered something opposite or something different?

MR. WILSON: Yellow cab drivers have typically -- there has been little problem concerning the employees covered by the policies covered by medallion owners.

MR. FRASER: Taxi drivers are described in the definition of employees in the Workers' Comp current law. Livery drivers are not, so, livery drivers are subjected to the fact-specific analysis to determine whether they are employees or not.

If taxi drivers were submitted that same analysis, they would be found to be independent contractors, but they are just specified as such.

MS. WEINSHALL: So, people who own their own medallions are not considered independent contractors? They are covered under Workmans' Comp?

MR. WILSON: People who own their own
medallions don't have to have Workers' Comp coverage unless they rent their medallion out.

MS. WEINSHALL: But let's assume they drive the cab themselves, they never rent the medallion out; they have no Workmans' Comp coverage?

MR. WILSON: I believe that is correct.

MR. DAUS: There is a certain number of professions, I think either in the position of employer/employee, even though some of these professions, actually if you apply the independent contractor analysis, actually they would be independent contractors, but they specified yellow taxicab drivers in there.

MR. WILSON: They also specify racehorse jockeys and people working in theater as employees.

MR. DAUS: Someone had a good lobbyist.

MR. WILSON: So, the way the structure was intended to work but never did work for livery drivers was that the vehicle owner was
to be the employer of the driver for purposes of Workers' Compensation Insurance.

And the idea was that the coverage would provide for work-related injuries including medical costs, loss of earnings, death benefit, and also disability component for non work-related injuries.

But, as noted, we have had trouble assuring that people do get compensated for their injuries; first, because many people who attempt to procure regular coverage find it expensive or unavailable; secondly, it is noted when people have made claims they have been held to be independent contractors and not entitled to coverage.

So, the State and we decided on a new approach. New York State has passed a new law that will create a statutory scheme. The law creates something called the Livery Drivers Benefit Fund, and under the new law, it clears the dispatching base, the employer, for Workers' Comp purposes of drivers. Under the new law that is what the coverage provides.
If the base is not a member of the Fund, the base is the employer and has to provide Workers' Comp coverage.

The Fund provides somewhat more limited coverage than traditional Workers' Comp coverage. It provides coverage from injury resulting from a crime; for serious injuries which is loss of limbs, hand, finger, multiple toes; paraplegia or quadriplegia; total or permanent deafness and blindness.

It does not provide coverage for less serious injuries such as, let's say whiplash.

Coverage by the Fund does include medical coverage, medical costs for those covered injuries. It includes loss of earnings for people who have a covered injury, and it provides a death benefit if you are killed on the job which will be determined by the Fund itself.

It does not provide a disability component.

And finally, the statute provides: For those injuries incurred on the job which the Fund doesn't cover, drivers can make claims.
against the No-fault Insurance coverage of
the vehicle owner. And those claims can
include medical costs and lost income.

So, the way the structure works is, the
Fund will provide limited statutory coverage
to drivers of covered bases. Coverage will
be paid for by the bases. Each base will pay
and is assessed based on the number of
affiliated vehicles.

And under the statute, livery bases not
becoming members of the Fund must provide
classic Workers' Compensation Insurance.

MR. GIANNOULIS: How different is the
coverage of the Fund from classic Workers'
Compensation? I know it's very complicated,
I assume, given insurance stuff.

MR. WILSON: The big difference is that
the Fund will not cover simpler injuries. It
will only cover severe injuries; that is
blindness, loss of a limb, paraplegia or
quadriplegia.

It wouldn't cover, for example, just a
tissue wound in a fender bender, or if a hand
gets slammed in a car door but otherwise
But, what the statute provides is for those types of injuries, you can make a claim against the Uninsured Motorist Coverage. So, the Fund itself won't provide that coverage, but in theory, there will be somebody to whom the driver can look to recover at least medical costs for those injuries.

MR. GIANNOULIS: And why would somebody join one or the other, if there is a quick answer? Why would a base choose one or the other? Is it in terms of declaring whether somebody is employed; what is the reason?

MR. WILSON: I think the reason the bases will probably choose to join the fund is, we believe that the coverage provided by the basic -- the cost of the coverage is cheaper.

So, the law went into effect on January 1st. And beginning on January 1st, every livery base as a condition of licensure must provide proof that you are a member of the Fund or that it has full Workers' Comp coverage for the drivers it dispatches.
And the TLC in turn is also providing to the Fund information regarding vehicle affiliations reported to us by livery bases. The statute contains strict penalties for matters such as failure of a base to pay assessments to the Fund, misrepresentation of owners of affiliated vehicles to reduce assessments. The penalties include fines, suspension, and revocation including revocation of either or both of the base's license or the base's membership in the Fund itself.

The statute requires the TLC to do a couple of things: First, we are required to deny base licenses to applicants who appear before us who do not demonstrate to us either membership of the Fund or that they have Workers' Comp coverage for their drivers, and we have already begun doing that as of January 1st.

In addition, we have noted that we also have to provide to the Fund -- which we are doing -- information regarding vehicles affiliated with bases.
The statute permits us to do several things at our option. We can enforce the Workers' Comp Board or along with the Workers' Comp Board certain aspects of the Fund including, we can work with the Workers' Comp Board for bases that fail to pay their assessments; for bases that have misrepresented the numbers of affiliated vehicles; for bases that have tried to coerce drivers and vehicle owners to misrepresent whether or not they are affiliated with a particular base.

The staff is recommending that the rules that we present will implement both the mandatory and optional components because we believe the coverage of livery drivers is important and we think that our assistance to the WCB in enforcing provisions of the statute advances the goal of providing coverage to livery drivers.

The way the we anticipate this will work is that the Fund and the Workers' Comp Board will seek our assistance if they desire and provide us with the information we need to
take enforcement action against a base if they don't do it themselves.

We anticipate that we will probably have the proposed rules before you at our next hearing or probably in May actually.

Licensing, as I mentioned, is already requiring livery bases applying for renewal licenses to demonstrate compliance, and the Fund and the Workers' Comp Board have served several notices on livery bases which have not joined the Fund to date. As of Tuesday, 17 bases have been with "stop work orders," which is down from about 36 a month ago, so, they seemed to have been successful in their efforts to encourage compliance.

MR. DAUS: Great presentation.

MS. POLANCO: Thank you for your presentation, very informative.

So, does the TLC have any discretion; basically it is a State mandate?

MR. WILSON: Correct.

MS. POLANCO: So, the TLC has to comply with the State?

MR. WILSON: That's correct. Under the
statute, we are not permitted to give a license to a base which does not demonstrate compliance.

