NYC TAXI AND LIMOUSINE COMMISSION
PUBLIC MEETING
held on Thursday, May 8, 2008
40 Rector Street
5th Floor
New York, New York
Public Meeting convened at 11:05 a.m:

Present:

MATTHEW W. DAUS, COMMISSIONER/CHAIR
ELIAS AROUT, COMMISSIONER
HARRY GIANNOULIS, COMMISSIONER
IRIS WEINSHALL, COMMISSIONER
EDWARD GONZALES, COMMISSIONER
JEFFREY KAY, COMMISSIONER
CHARLES FRASER, GENERAL COUNSEL
CHAIRMAN DAUS: Good morning everyone. We are going to get started. Could everybody please take their seats. I am going to proceed to item 1 on the agenda, the Chairman's Report.

Again, this month, for the second month in a row, I have very sad news. The Driver of the Year of 2004, Ernesto Sopiko, has passed away. If you remember, this is the gentleman who returned the Micronesian black pearls that were valued at over $78,000. Mayor Bloomberg presented him with the award at our annual ceremony.

Unfortunately, he died of colon cancer at the age of 51. Not many people knew about it, he kind of kept it a secret from his family and friends, except for his mother. And he died last week in the Philippines.

It's a terrible tragedy, and I just want to basically thank him and recognize and give tribute to his life right now. He really was a fantastic guy, he captured the hearts of all New Yorkers, and he basically put such a positive face on all of our wonderful drivers. And we mourn his loss and I just want to ask
everybody to take a moment of silence in his memory.

(Moment of silence.)

CHAIRMAN DAUS: Thank you. We are going to try to see if there is some way we can continue to honor his memory at our annual ceremony every year with a special award or other recognition in his name.

Going on to other business. We have completed our Medallion auction. It was very successful. We anticipate that closings will be taking place in the next few weeks. We did have a record bid of $1,312,000 for a mini fleet. That is an all-time record. It sadly comes to an end.

If you have been following us, this is the second series of auction we have held since the Great Depression. Of the various lots that we have been selling over the last couple of years, this is the end. So I want to thank all the hard-working staff. They did a tremendous job. The industry, the brokers, the lenders.

We basically got it down to clockwork with the help of folks like the Department of
Investigation who helped us with our integrity and security practices, and just everybody. It couldn't have gone smoother. Every time we kept getting better at it, and the results speak for themselves. They speak, I think, to the health of the industry. And we thank everybody who bid, because basically you are helping us and the city and the disabled community as well.

86 wheelchair accessible vehicles brings us to a total of 231 fleet-wide, which is more than any United States city. And as we proceed to implementing a dispatch program and providing better service for people with disabilities, we thank you, all of the winning bidders, and congratulations.

I was with the Mayor on Tuesday. He signed a new law, it is called Intro 256, in the City Council. It is too much to go into, a lot of minor points, but most of them are codifying some of our best practices with respect to adjudication. I think the one thing that stood out for me is not only formalizing a lot of the reforms and ideas that we have put into place over the years,
which is great because now it is in the local law and can't be touched except for an act of legislature.

But also there is an interesting provision in there about ways we can further protect consumer and visitor rights. Right now we have a process where affidavits are submitted if visitors file complaints against our licensees. And now we are exploring more efficient ways of using technology, including teleconferencing and video conferencing as well, in lieu of actual live testimony. And we are going to explore that also for the convenience of the industry as well.

There may be ways that we can look into where if it is inconvenient to defend yourself at a hearing, and you waive your rights, maybe you can, instead of coming in and testifying, testify over some type of video conference link, if you choose. We are actually looking at a pilot program, thanks to Commissioner Arout, in Staten Island. And that is something we are trying to get off the ground soon.

So congratulations to Council Member
Martinez and the Speaker on the Mayor signing of the bill.

The Technology Enhancement Project, just a quick update. We have exceeded the 10,000 cab mark. We are now currently at 10,773 cabs have been equipped. As of last Friday, May 2nd, that was the deadline for all the taxi technology customers to have a signed contract in place. We are track at this point for 100 percent compliance, hopefully, by the end of the summer.

There are a couple of things going on that I would like to report on with the project. First, all of our enforcement and inspection numbers indicate continued high level of compliance. Some interesting ridership and fare numbers. In March '08 alone, 1.1 million credit card transactions representing about 14.6 million, and close to 13 percent of the total number of trips. Again, the average tip continues to be in the 18 to 20 percent range, which is more money for the driver.

To date, the TLC has conducted over 14,000 system tests, and they have revealed an
overall average compliance rate of 98 percent. So the program is going well. I want to thank everybody who is working on it. Not everybody agrees with that. We had some Council testimony. If you would like to read my Council testimony at an oversight hearing we held May 1st, it is in back. It is on our website, it kind of speaks for itself.

On Taxi of Tomorrow some very encouraging news, we have had 217 downloads for our Requests For Information. We have had 20 responses to the RFI and we have had responses from several major manufacturers who have indicated an interest. So that is good news. Our next steps now are going to be formulated in conjunction with the Mayor’s Office of Operations, the consultant that we hired and the stakeholder committee, who, I believe, met yesterday.

At some point we will be bringing some recommendations before the Commission on how we should handle this, and I will keep you posted on that.

Operation Secret Rider continues to be a success. The numbers continue to be
good. Right up in the high 90 percent range for complying with all of our passenger Bill of Rights. But one of the things that I think was brought out at the Secret Rider, now that it has been working, there seems to be another issue that has been reported to me that I want to address.

If you remember back after 9/11, there was a tremendous drop off in business for all of our industry. The economy was hurting and we noticed a high degree of poaching and illegal operation involving unlicensed illegal black cars and liveries coming into the central business district. It was something that we felt we needed to act upon for the safety of the public, of the highest import as well. These people don't have criminal background checks, some of them. They don't have insurance.

We started an operation called Operation Street Hail, which has been in place since then. It has been a highly successful operation. Of course, times have changed, as the economy got better, some of these folks, especially the licensed folks, ended up...
Even though I believe the yellow cab industry is doing a little bit better than some of the other transportation industries, I think the black car and the livery industries, I am hearing reports that some are starting to get a bit of a business drop off. That is similar to what happened after 9/11.

My staff reports also, the industry, practically every major industry group has reported to us that they are seeing a higher incidence of poaching in the CBD by illegal black cars and liveries who are engaging in street hails in the central business district. Of course that creates not just more congestion problems, but it also creates -- you know, these people shouldn't really be there, some of these cars. They are not only creating more traffic, but they are putting more harmful pollutants into the air.

Be that as it may, the operation has worked well. But I think it is about time that we put all our resources into trying to stop this before it gets any worse. What we
are going to do is in the near future we are going to be announcing a zero tolerance program where Operation Street Hail will be done by every single person on our staff who is able to do it.

In addition, we are going to partner with other law enforcement. We are going to be asking the police department to do some more work, of course, at the Port Authority and the airports.

Also we are thinking of new and ingenuous ways to deal with the hotel problem. It's a little dirty secret that the doormen are taking vigs and kickbacks for putting people in cars that are not yellow and some of the not being licensed. Not only is that a tremendous liability issue for the hotel, if something were to happen to one of these passengers, I think they really should be concerned about policing their staff.

However, despite some of their best efforts and their diligent efforts, because we met with the Hotel Association many times, something else needs to be done.

So this zero tolerance program, which
we have not done in the history of the TLC, really, with the exception, of course, of Secret Rider, which is a Secret Shopper type program, we will be out there day-in and day-out eradicating the problem before it gets any worse. We will have more details on that. We are taking it to the next level, and I thank the industry for bringing it to our attention. We were hearing it and I have seen it with my own eyes, somebody tried to actually get into my car once. I have a car that looks like Towncar. I was like, "What are you doing?"

Anyway, I want to talk little about accessibility. A couple of things, first of all, as promised the monthly report on the dispatch project. I think I reported last time the Comptroller has approved the contract, bit it now has been executed by all parties. Driver training is expected to commence at the beginning of June, and within the next week or two my staff, Samara and Andy, will have on the website a list of accessible dispatch trainers.

COMM. KAY: Just a quick question
about that, Matt. There was a lot of concern about liveries having this. Has any particular livery company come forward that wants to participate in the program?

COMM. KAY: Not that I am aware of.

COMM. KAY: Okay. At the next meeting, could we double-check and make sure, because if not, we should revisit that issue.

CHAIRMAN DAUS: Okay, sounds like a plan.

COMM. KAY: Thank you.

CHAIRMAN DAUS: I think part of the plan was to have it be a voluntary thing. Maybe we need to do some more heavy duty asking. I think it is important. That's a great point, Commissioner Kay.

Everyone in the city needs to be served too. I think it is kind of a heavy lift, even though we are asking them to do it, because they paid for the Medallions and got a discounted price conceivably, they were supposed to. But if a cab has to go all the way to Staten Island, a yellow cab, to pick up somebody to bring them to another location in Staten Island, I think the livery industry
might be best suited to accomplish that task because they might be closer by.

COMM. KAY: Yes, I just wanted to make sure if they are not participating in the program, because there were some meter issues, that we address that to their benefit. Because if no one is coming forward, we might be able to relook at that provision.