MS. POLANCO: When you say "optional components," which optional components are you referring to?

MR. WILSON: Under the statute we maybe are not required to assist WCB and the Fund in enforcing certain duties of the bases regarding coverage. So, if a base has failed to pay its premium, we can write a summons, we can, but we are not required to write a summons to the base in addition to the action the WCB may take.

Likewise, if a base misrepresented the number of cars that they have affiliated, we can but are not required to also write a summons to them for having misrepresented themselves to the WCB and the Fund. So, we are recommending that we take those actions as well in addition to simply requiring people to be members.

MR. DAUS: Although we're no voting on this, I would strongly recommend that you
consider having some teeth in the law,

because we have the option to put some teeth

into it. We did it with the Black Car Fund,

and it worked. I think you are going to have

some difficulty getting a lot of these livery

bases signed up. I think as awareness gets

out there, that's great, but there has to be

some teeth for people who don't, otherwise

the Fund is not going to work and people

can't be served.

I see the whole Board has a second role

over here. Good luck on your endeavors.

MR. GIANNOLIS: Do you have any sense

of costs? Because Workers' Comp insurance is

actually not that expensive at end of the
day.

MR. WILSON: At one point, I heard the

number, but I don't know that it's still

accurate. They were talking about an

assessment of about $1,000 a vehicle.

MR. GIANNOLIS: That seems high.

MR. WILSON: Is it $250, $260 per

vehicle per year? He would know better than

I.
MR. DAUS: Would you consider it more or less than the centered Workers' Compensation policy in terms of the actual injuries covered; is it different or the same?

MR. WILSON: In terms of the whole scheme including the ability to make claims against the Unemployment Insurance, I think it covers mostly the same stuff -- but the Fund itself has a narrower mandate, and that is serious injuries as opposed to not-so-serious injuries.

MR. DAUS: What happens to surplus of funds? Like there was an ongoing issue with the black cars.

MR. WILSON: There is not. A statute creates a board of directors for the Fund, and I think the idea is, if there is a surplus of funds, it collects interest; that is if they are collecting more than they need, reducing the amount that they are collecting.

MR. DAUS: Any other questions?

(No response)

MR. DAUS: It's a good thing for the
Fund. Good thing for the industry.

Item 5-A, the Commission action for Rules Revision Project, Chapter 8, Taxi Owners, I would like to turn it over to Chuck Fraser, our counsel.

MR. FRASER: The first chapter for consideration today is Chapter 8, which is Taxi Owners. This replaces Chapter 1 in the existing rules. We published this for comment, and had a public hearing, and we received three written comments. We had one witness testify at the hearing. Those comments have been circulated to the commissioners.

The staff is recommending three changes to the proposed rules based on those comments. Those have also been circulated to the commissioners, and I think copies may be available in the back of the room.

MR. DAUS: Anybody have any issues with it?

(No response)

MR. DAUS: Do we have a motion to accept the rules?
MR. AROUT: I make a motion.

MR. GONZALES: Second.

MR. DAUS: All in favor?

MR. GIANNOULIS: There is no testimony, right?

MR. FRASER: These rules revisions, we are doing the public hearings in front of the staff, and then you have a transcript. There was a witness who was Mr. Mazer, and you have the transcript of his comments.

MR. DAUS: Item 5-B, Chapter 20, Transition Provision.

MR. FRASER: This is a chapter that provides for transition from the existing rules to the new rules. The intention is essentially to keep every valid act that is undertaken under the existing rules to remain valid when the new rules are passed. So, if we write a violation under Section 220 when the new rules are implemented that new rule becomes 326, and the action is still valid if that summons was written under a rule that has been replaced by another rule, and the licenses remain valid, critical driver points
remain valid, all that sort of things.

We received no written comments. We had testimony from one witness -- and mysteriously the same witness -- and as a result, staff is recommending one change, not to the rules themselves, but in addition to the statement, an explanatory addition to the statement and purpose based on that comment.

Again, the staff is recommending conditional approval of these rules conditioned on a further vote when the last of the chapters is approved -- which, by the way, we have four chapters to go; two will be available at the April meeting and two at the May meeting. At that point, we'll be ready to do the final approval I guess I'm expecting in July.

MR. DAUS: Do we have a motion to approve?

MR. GONZALES: Motion to approve.

MR. AROUT: Second.

MR. DAUS: All in favor?

THE BOARD: (In unison) Aye.

MR. DAUS: I just recognized
Commissioner Polanco wasn't present for those two votes. It was otherwise unanimous.

This isn't for Commission action: This really should be for public hearing, we are definitely not taking any action today on Item 6, the Lease Cap Public Hearing. This is something that we are required to do every two years.

Chuck, do you want to elaborate a little bit further on what we're going to be analyzing today?

MR. FRASER: The rules require a public hearing law on lease caps every two years, every other March; March of each even-numbered year. This being March of an even-numbered year, we have a lease cap hearing.

The Chairman already mentioned that we'll be accepting written comments through the end of April, and I would just point out there is an extensive questionnaire that has parts from different industry complaints, drivers, owners and so on. It is on our website. Please go to that questionnaire and fill it out, give us as much information as
you can, and we'll be using that to -- the staff will formulate a recommendation to the Commission. And I think the Chairman also referred to a second hearing at some later point.

So, other than that, we'll just hear testimony today.

MR. DAUS: Thank you, and they have three minutes to speak.

The first speaker registered is Mr. Ethan Gerber from Gerber & Gerber.

MR. GERBER: Good afternoon, Commissioners and to the new chairman. My name is Ethan Gerber from Gerber and Gerber and the Greater New York Taxi Association.

Before I begin my three minutes, on a personal note, I would like to say what a great pleasure and honor it has been to have worked with Matt Daus. I first met Matt when he was general counsel. I was instantly impressed with his means to get at the heart of issues and to resolve problems.

Through the years as Chairman, I knew that many problems could be solved if Matt
became aware of them. He approached his job with dedication and intelligence, and always put the interest of the City first. New York is a better place for having Matt as Chairman and as a commissioner. Thank you, Matt.

MR. DAUS: Thank you, Ethan. I appreciate those kind words.

MR. GERBER: Also, GNYTA is also very close to the counsel, particularly in his Green Initiative, and we look forward to many years working with him in the future.

Rule 1781(a) mandates that during March in even-numbered years that TLC shall hold public hearings on lease caps. The rules explicitly state that the TLC must consider operating expenses, driver earnings, and retention of experienced drivers, as well as other matters. Each of the expressed reasons demands an increase in lease caps.

As to operating expenses, everything has gone up -- and not just because of inflation. The cost of vehicles has gone up. Hybrids and accessible taxis are more expensive and cost more to maintain. The
mechanics are much more specialized and cost more to train; the cost of support personnel, the cost of the professionals, the accountants and the attorneys, the cost of liability insurance, self-insurance and Workers' Compensation premiums.

In addition, the new rules state that any of the costs formally incurred by the driver must now be included in the lease caps.

Driver earnings are up. All analyses shows that credit card tips average just over 20 percent.

(Laughter)

MR. GERBER: I anticipated those comments and laughs. What I have is actual data analyses which shows that the average tip -- that's in my fleets in the GNYTA -- average about 19 percent, they go from 19 to 19.6 percent on credit cards. We don't have records of cash receipts obviously, but on the system, according to the data that we have amassed, comes out to just over 19 percent. And I have that information
available and I will be making it available for all the Commissioners.

As to the retention of drivers, we have more drivers now than ever before in the taxi industry. TLC lists 46,687 active licensed drivers. In a free market, there is no doubt that it would cost more to lease a vehicle. The fact that so many people choose to drive cabs, shows that it remains viable and profitable to thousands of New Yorkers.

As to policy, let me make two points:

First, this is not an issue between owners and drivers. No one disputes driving a cab is a hard job. At GNYTA, we are owner/members, either a former cab driver, or the son of a cab driver. I myself am the grandson of a cab driver. We value this work and we all know the labor involved. The lease cap doesn't just go to the owners, it goes to the thousands of other workers in the cab industry; the mechanics, the dispatchers, the receptionists, the secretaries, the gas pump attendants, the car painters, the car washers, the maintenance garages, and dozens
of hard working people in one of New York's most important indispensable industries. A frozen lease cap means that these salaries are frozen as well.

Second, historically, the lease cap was enacted to avoid the rare abuse -- the lease cap was well above market demands, for that reason, it was first enacted, it was well above that of which -- may I have two more minutes?

MR. DAUS: You spent some time saying nice things about us, so, that was not part of your allotment.

MR. GERBER: Today, virtually all garages are trudging at that low rate. They literally can't afford to stay in business at lower prices. This also creates consequential damage to good garages with outstanding service with no incentive to compete at that service level.

The current lease cap is said to be unfair to the owners. If the TLC believes that an upward adjustment is unfair to drivers, it means the rate of fares are
officially low and needs adjustment to
reflect reality of industry.

MR. DAUS: Thank you, Ethan. Are you
able to, somehow, for benefit of the
Commission and the new chairman, I would
recommend maybe if there is a way you could
actually go through that economic impact
analysis on the employees of the fleets and
agents? Because that's something we never
looked at, and I think that would be helpful
to see if these other working people are also
effected by that.

MR. GERBER: Absolutely.

MR. DAUS: Something we never really
discussed, and I think that would be
something that is very important to the
Commissioners in my opinion. Thank you.

Mr. Singh?

MR. SINGH: Good afternoon, everyone. I
have some concerns about the brokers charging
$50 dollars additional fees for the drivers,
I have never heard that before. There has
always been two shifts and two drivers. I
don't know where that it is coming from, that
is issue Number 1.

Number 2, we have to pay 5 percent of
the tolls and 5 percent of the surcharges.
That takes away from us, and plus we pay
another 10 percent to make that even.

And the third thing is, what happens if
the credit card breaks down at Newark Airport
and they have no cash? What should we do?
We have no idea what to do with it. Credit
card doesn't work.

MR. DAUS: A meter breaks down -- credit
card swipe; the same rules would apply
there. Why would they not?

MR. SINGH: We have no way to accept the
payment.

MR. DAUS: The same "store forward" on
the meter would apply. So, why would that be
an issue if it was in Newark?

MR. SINGH: I always thought we had to
print from the credit card. I don't know if
that is the rules.

MR. DAUS: Why don't we have some of the
technology folks sit down with you now and
explain that to you -- thank you, Allen.
MR. SINGH: The other issue we have is the brokers charging back to drivers and asking for receipts. What should we do about that? Let's say a charge is $60 and the driver cannot provide the receipt, and they charge him on the credit card?

MR. DAUS: They can help you with that. I don't know the answer to that question.

So, Allen will take care of you, Mr. Singh.

The next speaker is David Pollack from Taxi Safety.

MR. POLLACK: Mr. Chairman, it has been a pleasure working with you and the Administration. Thank you for your service to the passengers of the City of New York, to the drivers of the City of New York, and to the taxi industry. We appreciate all your efforts.

MR. DAUS: Your welcome.

MR. POLLACK: Good afternoon, Commissioners and Mr. Chairman. My name is David Pollack, executive director on the Committee for Taxi Safety. I am here today to testify concerning the lease cap.
The Lease Cap Rule 1-78 of the TLC Regulations limit the amount an owner may charge by leasing the medallion.

Section 1-78 provides that during March of even-numbered years, the Commission is to hold a public hearing and solicit comments as to the operating expenses, the driver earnings, retention of experienced drivers in the taxi industry and other matters relevant to purposes of considering changes to the lease caps.

Briefly a background: An owner of any fleet medallion or pre-1990 individual medallion gives management to his or her medallion to a TLC licensed agent, the agent then leases out the medallion to a driver. There are primarily two types of leasing within our industry: There is shift leasing, and then there is long term leasing often referred to as DOVs -- that's driver owned vehicles.

We testify today to bring your attention to an issue of importance that if not addressed will result in permanent changes to
our industry, negative to leasing, not only drivers, but the riding public, that issue simply states that a large disparity exists between the lease caps for shift operations and lease caps for driver owned vehicles which disparity allows shift operations to pay more to owners whose medallions manage the driver owned vehicle operators are able to pay to owners they manage.

This large disparity will -- not may, but will -- result in the end of the segment of industry which is known as the DOV segment. By allowing shift operators to pay hundreds of dollars more per month to owners for the lease of their medallions, you are to create an imbalance by which the DOV operators can no longer compete with shift operations to retain or attain management medallions for lease. Obviously if driver owned vehicle operators cannot retain management of the medallions they lease, or obtain new medallions and manage, DOV operators are faced with a choice of simply going out of business due to restriction, or
changing their operations from DOVs to shifts, effectively ending DOV operations in our industry.

While shift or fleet operators continue to say they have more expenses than DOV operators, because as an example, they repair the vehicles they manage, while driver owned vehicles do not, the shift operators thereby attempting to justify the lease cap disparity that exists, the bottom line proves the contrary. It is easily provable and an ascertainable fact that shift operators offer owners' management fees that are often $300 to $500 or more per month for management of the owner medallion. If the expenses of the two operations of DOVs and shifts were the same -- may I continue?