CHAIRMAN DAUS: Putting the meters into the liveries?

COMM. KAY: Or taking that provision out.

CHAIRMAN DAUS: Okay. I would like to ask staff to take a look at that and we will analyze that at our next meeting.

Also the Easter Seals conference was held. This is the first time we participated. There is some type of application process, not everybody is basically allowed to participate in it. We applied and us and the administration were accepted, including Commissioner Matt Sapolin, who attended with my staff. Samara Epstein and Karen Castro went there and they have basically partnered with a lot of disability advocates and other
government folks, including the TLC Commissioner from Chicago was there. And good work came out of it. They had planned some ideas for enhancing the training and also making sure that the 311 dispatch project for the accessible vehicles is a success. So I am very pleased that we got some good ideas out of this, and I am glad to see that the broader accessibility community is starting to embrace this more. I think for this program to work they really need to help us get the word out and get people to use the cabs.

We will have more details on hybrids later, but congratulations to the industry and others for getting 1,046 on the road. We are going to have a presentation in a little while to talk about the future of all of this, and I will save it for that time.

Upcoming Commission meetings, if you could hold the following dates, we will back on our 9:30 schedule. On June 12th, Thursday, we are going to be holding a public hearing, as promised at the last meeting, on the Toyota Sienna rear entry ramp specifications for the
wheelchair ramps. If you remember, last
meeting we expanded pilot so we would have
even to sell for the Accessible Medallion
auction and we promised that we would bring it
to a full conclusion since Peter Schenkman had
indicated the program worked so well and he
felt that the ramps were safe and the vehicles
properly functioning, so why not make it
permanent so that the owners have a degree of
stability, knowing that they meet our rules
and meet our specs, and, then, hopefully the
folks who built these vehicles can continue to
make further improvements to them down the
road. So that will be a public hearing and,
hopefully, a vote on own that issue on
Thursday, June 12th.
And the next meeting after that is
Thursday, July 10th.
That concludes my report. Any other
questions?
(No response.)
CHAIRMAN DAUS: Okay, thank you.
Item 2 on the agenda is the adoption
of the minutes from the April 17 2008 meeting.
COMM. AROUT: Move to adopt the
AUDIENCE MEMBER: Can I ask a question?

CHAIRMAN DAUS: Can we deal with that later on, please. We have to move through the agenda. If you are going to testify, you can ask your question when you testify.

Do we have a second?

COMM. WEINSHALL: Second.

CHAIRMAN DAUS: All in favor?

(All in favor.)

CHAIRMAN DAUS: Okay, item 3, base licensing applications.

Do we have a rep from Licensing?

MS. STEELE-RADWAY: Good morning. Licensing would like to present before the Commission 34 bases with a recommendation for approval.

CHAIRMAN DAUS: Any issues?

(No response.)

CHAIRMAN DAUS: Do I have a motion to approve?

COMM. AROUT: I make a motion to approve.
CHAIRMAN DAUS: Is there a second?

COMM. GONZALES: Second.

CHAIRMAN DAUS: All in favor?

(All in favor.)

CHAIRMAN DAUS: Okay, it's unanimous. Thank you.

We have one denial?

MS. STEELE-RADWAY: That's correct.

Licensing is recommending denial for one base with a request that the Commission grants an additional 30 days so that they may present the outstanding items.

CHAIRMAN DAUS: That's Blue Diamond?

MS. STEELE-RADWAY: Correct.

CHAIRMAN DAUS: Do I have a motion to deny?

COMM. AROUT: So moved.

CHAIRMAN DAUS: A second?

COMM. GONZALES: Second.

CHAIRMAN DAUS: All in favor?

(All in favor.)

CHAIRMAN DAUS: It's unanimous. Thank you.

Item 4, we have a staff presentation on the 25 miles per gallon MPG taxibab rules.
implementation update. If you recall, this is something that the Commission had promised the industry and the public that we would do in response to concerns at last year's meeting when we promulgated the taxi hybrid/MPG rules. I think there were some concerns there and we promised that we look into and report on not only the status of the whole program, but also on vehicle availability. So that is why we are here today. I apologize for the late notice, but basically what happened is we had gone over the minutes and realized a week or two before that we needed to get this done by May. That was what the promised date was. But this is an ongoing dialogue so there is obviously no action in any way, shape or form being taken, but we are just going to have a public hearing and hear what the experiences have been, not just from our staff's standpoint, but when we start the public hearing, from the industry, how these vehicles are holding up and what some of the issues are so we can prepare for full implementation.
We are going to hold the comment period open, Chuck, did we decide that?
Yes, if there is anyone that you know who couldn't make it today, I would say that we should leave this open for the rest of the month. We will wait until the end of the month. If you want to submit written comments on that, we will make sure that the Commissioners, especially the ones that aren't present here, will get the benefit of your comments. There is really no rush on it.
I would like to introduce Assistant Commissioner Pete Schenkman, who is going to give us an update on item 4 on the agenda.
MR. SCHENKMAN: Good morning. We are just putting it up on the monitors.
The first slide is a time line of where we have been dating back to June 2005 when the City Council enacted Local Law 72, followed a few months later when the Commissioners approved hybrid vehicles for use as taxis.
In November 2005, we saw the first hybrid vehicles put on the road, there were 18 of them. In July 2006, we auctioned off 254
alternative fuel Medallions. In March of last year, the TLC rule, also Local Law 52, extended vehicle retirements for clean vehicles, super ultra low emissions and partial zero emissions vehicles. In April 2007, on Earth Day, Mayor Bloomberg announced Plan NYC. And this past October, we had 550 hybrid vehicles on the road.

In October also the Commission approved the taxi minimum fuel economy requirements. And in February, the Safety and Emissions Division offered and provided training to anyone in the industry, technical training on hybrid repairs. And in April, the Commission approved black car minimum fuel economy standards.

This is a little hard to see on the screen, but as of today, we have 1,041 fuel efficient vehicles in the taxi fleet. Including the black car luxury and limos, we have 1,289 vehicles on the road.

Some of the lessons we have learned from fuel efficient taxis is that the fleet is more fuel efficient than ever. As I said, 1,041 hybrid vehicles are on the road, and the
first 18, this coming November, will have completed a full fleet cycle, and these vehicles have already averaged about 240,000 miles each.

Three percent of all new hack ups these days are hybrid vehicles and there have been 367 voluntary hybrids put on the road since January.

Also, as you can see, the benefits are shared through fleet owners, the city, residents, and the drivers, giving them clean air, more money, and more customers. The benefits of the 30 miles per gallon standard, some of the notes and research that we have done is when all 13,237 taxis and approximately 11,000 black cars go from an average 15 miles per gallon to an average of 30 miles per gallon, the benefits are great.

An average of $6,000 in gas savings per vehicle annually. An annual reduction of approximately 900,000 barrels of oil, or about 35 million gallons of fuel. It will also result in an annual reduction of approximately 390,000 tons of greenhouse gas emissions, which are made up of carbon dioxide, nitrous
oxide and methane.

What we have learned from the hybrid vehicle maintenance and fuel cost is, as I said, the fuel savings for a typical hybrid averages now, with gas prices to $20 to $30 per shift, $120-plus for a six-day week, and about $6,200 a year. And that is, as it indicates, assuming gasoline is $3.90 a gallon.

Maintenance intervals for hybrids are longer, resulting in an estimated savings of $500 per year per vehicle. Across a large fleet, that savings is huge. Hybrid taxicabs are passing the safety and emissions inspections at a rate of almost twice that of non-hybrids. There have been no reported issues with batteries or hybrid electric systems. And the hybrid secondary market values are currently higher than non-hybrid vehicles.

Parts and labor cost for typical vehicle maintenance, oil changes and brake jobs, are comparable to conventional vehicles.

The fuel efficient vehicle availability. Our estimates show that
approximately 200 new vehicles are hacked up each month and a survey that I conducted of major taxi suppliers in the tri-state area as of about two weeks ago, the dealers reported over 250 Escape and Mariner hybrids on their lot. Ford will limit the number of painted Escape taxis to 50 per month for the New York City market. There will still be a limited supply of retail available. And Ford has indicated they are going to manufacture approximately 24,000 20009 Escape hybrids.

Conversations with Toyota, again, this is two weeks ago so the numbers are probably a little lower, but there were approximately 400 Camry hybrids on dealer lots, 300 hybrid Highlanders on lots, and 400 Priuses on dealer lots. And I need to note that Toyota does not have a fleet program so these vehicles are for black car and retail, but they are available for anyone to purchase, including taxis.

Nissan is reporting under 50 vehicles at dealers, but they do have a fleet program they are developing with a minimum of 20 vehicles per year purchased. They have
indicated to me they have no problem providing 200-plus vehicles per month to meet fleet demand. Nissan has just jumped into the fleet market and they are pretty excited. Also going along the lines of fuel efficient vehicles, in the next few months we will see some clean diesels coming on the road. Most of the folks in the automotive industry know that diesels are more rugged, durable, and more efficient than gasoline engines, about 30 to 35 percent more efficient than a similar gasoline engine. And they provide more power and fuel efficiency than any other alternative, including gasoline compressed natural gas or liquid propane. The new clean diesels are capable of meeting strict su-lev or tier 2 bin 5 emissions levels, which is similar to many hybrids. And as I indicated, the first clean diesels are expected to arrive in this country in the next few months.

As we move forward, the TLC Plan NYC implementation included standards for taxis, October 2008, a minimum of 25 miles per gallon city rating for all new taxicabs, and a year
later in October 2009, 30 miles per gallon. There will be a yearly fleet status update and evaluation to the Commission, as we are doing right now.

Part of the Plan NYC implementation was setting new standards for the black cars. Beginning January 2009, a similar 25 miles per gallon city rating for all black cars and a six-year retirement. In January 2010, that will also jump to 30 miles per gallon. And we will also provide a yearly status update and evaluation to the Commission there.

On our website we have vehicle information, cost benefit analysis, and links to city, state and federal incentives for buying these fuel efficient vehicles. As I mentioned, we've conducted training to the industry and my staff. And part of that was the informational sessions, and doing a grassroots outreach is part of our plan.

Final is the Taxi of Tomorrow, as we proactively work with stakeholders to find a taxicab solution that best meets the needs of the TLC.

And that concludes my presentation.
CHAIRMAN DAUS: Any questions?

COMM. KAY: Yes. Thanks, Peter. I appreciate it.

Just a few questions, and one is to sort of remind my colleagues and everyone here what we are doing today. If you recall, when we passed these a year ago, as Chairman Daus said, that we said we would do the fleet status update. I know there were concerns amongst many of you here in the audience and that have testified that there was possible new information that could be provided us regarding safety. Two is the availability. And three was if there were other technologies. And I just want to ask Peter some follow-up questions about those three points, because I think that's why we asked for this public hearing.

One is on safety, and I think you have alluded to some of the information. Has there been any new information in the industry that you are aware of that has shown that, in fact, these hybrid vehicles do not meet the safety standards that we set at the TLC?

MR. SCHENKMAN: No, there is no
indication and no further information.

COMM. KAY: On the availability stuff, and I guess it is a question, in October of '08 is when the rule said that this would start. Currently projected, how many cars would need to be purchased per month between October '08 and October '09?

MR. SCHENKMAN: It's approximately 200. I forecast out through the end of 2008, and it averages to be 200 vehicles a month.

COMM. KAY: 200 a month, I'm sorry?

MR. SCHENKMAN: Up to the end of 2008. On average, we are doing approximately 3,000 vehicles a year as an industry.

COMM. KAY: And does anything preclude an owner or a fleet from retiring their car early, prior to October '08, in order to purchase a new car that doesn't meet the specifications?

MR. SCHENKMAN: No. We are seeing that actually.

COMMISSIONER KAY: At what rate?

MR. SCHENKMAN: Well, if three percent of the new hack ups are hybrids, that means that the rest, minus the auction of
late, are still Crown Victorias and Toyota Siennas.

COMM. KAY: Some of them were presumably in your projections, just as they were retiring anyway now?

MR. SCHENKMAN: Yes.

COMM. KAY: What about retiring early?

MR. SCHENKMAN: They can do that. I haven't seen that, that they are retiring early.

COMM. KAY: But if, in fact, they wanted to, they can do that --

MR. SCHENKMAN: Absolutely.

COMM. KAY: -- and, in fact, that lower the amount necessary?

MR. SCHENKMAN: Yes. I would expect that there may be an increase, as Ford announces in the beginning of June, fleet order cutoffs on the Crown Vic. So anyone who wants to order it via fleet has about three or four weeks to do so in order to get it.

COMM. KAY: And that happens in June.

MR. SCHENKMAN: Yes.

COMM. KAY: And after June there
MR. SCHENKMAN: They will not sell Crown Victorias into the New York taxi market.

CHAIRMAN DAUS: June of what year?

MR. SCHENKMAN: June, in a couple of weeks.

COMM. KAY: And you have written it here, so given that analysis, over the next year you don't see any problems with having availability in the market to meet?

MR. SCHENKMAN: No. There is a availability. It may change the way some fleets do business. Currently, Ford is the only company that paints the Escape yellow. It has been a standard on the Crown Vic for years. They do charge $1,500 to paint the Escape yellow, which is approximately what it would cost to paint a vehicle on the outside.

COMM. KAY: So if an individual owner wanted to either paint it themselves professionally or go somewhere else, it would pretty much the same amount?

MR. SCHENKMAN: Correct.

COMM. KAY: Is that readily available?
MR. SCHENKMAN: Sure, any body shop. With reference to one of the manufacturers, Toyota, as I indicated, they do not support in fleet sales vehicles into taxi market. They support warranties fully but they are concerned about taxi use with their vehicles. But that wouldn't preclude someone from buying a retail vehicle and painting it yellow.

COMM. KAY: And we haven't had any information that the Toyota is either unsafe --

MR. SCHENKMAN: The Toyotas are performing. Their failure rates when they come to me is less than 10 percent.

COMM. KAY: And my last question relates to I think the third piece we are looking at. Any other new technologies, and this may be a question for Chuck in the rules. We have the equivalent or is it just 25 MPGs? Is there an equivalency there?

MR. FRASER: On the black car rules, I know we wrote an equivalent provision. I don't think we did for the taxis.

COMM. KAY: Is there any technology
that, in fact, whether it be natural gas or
something else, that we need to look at?

MR. SCHENKMAN: Currently the bright
light at the end of the tunnel are diesels.
And it is expected in the next few years there
will be some pilots.

The City of New York is actually
piloting some hydrogen Chevys, but right now,
for our environment and our industry, it is
currently hybrids or diesels that will meet
the minimum.

COMM. KAY: Thank you.

CHAIRMAN DAUS: But even though the
rule is different, the norm and the practice
has always been when new vehicles that don't
meet the specs come along, we have authority
under the Charter to do pilots. That is how
we basically got here with the hybrids, so we
can do that for diesel and other forms.

COMM. KAY: But right now it is not
something that is available in the market. Is
it something that is coming in the next
several months?

MR. SCHENKMAN: Volkswagon has
announced that they will be releasing a Jetta
diesel, which are estimated 40 miles per gallon city is some of the numbers I have seen. I have seen it as high as 48. And those should be here during the summer. And Chrysler will be releasing some large SUVs in diesel, and Mercedes has their SUVs in diesel. None of those vehicles will meet 25, though.

COMM. WEINSHALL: On the fleets, what other cities are we competing against?

MR. SCHENKMAN: We don't. Ford is production constrained on the Escape, and due to whatever reasons, they have done strict allocations. There are some creative folks that are grabbing them from all over the country.

CHAIRMAN DAUS: Also I don't think there is a major city, Commissioner, that has a new vehicle retirement policy like us. Most of them are buying used vehicles, so I am not sure if there is any competition.

MR. SCHENKMAN: Which will increase the secondary value.

COMM. WEINSHALL: When you say strict allocation, you mean strict allocation
in terms of the production, right?

MR. SCHENKMAN: Yes. Well, Ford has indicated they are limiting the New York City taxi market to 50 yellow Escape hybrids a month for model year 2009, which is 600 a year.

COMM. KAY: Your projection was about 200 a month in the retirements. Do you have a projection how much of those are fleet owned versus individually owned?

MR. SCHENKMAN: Of approximately 1,000 or 1,200 over the next six months, I would say a little less than half of those will be fleet, just based on the break up of the industry.

COMM. KAY: And the fleets would have that ability to retire cars early, so, in fact, it could go lower than that?

MR. SCHENKMAN: Absolutely.

CHAIRMAN DAUS: Do you have any idea whether they have staggered retirements? Many of the fleets -- do all their retirement dates come up in the same month or are they spaced out?

MR. SCHENKMAN: No, they are spaced
out. Just as we accommodated them by spacing
out their inspections, so they don't take 20
cars off the road at a time per day.

CHAIRMAN DAUS: Commissioner

Gonzales?

COMM. GONZALES: With respect to the
failure rate, what is the most common item
that fails inspection?

MR. SCHENKMAN: On the hybrids,
lights. Not checking your headlights, not
checking your brake lights before you come in
for inspection. We have had one or two that
had a brake problem. But no major components.

Silly little failures, I call them.

CHAIRMAN DAUS: And no battery
replacements?

MR. SCHENKMAN: None, to my
knowledge.

I have done some research and neither
Ford nor Toyota have sold any new replacement
batteries.

COMM. WEINSHALL: Can I ask a
question? On the Escape hybrids, do you have
that are already reaching 240,000 miles?

MR. SCHENKMAN: Yes. The first 18
are pretty much there. They range from about 210 up to 250. A couple of them had been in some accidents so they weren't on the road as often, but they will complete the full fleet cycle.

CHAIRMAN DAUS: Commissioner Giannoulis?

COMM. GIANNOULIS: A few questions. Peter, on your chart, in terms of which vehicles have been purchased, the current vehicles, why is everybody buying Ford Escapes? Is it they were approved first?

MR. SCHENKMAN: They were the first vehicle to market after the Prius and the Prius is a polarizing vehicle. The Prius has more leg room than an Escape, but nonetheless polarizing, either you love it or you hate it, and the industry has chosen to hate it.

COMM. GIANNOULIS: So everybody is buying the Escapes fundamentally?