MR. DAUS: Yes.

MR. POLLACK: Or a shift's greater expense, this disparity would and could not exist. But while it is easily provable that the disparity does exist, you may ask why it is so important that DOV operators' operations continue to survive, and the
answer to that question is truly quite simple. The TLC has repeatedly found that driver owned vehicles and owner drivers are the safest drivers in the industry. There is repeated statistics showing that DOV drivers have fewer accidents than other drivers in the industry and are safer drivers. The DOV driver is also the long term driver, that is the professional driver who stays in the industry and whom the TLC has repeatedly stated that it seeks. DOV operations typically have many more hybrid vehicles on the road than fleets, a benefit to the public and a savings to the drivers.

But not only are DOV drivers better for the public, a DOV driver can and does earn up to 40 percent more than the shift drivers. DOV drivers also benefit by being their own bosses. That is driving the hours they want, being able to make time for family needs.

Additionally, as management contracts expire and owners seek to obtain new management contracts, the DOV leasing agents
cannot compete by paying the same leasing fee offered and paid by the agents that are manage by shifts. There are two results: One, not only that the owner will take his business to another agent resulting in the loss for the current agent, most important, two, that the DOV driver whose been paying for the purchase of his vehicle will no longer have a medallion for his vehicle, rendering his vehicle useless, resulting in the driver losing the value of all the payments he or she has made to purchase the vehicle. And that said, 50 percent of driver owned vehicles have their taxi cabs paid off at any given time.

Please note, we are not seeking to hurt other segments of our industry by arguing there should be a decrease in the lease cap to even the playing field. Rather, we are seeking increase in the lease cap for the long term leasing segment of our industry so we can have parity with the short term leasing agents.

MR. DAUS: David, please try to sum up.
MR. POLLACK: It should be noted that in 2004, the lease cap for long term leasing agents was increased 8 percent from $741 set in 1998 to $800, an increase of 8 percent and a rate of fare increase of 26 percent.

In 2004, the long term leasing agents received the smallest of any segment in the industry. Accordingly, a lease cap increase for driver owned vehicle, a long term leasing part of industry, is not only a necessity, but long overdue.

Obviously, we do not have time in the making of these comments to fully explore the lease cap issue or give you the statistics that prove the facts set forth herein.

Accordingly, I sincerely hope that this is both the beginning -- not both the beginning and the end of the Commission's consideration of this issue, but rather just the beginning as the Chair had stated at the beginning of this meeting.

The Committee is available to meet with the Commission at its convenience to resolve this serious issue. Thank you.
MR. DAUS: Thank you, Mr. Pollack. We can't change the rules now that we started at three minutes, maybe we might want to give some more time at the next hearing, four or five minutes, just a recommendation.

Bhairavi Desai.

MS. DESAI: Good afternoon. I would like to say for the record, I think it is astounding to me that you would rather point the brush of the entire work force of being scam artists and criminals rather than to take seriously the fact that there has been serious issues with the operations of these meters since Day 1. We have brought it up before, we've always been ignored. I cannot accept -- not only me, I think we have gotten emails and phone calls from so many ordinary New Yorkers who called in and said that they reject the notion that 31,585 drivers were scam artists and it is really disgraceful.

MR. DAUS: You are a little off topic here.

MS. DESAI: I will use my three minutes as I choose to use it, prior speakers did the
same. You can cut me off at three minutes, you're more than welcome to. It will be my parting gift to you.

I want you to add on the time you just took up by interrupting me.

I want to say this for the record, I wish I did not have to. I wish this could have been discussed, you know, reasonably, by sitting down. I think it is horrible that you put out a press release, a statement that was more of a report that was just a statement with these allegations, and I look forward to the findings as this investigation is finally concluded.

On the lease caps, it is our major economic issue. The main things that are happening that I would like to point to, the rest of the details are in our written comments. At the garages, they have done away with weekly leasing since 2004 and have not brought it back. That means for steady weekly drivers who are operating six to seven shifts of the week, they are being charged for each separate shift individually, not at
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the weekly cap of 666 that the TLC regulates. This is wrong that the garages are just able to just blindly say that they decide whether it's a weekly rate or a daily rate. Well, of course, it is their material interest to charge the driver the daily rate even though that driver is actually operating at the weekly level. The TLC must address this issue.

MR. DAUS: Have you filed any complaints with the TLC?

MS. DESAI: Yeah, I think we have.

MR. DAUS: How many in the last year?

MS. DESAI: Are you serious?

MR. DAUS: I'm just asking. I don't think we have been apprised of it through 311.

MS. DESAI: Wow.

MR. DAUS: With 311?

MS. DESAI: Okay. I don't think I need to talk to 311. I talked to your staff directly.

MR. DAUS: There is a complaint process for that.
MS. DESAI: Okay. So, the process is not to talk to your staff directly, we have to do 311? I'll make a note of that.

MR. DAUS: You can do it either way.

But did you file any official complaints is what I'm asking?

MS. DESAI: Yeah. Several times. We have met with the --

MR. DAUS: Eight and a half years and I have never used this (indicating the gavel).

MS. DESAI: Parting gift, go for if it.

MR. DAUS: I'm asking you a question, which I think the Commissioners want to know.

MS. DESAI: And I had gave you an answer, Mr. Daus, which is yes.

MR. DAUS: How many?

MS. DESAI: How many meetings we had?

MR. DAUS: No. I am asking you --

MS. DESAI: The complaints were filed at every single fleet.

MR. DAUS: Your time is up.

MS. DESAI: This is semantics and you know it. Every other fleet has done away
with weekly leasing. We have brought this to your attention when Andrew Sulkin (ph) was here at several meetings with them. We have also brought it to the attention of the Mayor's Office.

Please do not try to now call me a scam artists, although that seems to be what you enjoy doing the most.

MR. DAUS: That is not exactly what happened.

MS. DESAI: You are just trying to demobilize an issue.

MR. DAUS: Your time is expired.

MS. DESAI: I was just answering your question.

MR. DAUS: You didn't answer the question.

MS. DESAI: I did answer your question.

MR. DAUS: Your time is expired. The next speaker is Beresford Simmons.

MS. DESAI: Good luck to you by the way.

MR. DAUS: Same to you. It's been an absolute pleasure.

MS. DESAI: Mutual, the only thing we
agree upon, mutual feeling.

MR. DAUS: Let's go have some lunch after I'm out of here.

MS. DESAI: As long as I get to add the poison in first.

MR. DAUS: Beresford, how are you?