MR. SCHENKMAN: Yes. And that is probably also based on their ongoing relationship with Ford via the Crown Vic.

COMM. GIANNOULIS: A few more questions. So when you say that the hybrids
are passing the safety and emission inspections at a rate of twice that of the non-hybrids, why is that --

MR. SCHENKMAN: I think you are talking about new technology as opposed to 1979 technology. You are talking about owners who are taking a little better care of their vehicles, and dare I say, they are built better.

COMM. GIANNOUNIS: They are also newer, though, right?

MR. SCHENKMAN: No.

COMM. GIANNOUNIS: By definition, hybrids have only been on the streets for how long?

MR. SCHENKMAN: Since November '05.

My inspection numbers only reflect the last year.

COMM. GIANNOUNIS: And the thing that I hear from people who have concerns, is less about the kind of things you might find at the emission inspections as opposed to the notion of the vehicles are not safer in terms of crashes and accidents, and this whole notion of a bigger car is better, et cetera.
That wouldn't come up at the inspection.

MR. SCHENKMAN: No, it would not.

But from a safety standpoint, what you would see is safety components not failing, air bags not having been deployed, stuff like that.

COMM. GIANNOULIS: So do we have specific information in terms of actual accidents?

MR. SCHENKMAN: We do. Obviously it is skewed because of the newness of the vehicles. I have glanced at the NYPD numbers and they are so low for the hybrids. Some of the fleets report that the drivers aren't hustling as much to make that extra fuel money. Getting report that drivers are actually taking a day off during the week because they are picking up an extra 120 bucks.

Also from our Taxi of Tomorrow vehicle technical spec, we know that these vehicles vibrate at idle 50 percent less than a Crow Victoria, so you they are not coming out all beaten up.

COMM. GIANNOULIS: And there wouldn't be any, other than standard crash testing,
there wouldn't be any national data on noncommercial use of the vehicles which would address people's concerns?

MR. SCHENKMAN: The only thing I would say in regards to that is most insurance companies actually give discounts now for hybrids now for hybrids. Travelers was the first company to offer discounts with the explanation that people that are buying more fuel efficient and environmental cars are more responsible. That was their rationale.

COMM. GIANNOULIS: When you say that the secondary market values are higher, why is that?

MR. SCHENKMAN: Because the vehicles are saving money. And, for example, I did research on a 2007 private retail Escape, and it is selling used about $7,000 more than a gasoline version. They are in demand. You will probably pay as much for a used Toyota hybrid these days as you would for a new one.

COMM. GIANNOULIS: When you say parts and labor cost are comparable, what is that based on?

MR. SCHENKMAN: In speaking to
dealers and service managers, an oil change is
an oil change. It is not special oil. It is
not a special filter. Brake pads are brake
pads.

Yes, when you get into hybrid
components and specialized electronics, the
cost may be more. And there have been a run
of some problems with the Ford Escapes out of
factory. Apples to apples, brake jobs to oil
changes, you are saving money.

An average fleet-run Crown Vic will
do brake jobs every two weeks, and you figure
it is about a hundred bucks cost, labor and
everything internally. Hybrids, due to
regenerative braking, because it is actually
the engine and transmission that is slowing it
down, are doing brakes twice a year.

Oil changes, since the vehicle is
running on electricity much more, the oil will
last two to three thousand miles longer, based
on the manufacturer specs.

COMM. GIANNoulIS: Is there any way
to flesh that out? I understand the issue of
brakes and oil, but I don't have a sense of
how many more major activities occur on a
MR. SCHENKMAN: On a typical Crown Vic, probably a couple of times a year you are putting in some kind of suspension component. Usually the rear trailing arms, lower control arm bushings, body bushings will probably go once a year. These being Unibody construction, are not having a lot of these issues.

CHAIRMAN DAUS: I'm sorry, you had mentioned in response to the Commissioner's question that there was a problem with the Ford Escapes coming out --

MR. SCHENKMAN: Yes.

CHAIRMAN DAUS: What was that?

MR. SCHENKMAN: Well, the first 30 that were sold to San Francisco had a water pump problem, and we are starting to see the battery cooling pumps fail on these vehicles. Fords acknowledged the issue, but the, dare I say, scary part is when this pump fails, the vehicle, you get a warning light, pull over to a safe location and shut the vehicle down. And I would call this quality, Ford quality.

CHAIRMAN DAUS: But that has been
fixed?

MR. SCHENKMAN: They get fixed, yes.

Right now there is an issue with the Ford Escape over climate control.

CHAIRMAN DAUS: There is no recall on that?

MR. SCHENKMAN: No. Ford will not issue a recall on a hybrid. Not real good.

COMM. GIANNOULIS: Everything you are saying is counter to everything people in the industry are saying, so maybe there is a little confusion.

How do you make those determinations, especially on this last point, it seems counterintuitive, but how are you able to make that claim in terms of comparable cost for vehicle maintenance? Are you getting specific data from fleets that are opening up their books and saying well a door came off on this car and it cost me 2000 bucks to fix it. And then you are going to the fleet where the Crown Vic is.

How are you doing this?

MR. SCHENKMAN: With regards to the hybrids, I have been following and monitoring
the fleets, making sure that these vehicles aren't having problems. With the Crown Vics, they have been around enough, we know in my conversations when they do brake jobs, when they do oil exchange.

CHAIRMAN DAUS: How did you get the data about the cost?

MR. SCHENKMAN: I called up service managers at taxi specific dealers and said how much is a brake job for a Ford Escape? $95.

COMM. GIANNOULIS: And the notion that specifically fleets would not be able to service these vehicles as easily as Crown Vics, have the fleets that have these cars transitioned or are they taking them to dealerships?

MR. SCHENKMAN: No. They are repairing them themselves. There is the special equipment you need to buy for major repairs but it is no different than when OBD-2 came out, you had to go buy a new scanner. And when New York State decided to go dynamometer testing, everyone had to go out and spend $30,000 on an inspection machine.
Finally, I want to talk a little about the availability issue. You keep on referring to a fleet program. Can you flesh out what that means exactly?

MR. SCHENKMAN: Fleet drives production, so if you want to get a car, you cannot order 20 of the same. With a fleet program, you are allowed to forecast out. I know I am going to replace 20 cars over the next 45 to 60 days, preorder them the way you want with reduced options. You don't need sunroofs. And that will increase production at the factory. Whereas, if everyone in here wanted to buy a Prius or an Escape, Ford or Toyota would not increase production for us.

COMM. GIANNOLIS: So in terms of the Escape vehicle, they are participating in fleet programs?

MR. SCHENKMAN: The Ford Escape is part of a fleet program, and that is where they are limiting it to 50 vehicles for this market.

COMM. GIANNOLIS: 50 vehicles?
MR. SCHENKMAN: A month.

COMM. GIANNOULIS: For everybody?

MR. SCHENKMAN: Ford is only allowing 600 yellow taxi fleet Escapes for this market.

COMM. GIANNOULIS: I am certainly not an expert on this, but, let's say, for example, if a few fleet owners are going in and asking for 10, 15 cars a pop, for that month --

MR. SCHENKMAN: If it exceeds Ford's allocation, they will be rejected and they will be forced to buy them retail, even though it is $1,500 for Ford to paint it yellow, they would have to paint it yellow.

COMM. GIANNOULIS: That car may be available, may not be available --

MR. SCHENKMAN: Only 2000 Ford hybrids will be produced. Ford can't produce them.

COMM. GIANNOULIS: Do people have agreements with fleets? If New Jersey decides to pass similar laws and everybody from New Jersey is driving over to pick up these vehicles as well, does the entire thing
disappear?

MR. SCHENKMAN: The New York City taxi market has a unique fleet identification number. Every fleet in this room and in our industry has a number that ties itself back to us. So Ford is able to control that. But fleets are going to secondary markets where they either own other companies or just being creative, and have been doing it for the better part of three years. Grabbing vehicles out of other markets, painting them yellow, because Ford only started painting them yellow six months ago, and buying them that way.

COMM. GIANNOULIS: And the other folks are staying out of the market?

MR. SCHENKMAN: Toyota is fully supporting the black car initiative and that is their chance to get their feet wet in the for-hire market in this country. They will not support as fleet, a yellow cab.

COMM. GIANNOULIS: And they make that decision because -- why would they make that decision?

MR. SCHENKMAN: We don't know. It could be an image issue that Toyota doesn't
feel that having taxis does any benefit for
their brand. It's a question I have been
asking them for a couple of years now and they
haven't really given me a definitive answer.
Whereas, Nissan is jumping into this
market head first.

COMM. GIANNOULIS: And the folks who
produce the Escape have not let anybody know
that they are going to increase their
allotment because?

MR. SCHENKMAN: They can't.

COMM. GIANNOULIS: They can't
because they can't produce the vehicles?

MR. SCHENKMAN: Battery limitations,
they license the technology. There are
construction constraints is the official term.

COMM. GIANNOULIS: So they can't get
them out?

MR. SCHENKMAN: They would love to
sell 50,000, they just can't.

COMM. GIANNOULIS: That was my
question. They can't turn it around?

MR. SCHENKMAN: Right.

CHAIRMAN DAUS: Have any of the
manufacturers made some very detailed
pronouncements about future production in terms of just general manufacturing for converting to hybrids?

I think I remember at some point Toyota may have said at a point in the future every car they manufacture will be a hybrid.

MR. SCHENKMAN: I don't think everything will be a hybrid, because even Toyota, up until recently, has been losing money on hybrids because it is a new technology. The initial battery technology was expensive.

Toyota is introducing next year a spinoff of the Prius as a separate manufacturer, similar to what they did with the Lexus, so there will be three different Prius models. There will be the current vehicle, the new model, there will be a station wagon, and then there will be an even smaller one.

CHAIRMAN DAUS: So they are all in their future production plans but there is no manufacturer that has said that at some point it is going to become all hybrid?

MR. SCHENKMAN: Correct. Hybrids,
for the most part are a transitional technology until we get to the next step.

COMM. GIANNOLIS: Thank you, Peter.

CHAIRMAN DAUS: Thank you.

Any other questions before we go to public hearing?

I have one quick question, Peter: Do you have any evidence that the fleets that are running more hybrids are getting more drivers than those who don't?

MR. SCHENKMAN: Lines out the door. Well, in Manhattan gas is $4 a gallon, if I have my choice of driving a car that is going to get me 11 to 12, or I can go wait on line and hope for a hybrid, I am there.

CHAIRMAN DAUS: All right, thank you. That answers a lot of questions. We appreciate it.

COMM. AROUT: Thank you very much, Peter. You did a good job.

CHAIRMAN DAUS: Excellent, thank you. And I want to thank the Commissioners for asking some very good questions.

The next item is the public hearing on this matter. The first preregistered
MR. ROSENWEIG: Good morning. My name is Jason Rosenweig, an owner of Liden Maintenance fleet located in the heart of Flushing. We have been operating double shift taxicabs since 1944 and currently operate 152 Medallions.

I stood before you on December 11th and asked this Commission to proceed with caution, to allow the industry to test these vehicles through a full three-year taxicab cycle. There were, and still are, many unanswered questions regarding durability, reliability, comfort, and most importantly, safety. This summer will shed some light on the battery life and the durability of the hybrid system as the heat will surely test the air conditioning and electrical systems of these vehicles, as well as give us some clearer numbers on fuel economy during the summer months.

I still have many concerns regarding passengers and driver safety in these
vehicles. There have been some minor accidents that caused major damage in these vehicles, as they are not built with taxicab packages or heavy duty anything. As one of your enforcement chiefs has always said, we are transporting precious human cargo. Are we willing to sacrifice passenger and driver injuries for gas mileage?

It was my 2007 Crown Victoria taxicab that was hit head on on 34th Street a couple of weeks ago. It was hit by a Lexus that was reportedly going over 80 miles an hour. He hit us head on and we spun around and hit another vehicle. In my 19 years in this business, I have never seen a car in this condition. The only part of the car that was not damaged was the left rear door. I am happy to report that the driver and the two passengers were treated and released from the hospital.

This is real world stuff. It is not graphs or spreadsheets or statistical studies. This is about finding vehicles that can withstand 24/7 duty in a reliable, durable, comfortable and safe way.
I have a 2007 Ford Escape hybrid that has been on roads since July '07. It has 69,000 miles on it. It has spent 26 days at the dealer with various electrical issues, costing us $3,117 in repairs that we could not fix at our garage. This is only one car. What if we had a whole fleet of these? Once again, I am urging this Commission to delay this initiative until further development and testing of vehicles is done. To that end, I have ordered ten Chevrolet Malibu hybrids that are coming out in July. These passengers cars that have received five star frontal and side impact crash test ratings, as well as awards from all the major automotive news.

This hybrid vehicle gets 24 miles per gallon city and 32 miles per gallon highway.

May I finish?

CHAIRMAN DAUS: Yes.

MR. ROSENWEIG: It is a true passenger car that can be equipped with a commercial taxi package with adequate seating space and driver comfort. I have been told that I would be able to use these vehicles but
only for this one cycle, as they do not meet the 25/30 requirement going forward. Does it not seem foolish that a hybrid vehicle that gets 24 miles per gallon, which by the way is a 50 percent increase over a Crown Victoria, would be not be approved? Why are we subject to only using city miles per gallon?

With the new technology improvements and credit card acceptance, they are using more highways than ever before. Airport and out of town trips are at their highest level. If this vehicle gets 32 miles per gallon on the highway, why can we not at least use the combined number of 28 miles per gallon? This would allow vehicles such as this to be approved and tested.

I am not certain that even this vehicle is the answer we are looking for, but it is quite clear that the current list of vehicles all fall short of the Taxicab of Tomorrow.

In summary, we are in the same place we were in December. We have very little time left, no clear vehicle that can take over. I am, therefore, requesting again an extension
of this mandate. Thank you.

CHAIRMAN DAUS: Thank you. Any questions?

COMM. KAY: Besides the Chevy Malibu hybrid, are there any other cars that you have seen that meet the 24 MPG that you think would meet where your other requirements?

MR. ROSENWEIG: The Malibu is the only one I see coming out, and that is 24/32.

COMM. GONZALES: I have a quick question. What is your estimate as far as the average vehicle driving city versus highway, as you mentioned? What percent of the shift is running up and down here in Manhattan, versus running back and forth to the airports?

MR. ROSENWEIG: I think we can certainly do a study on that. Our location, being in Flushing, I am doing a lot of airports, always have, as well as traveling to and from Manhattan that the drivers do. But out of town trips are off the charts, they have increased like over 50 percent.

CHAIRMAN DAUS: I am not sure if there is a way for us to do that, but I will check with staff to see if we can use some of
the new GPS data to look into that.
Thank you.

MR. SCHENKMAN: If I could just add, as part of the Taxi of Tomorrow, we wired up two vehicles for four shifts, and the vehicles spent 40 percent of the time idling, stopped, not moving. So that's one of the reasons we would go city over a combined.

CHAIRMAN DAUS: And the rules say city.

MR. SCHENKMAN: Yes.

CHAIRMAN DAUS: Okay.

Mr. Ron Sherman.

MR. SHERMAN: Good morning, Commissioners. My name is Ron Sherman. I am president of MTBOT, a 55 years old trade association comprised of 28 yellow medallion taxicabs. We represent 3,300 yellow medallion taxis, approximately 25 percent of the industry.

Most of our taxis are double shifted and run 24 hours a day, 7 days a week. Our fleet operates 174 hybrids, approximately 17 percent of the hybrid taxicabs citywide. Due to a recent surge in customer demand, there is
a national supply shortage of hybrids and they are becoming increasingly more expensive.

On April 1, 2008 a Wire Magazine article was titled, "Hybrids Are All The Rage But Try Buying One." Ford representatives have told MTBOT that it will only make available 50 Escape hybrids per month for the entire taxi industry. That is 600 taxis a year. We estimate that 2,800 new medallion taxicabs must be purchased this year. That doesn't factors in the tens of thousands of spare parts that must also be purchased. We are also told that 2009 Ford Escape will now go up to $30,000, a $3,000 increase. The current vehicle is about 1,000 than the Crown Vic, and they say it will go up another three next year.

And while drivers see the fuel savings, we are unable to charge any more for an expensive, and soon to be mandated, hybrid than any other vehicle. The Ford Escape accounts for 83 percent of all New York City taxi hybrids. Toyota, which accounts for 14 percent of these hybrids, has sounded the same alarms about the dwindling availability of its
hybrids.

More notably, on April 27, 2008, in responding to a question about its confidence in the Toyota Prius hybrid taxicab in New York City, a Toyota spokesman told The New York Times, quote, "Our engineers are nervous about it because they were not designed for commercial use." All of the cars that are built by Toyota, all three, the Prius, the Camry and the Highlander, are all passenger cars.

No car in the taxi fleet today is a purpose built car except the Ford Crown Victoria. Toyota has since confirmed to MTBOT that Toyota will not support any of its hybrids, including the Prius, Camry and the Highlander, for use as taxicabs. Toyota want nothings to do with the TLC's hybrid taxi program. A shocking position from a major player that the city is relying on for its mandate. With no taxi package and no fleet discount pricing, taxi fleets will compete for dealer stock in the passengers and black car market for an already limited supply of vehicles.
Furthermore, the high expense of parts, along with the expensive repairs and maintenance, has already been a problem. Mechanics are largely unfamiliar with hybrids, which means these cabs are off the road longer, resulting in less fares, less service and more industry expenses. And there is no significant after-market for hybrid parts, unlike Crown Vics, leaving owners to pay top dollar for every part.

The mandate is tremendously expensive for the taxi industry, particularly for the fleets, who purchase the largest number of vehicles over the shortest amount of time, and have to store parts, train mechanics, and as large 24/7 operators, absorb the highest risk regarding vehicle durability.

While San Francisco acknowledged these costs with a lease cap increase for owners and a more reasonable 2012 mandate, the TLC not taken these expense into account at all.
Placing aside worries about owners' expenses and availability, we are deeply concerned about what I like to call the incredible shrinking taxicab. Everything is much smaller in a hybrid, which any passengers or driver immediately sees and feels. As far as safety and comfort is concerned, it's simple, bigger is better. Bigger and more fuel efficient is even better.