MR. SIMMONS: Good afternoon, ladies and gentlemen and Commissioners. My name is Beresford Simmons. I'm a member of the Taxi Workers Alliance. And I congratulate you for all the things that have been done for us.

MR. DAUS: Thank you.

MR. SIMMONS: Mr. Chairman, the Wheelchair Accessible Bill is in a chaotic situation. The drivers are not getting their just due as far as compensation after they do a job.

You know, they are supposed to go to Kennedy Airport on a job?

MR. DAUS: Are you talking about the shorties?

MR. SIMMONS: Yes.

MR. DAUS: We stopped those a while ago.
MR. SIMMONS: Well, most of the drivers are not getting compensated from the passengers.

Anyway, I'm one of the DOV drivers in the industry, sir. And about this lease cap, the maintenance of the cars is very expensive, and I partially agree with Mr. Pollack on some of the things that he said about the DOV drivers. But as far as the lease cap is concerned, sir, we can't afford it. The maintenance of the cars, summonses, 5 percent, all of these things that are coming out of our monies is totally ridiculous. We are not making more money. We are losing as a matter of fact. We are losing on tips, a lot of people walk out of the cab and don't tip.

As far as to blaming 35,000 cab drivers on scamming, these things are very complicated to operate. Some of the time you hit the button -- not deliberately, but you hit the forward button. Some drivers don't even know how to use the meter at this point. So, you've got to take a look at that
before making an overall statement in the industry.

And that is my three minutes. Thank you very much.

MR. DAUS: Thank you.

MR. SIMMONS: Congratulations.

MR. DAUS: Thank you very much.

MR. SIMMONS: Mr. Yassky, congratulations, sir.

MR. DAUS: Thank you. Mr. Biju Matthew.

MR. MATTHEW: To all the Commissioners: Ever since I was a kid and report cards were issued, we normally reflected either the good or the bad so it was an honest assessment. Today, we come through a bit of a charade, of you know, praise for the last several years without acknowledging some of the major failures, and I won't go through all of them. I'll start and end with only one of them.

When the 2004 fair increase happened, 26 percent fare increase and the 8 percent increase on lease cap, it happened on several
tables inside this office complex with the clear assumption that the lease caps will be held and regulated. The one single biggest failure, for instance, a $666 weekly lease cap. The TLC could put out a press release about a $35,000 scam that the drivers are scamming, but it hasn't even bothered to put out a single line of garages and brokers going way above the lease cap for the last five years.

(Applause)

MR. MATTHEW: Let's talk about failures. Let's talk about it with absolute clarity. I want one scrap of paper produced in this Commission that acknowledges that the lease caps are being constantly violated. Talk about, "Oh, did you file an official complaint?"

If you are an agency that is doing its job regulating this industry -- one scrap of paper with that rubbed all over the press, so that people can be alerted. Thank you.

But several other things in response to the scenario that's been created, that it is
a complete favoritism that this
Administration has shown towards the garages
and the brokers. For instance, David Pollack
just came up here and mentioned that they are
forced to yank the medallions off drivers.
What do those drivers do? They are putting
$25-30,000 on a car for several years and
they lose it simply because of the fact that
they have no control of that contract, and
this Commission has done nothing about it.
Brokers have put in something called
"stamp fees." Brokers have put in something
called "additional fees." I was at the
airport all day yesterday, and I did not meet
a single medallion to a fleet garage driver
who was paying night shift less than $790 on
a $676 lease cap. I did not meet a single
DOV driver who was paying less than $860 in
the medallion after the car payment. It is
easy to evaluate, and if this Commission and
you as its chairman is not willing to address
that, then I think it just points to your
failure.

(Applause)
Mr. Matthew: Thank you very much.

MR. DAUS: Thank you. Victor Salazar.

I'm going to miss this place -- and we haven't even gotten to Bill Landauer yet.

MR. SALAZAR: This might sound like a joke to you, but I'm driving there twelve hours a day and all of my friends over there, they know what it's like.

Even the last time at a public hearing, you couldn't even say one word of thanks to the drivers. You did thank everyone else, of course, brokers --

MR. DAUS: I thanked the drivers. I just honored three drivers. What you talking about?

Let's finish up. Continue your attack.

It's okay.

MR. SALAZAR: It's not an attack. It's a fact.

MR. DAUS: What's your point?

MR. SALAZAR: The thing is, rather than talking about a maximum rate in lease caps, we should charge for the minimum rate.

Drivers are making exactly the same amount of
money of what they used to do before 2004, and they are paying $250 more.

MR. DAUS: A minimum rate? What did you say?

MR. SALAZAR: After filling up the gasoline tank and paying the fees averages about $100. It was exactly the same scenario before 2004. They are paying more on leases and taking home exactly the same amount. So, why should we increase the leases? I don't understand that.

MR. DAUS: Just so you know, we are looking to hear both sides.

MR. SALAZAR: Right. That is one of the sides I'm telling you, which is important, because that is our money, this is our salaries. We lose 5 percent on every credit card transaction. And every time somebody pays with a credit card, 5 percent of the of the 50 cents comes out of our back, our sweat.

I'm my own operator and I have given close to $900 to bail out the MTA in the first two months. And according to my
numbers, I make an average, the majority of my fares are credit card. If you add from all the taxis, that means we have paid $140,000 from those credit card transactions which have paid this to the MTA.

I want to bring this up. More or less I definitely disagree with the leases, I personally think that your commissioner time has come to an end --

MR. GIANNOULIS: Would you be interested in answering a question? Do you lease a vehicle?

MR. SALAZAR: I do lease a vehicle. I'm not leasing more than $90 per shift.

MR. GIANNOULIS: But you leased vehicles in the past, you know what you are talking about?

MR. SALAZAR: Your question is you lease a vehicle?

MR. GIANNOULIS: Or you have in the past? I just want to know, are people given receipts of any kind when they lease vehicles?

MR. SALAZAR: The receipts are being
given to some drivers and to some other drivers not.

MR. GIANNOULIS: But generally speaking, do you sign a contract to get anything, or do you just go over to the window, hand over cash, and walk out?

MR. SALAZAR: Usually handing cash and walked out. But the credit card transactions, there is confusion.

MR. GIANNOULIS: I understand the credit card. I'm talking about in terms of the actual lease transaction. Simple question.

MR. SALAZAR: Some of them have receipts.

MR. GIANNOULIS: Some of them do?

MR. SALAZAR: Yes.

MR. GIANNOULIS: And so the illegal leasing that is going on is done, there is receipts, and then some people just give more money; is that I guess the case?