The good news is that the auto industry is making great progress. Ford's purpose built transit connect taxi is due out in the summer of 2009. Just nine months after the '08 mandate. It is a big, commercial fleet vehicle, that is clean-burning, fuel efficient and wheelchair accessible. It may be the iconic taxi everybody is looking for. Many promising taxis are on the way. Why then, in the light of serious availability issues, comfort and safety concerns, would we avoid purchasing what the TLC call bridge vehicles and wait until the potential iconic taxicab roll out next year?

Why won't the TLC spend this offering owners incentive to test more vehicles in
their own fleet?

New evidence about dwindling availability and other serious issues have presented itself since the rules passage in December. More is sure to come. A one-year postponement may be all that is necessary. Considering the risk of moving forward with an unsustainable mandate, it is not a lot to ask. We urge the Commission to revisit the rule and postpone. Thank you.

CHAIRMAN DAUS: Any questions?

(No response.)

CHAIRMAN DAUS: Thank you, Mr. Sherman.

Ted Straul From Team Systems.

MR. STRAUL: Good morning, Mr. Chairman, Commissioners, members of the TLC staff. My name is Theodore Straul, I am the vice president of Team Systems Corporation. Currently we operate a total 320 Medallions offering double shift weekly and driver-owned vehicles. We have been operating a fleet yellow cabs continuously since the 1920s. Our fleet is currently running ten 2008 Ford Escape hybrids, as well as an
additional eight hybrids operating as driver owned vehicles. For the past 22 years, I have participated in many pilot programs with the TLC. I have overseen the operation and maintenance of our fleet.

I am here today to offer you a better understanding of the everyday issues we face in running the aforementioned hybrid vehicles. The implementation of hybrid vehicles by this October poses significant issues. Primarily the operating cost of these vehicles threatens the livelihood of our industry.

At the outset, the 2009 Ford Escape at $30,000, cost upwards of 30 percent more than the current vehicle, the Crown Victoria. Further are the maintenance cost issues we have come across in our first year of hybrid operation. Our fleet of Crown Victorias average 85,000 miles annually and are mechanically operable at a rate of 96 percent. Out of our 18 hybrid vehicles, which have only averaged 60,000 miles in the past year, we have had more than half suffer major mechanical failures.

These hybrid cars have not been able
to sustain the required mileage per year
demanded by our industry, resulting in a loss
of service and revenue. For example, two cars
have spend upwards of four months in the past
year, or 33 percent of their life, undergoing
mechanical repairs by both our in-house garage
and at the dealer. Time that is forever lost
from the TLC limited life of the vehicle.

We have never in the past turned to
the dealer network to keep our cars running.
Dealer repairs and delays do not interface
well with the rapid pace of the taxi industry.
Drivers simply do not want to hear that their
steady car will be out of service for weeks at
a time. Owner operators can be financially
destroyed in this way.

Although we have been assured by Ford
that hybrid batteries will last the life of
the car, we will definitely suffer battery
losses due to rear-end collisions, driving up
repair costs $6,900 per incident. We have, in
fact, changed in our ten-car fleet, one
engine, one battery, and one ECVT unit. Not a
very good average for the first year of these
vehicles. We can provide you with
documentation indicating a significant
stalling malfunction which is directly
attributed to a water pump, which has to be
replaced about every 50,000 miles at a cost of
$237, versus 40 for a Crown Victoria.
More importantly, this poses a major
safety risk to occupants of the vehicle as it
has been known to shut down while in motion.
Recently one of our Ford Escapes spent more
than six weeks at the dealer, attempting to
repair a brake light malfunction that took it
off the road. Our Escapes in the past year
have, in fact, had a 74 percent TLC pass rate.
In addition to the tremendous
expenses we have incurred by running these
vehicles, we have been bombarded with requests
from DOV drivers to buy them out of their car
financing because they cannot meet the
financial demands of maintaining and operating
their cars. One driver stood in my shop
literally crying because a minor bottom out of
his Toyota hybrid resulted in a small crack to
an aluminum plate that was not available. He
was forced to increase his Visa card limit and
purchase a $6,000 ECVT unit just to stay in
business, or be indebted to Toyota credit with
a dead car.

As it stands, the overhead costs in
our industry are difficult to overcome. With
the addition of the mechanical failures of the
hybrids, which we have illustrated are ongoing
and extraordinarily expensive, we have become
increasingly concerned with how we can pass
the necessary amount of income to replace cars
and provide our drivers and the riding public
with safe vehicles.

Secondly, the implementation of the
hybrid vehicles requires a massive retraining
effort of all mechanics. Further, the size of
these vehicles makes it extremely difficult
for both passengers and drivers to be both
comfortable and safe during operation.

The crown Victoria has been the best
fit vehicle for the tough nitty-gritty
commercial needs of our industry, has
exhibited a superb driver and passenger safety
record directly attributed to the size,
versatility and safety features of the Crown
Victoria. Painting a soccer mom vehicle
yellow --
MR. FRASER: Mr. Sherman, I have to ask you to sum up. We have a lot of speakers.

MR. SHERMAN: I am about to sum up.

I am a member of the environmental group RiverKeeper, and clearly understand the current gas price crisis and clean area concerns this country is facing. Our ultimate goal is to find, test, and eventually operate a vehicle that provides the fleet operator, passengers and the driver with the best emissions and gas standards, without relinquishing the present safety specifications and degree of comfort we have today.

Given the expected cost of the 2009 Escape hybrid reported over $30,000, I believe the only way to attain this goal is if we are granted a logical phase-in period that is sensitive to OEM production levels, uses a blended MPG figure, and applies necessary cost adjustment to the lease cap. However, the current rules and hybrid options on the market fall short of these goals.

It is our full intention to do all we can to operate a car that is better for the
environment, effectively ruining a green
operation. However, we cannot neglect to
recognize the risks these vehicles pose.

Thank you for the extra time.

CHAIRMAN DAUS: Any questions?

(No response.)

CHAIRMAN DAUS: Mr. Straul, thank

you very much. Next speaker is Bob Muldoon

from the Sierra Club.

MR. MULDOON: I am Bob Muldoon from

the Sierra Club. We are national

environmental group with membership across the
country and about 14,000 members in New York

City.

We have worked on this issue for

several years with the Taxi and Limousine

Commission and the taxi industry. I just want
to make a brief statement in support of what

you are doing here today, or what you had

passed. It really is a great accomplishment
to create the standard and to green this

fleet. It will result in real reductions in

air pollution and global warming emissions and

translate into real savings as the price of

gas continues to sky rocket.
We want to thank the Taxi and Limousine Commission, the taxi industry, and especially the Mayor, for showing real leadership on global warming and transportation at this critical time. As you know, the global warming issue continues to grow in importance, and we greatly appreciate what you have done here with hybrid taxis, with fuel efficiency standards for the taxi fleet as well as for the black car fleet.

And we also greatly appreciate the Mayor's leadership on congestion pricing. So, again, just a brief statement in support. Our only real comment, we just want to note, as your staff has testified, these vehicles have held up and they are cheaper in terms of maintenance and in terms of fuel cost. But they have also proven popular with drivers from the drivers we have spoken to.

Our only comment at this point is that we feel we need a clear visible label for these vehicles. We miss a big opportunity if we keep this a secret from the average person on the street. A clear decal that is easily recognizable from a distance is important.
branding for New York City for the clean air
taxi program. It will help millions of riders
choose a less polluting vehicle and will also
advertise to the public that New York City is
committed to greening its fleet and fighting
global warming and reducing air pollution.
It will also educate the public that
there are cleaner mainstream vehicles
available that can handle the demands of the
New York City yellow taxi. And it
demonstrates that the Mayor's commitment is
very real in terms of quickly moving towards
his Plan NYC and his goal to reduce global
warming emissions by 30 percent by 2030.
So we would like to see New York City
trumpet this success and we hope you will
embrace a bold and easily visible label for
clean air taxis so that the public can witness
and participate in the transition of the
13,000 yellow taxis to cleaner air vehicles.
We submitted a letter last year
stating this and also giving you examples.
When this was announced with the Mayor last
year during the summer, he stood next to a
taxi with a Yahoo wrapper on it that was a
green taxi. And that was taken off the streets afterwards. So we want to see that bold labeling brought back.

CHAIRMAN DAUS: You mean the logo was taken off the streets, not the cabs?

MR. MULDOON: Yes.

CHAIRMAN DAUS: The gentleman who just testified against the hybrids, has them.

MR. MULDOON: They have the taxis, right but the labeling --

COMM. KAY: Can I ask, Mr. Chairman, while I certainly appreciate the words of confidence on behalf of the Mayor, to limit the testimony to what this hearing was called for and not to discuss, frankly, the benefits of -- although I appreciate the concerns about the merits of whether or not we should do this or not, except to try to keep this to the reasons articulated in the public hearing, which is availability as well as some other concerns about updated safety data, so that we can move this along.

CHAIRMAN DAUS: I think the only thing was availability that we committed to.

MR. MULDOON: I appreciate it.
Thank you.

CHAIRMAN DAUS: Thank you. You have been a helpful partner. But that was the one thing that was the big issue and the big concern, and I don't want to start losing Commissioners.

So let's try to move it along. Malcolm Rattner, and I will call the next speaker as well, so you could be ready, Kate Singding from NRDC.