I am asking because you just doubt -- there is lot of talk about how the public -- I'm not taking a side, but it seems to me that you could easily prove your claims,
because these are pretty aggressive claims. You are saying that the Commission is closing their eyes, widespread abuse that you say the same abuse didn't occur in other situations.

So, you are saying we should give you that, that the abuse is occurring there. I'm waiting to see what the Commission comes back with in terms of its statements about possible stealing that was going on, but you guys should go and present this with a report, present us with receipts -- present something, because just coming up here and making claims is not getting anywhere. Thank you.

MR. SALAZAR: Right now, drivers are paying about an average $120 per shift. If a driver works for six days, it equals $750 per week, and that isn't including the tip that we have to give to the dispatcher because there is an immense amount of licenses out there, it is like bullfighting of the dispatcher. The dispatcher gives out bundles of money from tips. If a fleet has approximately 100 cars, that is pretty much
about $1000 a day that the dispatcher makes.

MR. GIANNoulis: Thank you.

MR. Salazar: I think that we should actually stop the lease increase and make the conditions of the driver a much safer one for the City, as well as for the driver.

MR. Daus: Thanks for your information.

MR. Kay: Can I just stress again a reminder -- some people are looking at us with dumbfounded looks -- that this is the beginning of the process. There will be a lot more questions. There will be a lot more investigations. This is not something that is being decided just based on this three minutes worth of testimony you are all giving today. I'm sure there's a lot of information you all want to present, and everything is going to be looked at by this Commission before any action if it all action is taken.

So, by us not responding and asking any questions doesn't mean that we don't have additional questions, and we will seek additional information.

MR. Daus: And we'll actually have
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questions that I think we are going to be
publishing that are specific before the next
hearing, as I understand, like we did two
years ago.

Bill Landauer.

BILL LANDAUER: Good afternoon. I never
heard Warren Buffet cry or Bill Gates cry.
Why are these 21st Century Robber Barons
crying? And for Mr. Gerber to blame drivers
for his refusal to give his hardworking
drivers a raise is downright despicable.
A regime change has long been overdue,

oh, so long. Let my people go.

I welcome, Mr. Yassky. I know he's a
man of intelligence, common sense, and
decency. But I have been elected to give a
tribute to the reign of Matthew Daus.

You know, I'm Bill Landauer. I'm

notorious. I'm proud of it.

As, Marc Anthony was there to bury
Caesar, not to praise him; I am here to roast
Mr. Daus, not to toast him. I mean, well,
what did you expect? You earned this.

Now, for his legacy -- well, Hitler left
a legacy too. Daus reminds me of --

MR. AROUT: How dare you say that. You are out of order, you know that. If you can't get up and speak on what you're supposed to speak about --

MR. LANDAUER: This is a democracy.

MR. AROUT: If you're not doing that, then get off the floor.

MR. LANDAUER: Hey, this is my three minutes. I should have a couple of minutes because of your interruption.

MR. AROUT: You got it.

MR. LANDAUER: You remind me of Conrad's Heart of Darkness. I just want to say --

MR. AROUT: Have him thrown out.

MR. LANDAUER: The horror, the horror. This is ridiculous -- have respect for working people.

(Whereupon, Mr. Landauer was escorted from the hearing room.)

MR. DAUS: You had the right to speak about the lease cap today. The next speaker is Richard Thaler.

MR. THALER: Chair Daus, all the best
for everything that your future will bring.

MR. DAUS: Thank you.

MR. THALER: Commissioners, I have two points. The sublicensing authority granted to the medallion licensee, which should be attached to the Medallion Only Lease the DOV operator will receive, the sublease is granted to the DOV operator by the medallion licensee's transferring the rights and responsibilities of operation of DOV operator's designated vehicle to DOV operator Medallion Only licensee.

An example analogy would be the leasing of mobile food vendor license granted to mobile food vendors would violate their mobile food vendor license if they leased their license to an unlicensed mobile food vendor that is different from the permit.

So I propose a Medallion Taxi Sublicense in condition and rule: A Medallion Taxi Sublicense is the authority granted by the Commission to a medallion taxi licensee to sublicense their taxi licenses together with a Medallion Only Lease to DOV operators to
operate the DOV operator's designated vehicle
as a taxi in the City of New York.

A sublicense may only be issued to non
medallion owner DOV license operators, and
that is a cure for the problem that David
Pollack raised.

The value of a medallion license for
taxi operation must then be determined and
kept as distinct from the fair asset value
for the medallion. For this purpose proposed
that the interest rate of return of the U.S.
Treasury Note serves as a suitable benchmark
for historically high value and low risk
medallion asset investment.

The new sublicense lease cap would be
determined by selecting a suitable term for
the benchmark note, then the current -- I
think it was $800 per week Medallion Only --
whatever it is -- Medallion Only Lease Cap
would be broken out to remove the cost of
liability insurance under the sublicense
authority transferred to the DOV operator
capping only the value of the use of the
medallion license determined by the
The current rule -- another minute?

MR. DAUS: Okay. We have it already.

MR. THALER: I would like to correct some statements very briefly with respect to the Livery Driver Benefit Fund. Under the law, it is the livery driver that becomes an employee of the Fund. The base is not the employer of the driver.

Secondly, the coverage is very limited. Under the law, only covered services are covered. That is, while you were performing a dispatch and a transportation of the passenger, only injuries due to criminal acts, amputation or blindness -- though it is very restricted at 206 bucks, a slash of the $1400 or $1600 of Workers' Comp or whatever the fee is for the yellow.

MR. DAUS: Mr. Thaler, appreciate it.

Tariq Baig.

MR. BAIG: Good evening, Commission and Chair Matthew Daus. I'm a New York State Taxi Alliance member. I'm a current taxi driver, and I don't know if any driver is
going to miss you or not, but I'm going to
miss you when you leave the office.

And here we are again. Today, we
are here again to make rich people even
richer. The Commission and everybody in the
meeting, I am here to speak on behalf of the
hard working drivers. Your Commission, the
leases are already too high. The brokers are
overcharging according to the TLC lease cap.
Anyway, every broker is charging $35 to $50
extra per week to driver owned vehicle leased
in the name of the vehicle expenses. Can
anyone explain to us, what is the $35 extra
charge as a driver owned vehicle expenses
even if the car is owned by a driver?

The Commission, the brokers are
charging -- the brokers are ripping the
drivers in the name of the livery package
when you sign up a new contract with a new
vehicle in the name of the GPS enabling a
higher interest rate in New York City.

Also, they are charging you in the name
of the second and third driver the charge.
And also they are also ripping you off with
the extra fully covered insurance, even in case of accident, they don't fix your car anyway.

Also, it is the daily base garages are ripping -- the people working with the garages, even they got abused in these days and never ever before. The average people on the daily basis, they are paying $150 per shift even if they are driving on the weekly basis.

And any driver who leases the vehicle from the garage asks for the receipt, what they pay for? The answer, "There is no receipt," they simply say, "Do you want to drive today; yes or no?"

The driver thinks, "I have three kids at home to feed. What I do? Should I go home? Should I pay what he wants?"

Also the driver has to bribe to the dispatcher in order to get a car today.

On the other hand, the drivers, they are making very less money than ever before. The brokers and garages are taking advantage of GPS -- can I have one more minute?
MR. DAUS: Yes.

MR. BAIG: The brokers and garages taking advantage of the GPS at work. Drivers are making 1998's level of money today, and this is happening, believe it or not, this is happening.

Also we are having to pay the 50 cent surcharge from our pocket. How's it from our pocket, because the extra charge, people simply cut our tip off. I guess this is the main reason I quit driving, because of the abuse by the brokers and garage peoples. And God bless you, and God bless New York City.

MR. DAUS: Thank you, sir.

Osman Chowdhury.

MR. CHOWDHURY: Good morning, everybody. My name is Osman. I have been driving almost thirteen years. Today, I expect Mr. Daus is leaving and a new person coming, and I appreciate Mr. Daus and what he did for us.

Every time I have testified for several years when they have the lease cap hearing, they want to increase the lease, lease increase. Like they need more money. This
is our money. We are working. We are losing our fares sometimes for different things; credit card, standing fares, wasting our time.

Also passengers don't like the GPS noise. And also a lot of other things the Commission needs to discuss. For several years I made a complaint, TLC does apparently -- they also look the other way last year. TLC sits here. All things they are hardly doing.

All the Commission, I give something that's evidence -- that they are charging extra every shift. Thank you.

MR. DAUS: Thank you. Mike Woloz for Ron Sherman.

MR. WOLOZ: Good afternoon, Mr. Chair, and TLC commissioners. I'm Michael Woloz. I'll be delivering testimony for Ron Sherman, president of the Metropolitan Taxi Board of Trade which is a 58 year old trade association that represents 28 taxi fleets comprised of approximately 3,500 yellow medallion taxicabs which operate 24 hours a
day, seven days a week.

Our fleets employ hundreds of men and women including mechanics, dispatchers and administrative personnel, and we lease our taxicabs to more than 15,000 independent drivers.

Mr. Chair, let me say on behalf of myself that I have been very privileged to work with you for quite a while. I wish you all the best in everything that you do. That is from me personally, and I'll tell you what Ron had also wanted me to express to you:

"Mr. Chair, I would like to take this opportunity to commend you for your service to this Commission, the taxi industry, and the riding public with great distinction over the last decade and a half, and on behalf of our fleet, we wish you well on all your future endeavors."

And I would just like to add that I am happy that you are still going to be working with taxi policy, and really do look toward to working with you in the future.

MR. DAUS: Thank you for those kind
words, and please give my best to Mr. Sherman.

MR. WOLOZ: I sure will.

Pursuant to TLC Rule 1-781(a) that requires a lease cap review every two years during the month of March, MTBOT will be submitting a detailed petition for an upward adjustment of the lease cap by the upcoming submission deadline.

Today, we would like to take this opportunity to outline our operating costs, and how the lease cap has been adjusted by TLC over the past several years.

MTBOT's members, which are family owned businesses with deep roots in New York City must be able to sustain their 24/7 taxi fleet operations to ensure that the 14,000 drivers released from our garages retain steady employment during good and bad economic times, that we continue to directly employ hundreds of working men and women, that we indirectly employ hundreds more, and most importantly effectively serve the riding public as a critical component of New York's
mass transportation network.

Some of our operating expenses include the purchase hack up of vehicles required at least once every three years, medallion costs; financing and interests; vehicle operating costs including all parts, labor and repairs; on-the road maintenance including tow services, garage costs, including lifts, computerized diagnostic systems, car washes, and other infrastructure; administrative costs; biannual road usage fees; other taxes and fees; insurance costs.

As our written submission will demonstrate, these costs have risen substantially and continue to rise. The cost of operating in New York City is high for any business, and the cost of the operating in a highly regulated industry such as the taxi industry makes these costs even higher. This is why it is necessary for the TLC to periodically analyze these costs and increase the primary mechanism for offsetting these costs accordingly.
However, as the MTA routinely adjusts fares for subways, busses, serving rails, our industry is totally unsubsidized by government.

While operating costs have risen, lease caps have decreased the for the first time in our history. It has been six years since the last very modest lease cap increase in 2004 where drivers received 85 percent of an overall lease cap and fare increase, as historical comparison in 1986, drivers received 60 percent of the overall increase, and prior to that, owners and drivers split any increase 50/50.

In 2006, the drivers received a fare increase on the meter while owners received no lease cap at all. That is providing drivers with an unprecedented 100 percent of the overall increase.

Then in March 2009, this Commission passed an unprecedented rules package on rules sought to decrease the lease cap for any owner to chose to operate a non-hybrid taxicab, fortunately that rule was enjoined
by a decision in federal court.

I just have a couple more paragraphs.

MR. DAUS: Could you just sum up?

Thanks.

MR. WOLOZ: However, another rule to restrict fleet owners of their ability to recruit sales techs for their drivers was implemented. This amounted to a decrease in the lease cap for the first time in our industry's history. To compound the problem, the State of New York increased the state sales tax which is charged on the rental car portion of the lease. So we went from a loss of $3.24 per shift to a loss of $4.77 per shift, an averaged 4 percent decrease on shifts that are at the cap.

Given the dire state of the economy, another sales tax increase may be just around the corner. Adding insult to injury, the State imposed a 50 cent per-ride surcharge of taxi passengers go directly to the MTA which is a competing transportation service.

MTBOT believes a lease cap increase is long overdue. We look forward to presenting
the TLC with a detailed submission for an
upward increase in the lease cap, and to
engage in productive ongoing dialogue with
the TLC in the weeks ahead.

Thank you.

MR. DAUS: Thank you, Mr. Woloz.

Steve Seltzer.

MR. SELTZER: Hi. My name is Steve Seltzer. If it was criminal, the 35,000
drivers, to steal from passengers, then the
making it so easy, the TLC is guilty of
aiding and abetting.

MR. DAUS: Thank you. Next speaker is
Patrick K.

MR. K.: How you doing?

MR. DAUS: Good afternoon.