MR. RATTNER: Good morning, Chairman Daus and Commissioners. My name is Malcom Rattner, I operate 166 cars in Brooklyn. I am proud to say I have been in the taxi business for over 45 years. I know the taxi industry pretty well. I operate a garage that is open 24 hours a day, seven days a week. I don't even know where the front door key is.

I consider myself someone who is up on things, particularly cars. I am worried about how well I will operate my taxi business after October of this year. I applaud the Mayor and the city for the push to go green. I don't know whether or not the city has done their homework yet. We can all be homeless if
we don't do our homework.

I think it is too soon to completely turn over a fleet of taxicabs just so we can get 25 miles per gallon. Where are these taxicabs going to come from and how am I going to buy enough of them when I need to replace the cars in my fleet?

I speak to the auto dealers, I am very friendly with them. They are worried also. There will not be enough 25 miles per gallon cars to go around. What will I do then? I know a lot of individuals who have bought these cars. They are having major troubles with them, major troubles. The transmissions are $5,000 for these things. As you hear, some of the electrical parts are $7,000 for these.

It will cost everyone a lot of money for parts, and I am even told that so many of them are on back order, and I mean back order. They have to wait almost two to three weeks to get some of these things. The batteries will not hold up for the life of the cars and I worry whether they will hold up during the summertime in the summer months. I wonder if
these cars will even get 25 miles a gallon per
mile when you flip on the switch to get the
air conditioning.

I need to tell you that it is
expensive to run for 24 hours, seven days a
week, a 166 taxicab fleet operation.
Especially mixing and match apples and oranges
together. The mechanics will not know what to
do. Toyota will not guarantee these cars.
They said they will never guarantee a taxicab.

What is the rush? Ford had promised
the industry that the transit connect would be
ready in 2009. What ever happened to the
standard taxicabs? I have read that there
are some diesel model vehicles coming out this
fall. Can't we wait to see if one of those
options is better?

There is something else that is
bothering me. I read The New York Times every
Sunday, and I am sure a lot of the
Commissioners do too. It has been reported in
The New York Times that research has proven
that people who drive for longer periods
period of time -- please let me finish -- have
an increased risk of developing cancer and
leukemia by sitting over the generator, which is really a magnetic field, which is proving not to be good for the people. Our drivers are out in the street no less than ten hours a day and passengers are in the vehicles no more than an average of 15 minutes. Does this means our drivers will run the risk of developing a life threatening illness? I hope not. Did any Commissioner read this? This was in The New York Times two weeks ago, it was almost a quarter page ad on it?

It is no secret that the Crown Victoria has proven to be the taxicab of choice. It has never let us down. It is a safe, comfortable, reliable taxicab, and we can fix them easy. They will stay on the road. And I would like to add one other thing to this. The Crown Victoria, even though Mr. Schenkman doesn't like them -- and I love Mr. Schenkman, he is a friend of mine. The Crown Victoria is work hors, it is taxi tough.

I have cars in my garage that have close to 300,000 miles on it. You are more than welcome to come in and look at any one of
them. They look like the day we bought them.
Thank you very much, Commissioners.

COMM. KAY: Can I ask you a question regarding availability? You mentioned the Crown Vic.

MR. MULDOON: One thing about Ford, and I have to say this, I keep $75,000 in parts in stock for my fleet. When I call them, I need something, it is there the next day.

COMM. KAY: Has Ford told you that they will continue selling the Crown Vics beyond this year?

MR. MULDOON: Not if we don't buy them. Ford has bent over backwards to help everybody here. We are all partners in this. You, you, you, we are all doing taxicab business.

COMM. KAY: Ford has said that if you were to continue buying these things, that they will continue producing the Crown Victoria?

MR. MULDOON: I really hope so. I pray for that.

AUDIENCE MEMBER: The answer is yes.
COMM. KAY: Because I haven't heard that from Ford.
AUDIENCE MEMBER: You are not in the business.
COMM. KAY: I'm sorry, but when the president of Ford comes to talk to me and the Mayor, I hope those conversations are truthful.
MR. RATTNER: You tell the president of Ford when he comes, that Malcolm Rattner says he has the greatest product out there. Has any Commissioner here tried to take their children or grandchildren into one of the hybrids? You can't get into back of them.
COMM. WEINSHALL: Yes.
MR. RATTNER: Have you really tied to sit in them?
COMM. WEINSHALL: Yes.
MR. RATTNER: And how do you feel?
COMM. WEINSHALL: I love it.
CHAIRMAN DAUS: I have one and my staff loves it. It is fantastic.
You have well exceeded your time.
You made your points. Thank you.
MR. RATTNER. Thank you, Commissioners.

CHAIRMAN DAUS: The next speaker is Ms. Kate Singding.

MS. SINGDING: Good afternoon. I am Kate Singding. I am a senior attorney with the Natural Resources Defense Council. NRDC is a national environmental group which was founded and remains headquartered here in New York City.

I want to begin by congratulating the Commission on the success of this initiative. The Mayor and TLC had set a goal of having 1,000 hybrid taxis on the road by October of this year, that's already been surpassed five months before that. And it shows that the program is not only workable, but that it provides real benefit to the industry and to drivers in particular. Particularly with today's high gas prices, like other kinds of drivers across the country, taxi drivers are seeing the advantages of purchasing and operating hybrid vehicles as taxicabs. As testified to by Peter Schenkman, this translates into real
environmental and other public benefits in the form of reduced air pollution, reduced emissions of global warming gases, and reduced usage of petroleum.

The success of the program can be further demonstrated to the extent in which it has been replicated in other cities, including Seattle, San Francisco, Toronto, Vancouver, and, hopefully, Los Angeles will shortly join that list. Once again, this demonstrates New York's role as a national environmental leader. And for this reason, and to ensure that the significant benefits being realized by the drivers and the public are preserved, it's critical that the Commission not backslide from strict adherence to the regulatorily mandated emission standards that were promulgated in December.

Simply put, any delay in implementing the rules will set back the environmental benefit for all New Yorkers and the economic benefits being realized by drivers. While better models of hybrid cars for cab use are surely on the way, and incidentally, the transit connect which we have heard so much
about today is not one of them. It's only
predicted to get about 19 miles per gallon
when it is rolled out next year.
The evidence that was presented by
the Commission staff clearly demonstrates that
these vehicles are available now, and,
therefore, the TLC's landmark and
record-setting regulation should remain in
tact.

CHAIRMAN DAUS: Do you have any
information to add on vehicle availability?

MS. SINGDING: I would just make the
point that whereas I understand that Ford is
only making 50 yellow painted vehicles
available on a monthly basis, A, there are
other models that are available and that are
eligible to be hacked up as New York City
cabs.

And, B, I think Mr. Schenkman
testified that it is $1,500 on top of the
purchase price of the vehicle to paint a
regular hybrid yellow. So I think the
evidence is pretty clear as presented by Mr.
Schenkman that these vehicles are available
and that the availability will only continue
in the future.

CHAIRMAN DAUS: Thank you.
The next two speakers are Steve Newman and then Steve Statharos, followed by Mr. Mateo.

MR. NEWMAN: Good afternoon. My name is Steve Newman, I am the owner and operator of Wailing Management Inc. I am responsible for the management of approximately 200 taxis, most of which are double shifted.

Implementing an accelerated program for the 25 miles per gallon standards by October '08 will effectively eliminate every other potential vehicle except hybrids. The hybrids contain more parts, sub systems, components, than any conventional vehicle. As reported by CNW Marketing Research, a company worth having a look at, an independent company in Oregon, most of these components literally travel around the world before being assembled into a vehicle. Thereby, increasing the carbon footprint for each vehicle. This report titled, "Dust to Dust," defines the energy costs of building,
owning, operating and disposing of many
different vehicles throughout their entire
life cycle.

According to this report, the carbon
footprint of Toyota Prius is more than one
third greater than a Hummer age 3. To put
this into perspective, the report states that
a Toyota Sion XB non-hybrid gas car is about
25 percent the carbon footprint of the Hummer.

I have for sometime questioned the greenness
of hybrids.

Don't fool yourselves that hybrids,
and all the marketing hype that goes along
with them, are the absolute environmentally
friendly choice. Many fuel conservationists
worldwide have not embraced the hybrid. They
choose and constantly improve small diesel.
They are cheaper, much less complex, and get
better fuel mileage than hybrids. A more
viable option than hybrids is on the horizon.
In fact, they exist worldwide right now.

These are new generation clean diesel
cars, powered by new generation ultra low
sulfur or biodiesel fuel soon to be on our
shores. Vehicles that obtain approximately 40
miles per gallon in the city and are environmentally friendly. These vehicles will be legal in 50 states, with a carbon footprint similar to the Sion I just mentioned. Why do you suppose it is that Honda, who produces the most fuel efficient cars on the planet has abandoned the hybrid Honda Accord in favor of their newest 2.2 liter highly acclaimed new generation diesel, the IDTEC? Clearly, at present, Honda and other auto makers have recognized that a new generation diesel results in a more efficient vehicle and is vastly superior to the hybrid. It is a fact that new generation diesel cars will be available in the near future -- I am almost done.

CHAIRMAN DAUS: If you could sum up.