Mr. K.: Just wanted to talk about a few
things, about scams. You went and portrayed
the whole yellow cab industry, the cab
drivers, that we are all scammers, not
knowing that you are also not -- the livery
cabs, the black limos -- the hotels, if you
actually drive Fifth Avenue, Seventh Avenue,
Ninth Avenue, Tenth Avenue -- okay? You are
there, rushing during the rush hour. You see a livery cab, okay, not only because the person has taxi plates, New Jersey plates, Virginia plates, Pennsylvania, Connecticut, they are there. You pull over next to them and ask them, "Come on, what's up?"

They look at you like, "You know what, keep moving."

You know, the police is right there. Even the TLC is right there. What are they doing? Nothing.

But when you see a cab driver talking on the phone -- here's one example. Two days ago, a cab driver was talking with a passenger. What does TLC do? Pulls him over. "You were talking."

The driver was actually talking to a passenger.

"Oh, let me see your phone."

Because now they don't find anything.

What do they do?

MR. DAUS: I'm sorry, Patrick. Could you give us your thoughts on the lease cap please?
MR. K.: I am not talking about the lease cap. I came here all the way from the Bronx. I listen to you, sir. The least you could do is listen to me please.

You know, because I'm so furious. I work twelve hours a day, every night, seven days a week. Sometimes I don't even break even, because you know what, you are accusing us that we are scammers. Okay?

The other day -- which is very good -- J.F.K., you put undercover people to go and make sure the dispatcher is doing the right thing, catch what we need to catch and all of that, nice and dandy. What do you do? Turn your shoulder just like this. They are right back. I see them all the time. I have a loud voice.

MR. DAUS: At J.F.K.?

MR. K.: At J.F.K. I tell them. I tell some of the passengers. Some of these guys don't have insurance.

MR. DAUS: You are talking about the dispatchers at J.F.K.?

MR. K.: Exactly.
MR. DAUS: We take that allegation very seriously and will look into that. The reason why we actually blocked those people is because the drivers told us about it.

We are listening to that and we would like to talk to you after the meeting please. Stick around and talk to us. Thank you.

MR. K.: I will. Hotels in New York, you have yellow cabs lined up and then you have the black limos. Okay, the black limos what do they do? Hotels, tell the customers, "Would you like us to arrange for a cab for you?"

"Sure. Why not. A beat up cab, how much?"

"X amount of money."

"Alright, I'll take the Escalade."

They overcharge the passenger. The driver goes in the back, takes care of the doorman or whoever he needs to take care of, and you are right there, two to three hours waiting for maybe a fare going to Laguardia or whatever it is.

Now, you train us, you give us the
license to go and work as a yellow cab
driver, but you are putting us in the
jungle. Now we have all these vultures,
especially the black limos. You know, they
can come over here and pick up. But guess
what, we are not allowed to go anywhere in
Jersey. Of course, picking up in Jersey, I
get arrested.

I have to go pickup some of my family
members at Newark. Do you know what I have
to do, sir? I have to get to Port Authority
police, take down your badge number and your
car number and tell them "I'm not here to
solicit. I'm here to pick up a relative;"
just in case I am pulled over.

Once I was pulled over. Thank god I had
a backup.

Mr. Commissioner, please, you state that
you have been working with everybody and all
that, the least you could have done is work
with us too.

Mr. Yassky, when make any final
decisions on all that, the least you could do
is at least talk to some of the drivers.
Listen to their voices. Just listen to them. We are there also trying to do the right thing. I'll be honest with you, sir, about the rates fraud, I won't say I have never done it, I have done it by mistake, and I caught it, and I told the passenger. I have done it. I'm not going to lie. And I told the passenger, "You know what, please deduct X amount of money," because it will tell you how much it went through.

"So, it was an honest mistake. Thanks for telling me." It is as simple as that.

The least you could do, sir, is listen to the drivers. Some of these drivers, sir, you get a lot accomplished.

MR. DAUS: I think you have taken up two times. You need to sum up right now, okay? Thank you.

MR. K.: TLC, when they pull you over, sir, it is ultimately a ticket. When you get the lawyers or you go and try to defend yourself, honestly speaking -- they are not charges. They are collectors. It's not a way of getting revenue from taxi drivers just
like that, no, the wrong way.
I just want to tell you that. I wish you all the best.

MR. DAUS: Thank you. Moussa Sissokho?
(No response)

MR. DAUS: Okay. That was the last speaker. Thank you, everybody. I wish everybody the best.

STAFF MEMBER: Hi. I'm not a member of the Commission, but I just ask for a point of personal privilege if it would be okay.
I know everything today is about important business, but, as this may be Commissioner Daus' last public TLC meeting as chairman, I just wanted to take a moment to say a few words on behalf of the TLC staff in the presence of your fellow commissioners and our industry partners.

As someone who has worked by your side since the very beginning of your tenure, through the difficult days, through the wonderfully positive days, and through the ordinary days -- there's such a thing as ordinary days here -- I think I speak for
everyone at the TLC when I say it has been truly an honor and privilege to serve with you. You are the epitome of the public servant, in terms of your integrity, your sense of responsibility, your professionalism and your willingness to go the extra mile for just about everyone who needs or asks for your help.

But on a personal level, you are also someone that has been there for us to listen, to support us through good times and bad, to help us grow and to reach our potential. Speaking for myself, we haven't always risen to the occasion, but you have always inspired us to try our best and to be our best.

There will be other times and places to perhaps more appropriately express what you have meant to us, but both electively and individually in this forum, let me just say on behalf of TLC family, a very heartfelt and sincere thank you.

(Applause)

MR. DAUS: Thank you. Appreciate it.

Thank you, everyone. I am going to miss you.
And now I would like to make my last motion ever to go into executive session -- never say "never." You never know in this business.

The last motion of the day to go into executive session so we can consider some appeals. Do we have a second?

MR. AROUT: Second.

MR. DAUS: All in favor?

THE BOARD: (In unison) Aye.

MR. DAUS: Thank you. Goodbye, everybody.

(Whereupon, the public hearing was concluded at 4:05 p.m.)
CERTIFICATION

STATE OF NEW YORK )
COUNTY OF NEW YORK )

I, CASEY MARTIN, a Stenotype Reporter and
Notary Public for the State of New York, do hereby

certify:

THAT this is a true and accurate
transcription of the City of New York Taxi and
Limousine Commission public hearing held on March
18, 2010.

I further certify that I am not related
either by blood or marriage to any of the parties
in this matter; and

I am not in any way interested in the
outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my
hand this 18th day of March 2010.

_________________________
CASEY MARTIN