MR. NEWMAN: In conclusion, I urge the Commission to consider a plan that would incrementally take us towards the 30 miles per gallon goal and allow testing of additional vehicles soon to be diesel powered. Thank you.

CHAIRMAN DAUS: Any questions?

(No response.)
CHAIRMAN DAUS: Thank you, Mr. Newman. Next speaker is Steve Statharos.

MR. STATHAROS: My name is Steve Statharos with City Transport in Woodside. I would like to start by saying I fully concur with my colleagues in the industry on the safety, durability and mechanical issues and the need to extended the test program. However, I would like to focus on one of the myriad of issues that I feel will crop up and flow from the full and immediate implementation of hybrids.

From my own experience, for the last six months I have been trying to hire a mechanic and a mechanic's assistant with no success, despite advertising in several papers as well as on the Internet. The few calls I have received are from people with little or no experience. I simply have not received any calls from any experienced mechanics, despite advertising in multiple forms of media, the newspaper and the Internet.

When the hybrid medallions were first issued a few years ago, one of my mechanics was extremely eager for me to send him for
hybrid training, even though I had none of these hybrid medallions in my garage. He went a step further and asked that I buy the Ford hybrid manuals for him to study, and actually offered to reimburse me for their cost. I can clearly see what his intention was. He wanted me to train him so that he could go on and work for Nissan or Toyota and then I would be in a situation where I would have to replace him as a mechanic after having trained him.

My point is, if I can't find a regular mechanic now, I don't know how I will replace a hybrid mechanic a year into this program. The demand for skilled hybrid mechanics is very high and I see a real problem in terms of our ability to retain such skilled labor in this industry. I am not anti hybrid. I actually own a hybrid myself, but for the many reasons we have discussed here today, I feel the timing is not right for full scale, industrywide implementation.

There are a litany of real issues that you have heard about, ranging from safety and mechanical issues to the training and retooling of garages, all which work against
immediate industrywide transition. I would
urge a carefully tailored limited test program
over an extended period, to both allow time
for this technology to properly mature and for
us further identify and address safety and
mechanical concerns.

Thank you.

CHAIRMAN DAUS: Thank you. Any
questions?

(No response.)

CHAIRMAN DAUS: Okay, Mr. Mateo,
Vincent Sapone and then Dave Pollack.

MR. MATEO: Good afternoon,
Commissioners. My name is Fernando Mateo, I
am the spokesperson for the Federation of New
York State Taxi Drivers. We represent about
7,000 owners operators, drivers who lease
Medallions as well as drivers who work for
fleet owners.

One of the concerns that the owner
operators have that we represent is that they
have developed over the course of the years, a
working relationship with Ford. And they are
very concerned that that relationship is going
to go down the tubes because of the high
demand that Ford has and the little production
that they are currently giving us.
Unlike the fleet owners who have
their garage and have their parts and all of
the things in place to service their Crown
Vics as we speak, these drivers usually go to
shops. Shops that are able to provide them
with the parts that they need whenever they
need it.
Switching over to hybrids is
something we are all very happy to do. We
all want clean area, we all want a better
city, we all want everything that is good for
the environment. But the big problem is that
we are forgetting about the people that are
driving these vehicles. They don't have the
comfort they had in the larger cars. The
passengers don't have the comfort that they
had in the larger cars. The safety isn't the
same.
We are all for a better New York and
for better air quality and for all those
things. But we need to make that we have the
drivers that are going to drive these vehicles
and drive them for extended periods of time
without wearing themselves down physically.
I think that waiting -- Plan NYC
basically formed a committee, which we are a part of, and we are looking for that excellent, that perfect taxicab for New York City. The taxi of the future. I don't think we are giving that enough time. I don't think you are giving this committee and that vehicle to be develop enough time. Why have this committee if we are rushing into a hybrid situation, that then will have to change again?
It is like we are changing the face of the yellow industry rapidly. Yellow cars are an icon in this city. They are in movies. They represent New York. And people around the world have seen what these vehicles look like. Now you don't recognize them anymore. You recognize them because they are yellow, but now they are all shapes, form and sizes. It is not what it used to be. I think if we can give this committee and the people that are developing the taxi of the future a few more months to finish, and then as you said before, you have a lot of people that were
interested in manufacturing this car, I think we can hit a home run.

But right now, we bunting, bunting, trying to steal a base. We are not getting there. I think we can accomplish a lot more if you give us the time that the city initially said they would give us to develop this wonderful vehicle.

But, once again, comfort for the driver, comfort for the passengers, and safety should be the most important things. I think everything else should come after that. I think clean air is great, but I prefer to see a healthy driver than to see an industry with just sick people trying to provide a service. Thank you.

CHAIRMAN DAUS: Thank you, Mr. Mateo. Mr. Sapone, then Mr. Pollack, and then Victor Chiofolo.

MR. CHIOFOLO: Mr. Chairman, Victor Chiofolo. Can I sede my spot to Warren Prosky?

CHAIRMAN DAUS: Sure. I feel like we are in Congress. No problem.

MR. SAPONE: Good afternoon,
Commissioners, Mr. Chairman. I want to talk about what you said about 40 minutes ago -- are you listening?

CHAIRMAN DAUS: Yes.

MR. SAPONE: -- about illegal street hails. I have to tell you, it is the first time in many years that I feel really confident with the words you used. You know, the first time I feel that the TLC is really going to do something about the illegal street hails, because it became above the cancer. It became leukemia. And I want to congratulate Pansy Mullins on the excellent job she is doing. Anyway, thank you for doing that.

CHAIRMAN DAUS: Thank us after we do it.

MR. SAPONE: Are you telling us it is going to be maybe.

CHAIRMAN DAUS: No, we will report back at every meeting.

MR. SAPONE: In this room, I don't think anyone from the industry is saying not to save a life, don't go green, help the atmosphere, let's be the best city in the world. Everyone I think is saying that. But
you know what, when people make decisions and say this is what is going to be, when I make a decision in my place, I run an association of almost 3,400 members. It's going up, thank God, it is owner drivers, 95 percent owner drivers, the other 5 percent are lease drivers. I ask them, when the TLC or the wonderful Mayor, which I would have voted for if he ran for president, thought about going green, did he call in any of these guys here, or maybe even me, together with you, just say let's do it?

You know what, as far as I am concerned, there is not a right car out there. I think we should go green. I think we should go diesel, but there is not a right car out there. Mr. Giannoulis asked why are people still buying Fords. I will give you my answer, if I may, I have a few guys that just recently purchased a Crown Victoria again. He looked at the Ford Escape, he always uses a partition. These couple of guys always use a partition. They have been driving 40 years. And they were like in a tomb. It was like being in Houdini's box. It is impossible to
And if you get hit, my friends, you are not getting out. I suggest bring a few hybrids here, okay, the Ford Escapes with the partition and show you what it is all about. Listen, let's go green. But should we change the law where I have to start work at four o'clock in the morning to make people happy? Let's go green at the right time. Now, this Ford connect, maybe it gets 19, 20, miles per gallon, I don't know. But I have seen it. And if we can work on them to work on this car, that's the car for everybody. What is the difference if a car gets 23 miles per gallon or 25, as long as it is burning clean oil? What is the difference? What are we doing here?

Like the last speaker said, Mateo, we are an industry with all Fords. People see a movie, they know it is New York City. What are we going to have, 15 different cars out there? No good. We need more time, we have to get a better car.

Thank you, sir, and let's bring some hybrids outside and let the Commissioners sit
in there. Bring your families, see how much
room there is. Thank you.

CHAIRMAN DAUS: Thank you.

Mr. Pollak?

MR. POLLACK: Good morning, Commissioners. My name is David Pollack, and
I am the executive director of the Committee
for Taxi Safety. An association of licensed
leasing agents representing approximately
2,000 Medallion taxis and the thousands of men
and women who work with our association.

Although the committee is not opposed
to the MPG requirements, we do have concerns
regarding the implementation of the
regulations. One of our concerns is when the
Ford Crown Victoria is eliminated and there is
an approved TLC vehicle, will there be an
adequate supply of street-tested 25 MPG
vehicles. Although the TLC approved 25 MPG
vehicles, these vehicles may have had no
history of problems for consumers, but as we
all know, taxi driving in New York City is
totally different. Yet, only one 25 MPG
vehicle has been truly taxi tested, the Ford
Escape hybrid.
We believe all other approved 25 MPG taxis must be taxi road tested also. It is our understanding that Ford will increase its production of the Escape hybrid and has recently committed, at least verbally, to at least 2000 vehicles for 2008. The taxi industry purchases approximately double that number annually. Accordingly, the anticipated high demand for this vehicle as a safe, reliable and taxi tested vehicle, assuredly will result in delivery delays, potentially compelling New York City Medallion owners to purchase vehicles that have not been tested or piloted for road worthiness, as all New York City taxis should. And vehicles which are not their first choice of vehicle.

This will have a rippling effect on cost. Not only may the vehicle need to be replaced sooner if it is not able to stand up to the rigors of New York City taxi driving, as we have seen and experienced, but rather than having all the same cars, now the agent may well have to stock different manufacturers' parts, losing the efficiency of scale and train its mechanics to repair and
maintain different vehicles it had not wanted in the first place. Therefore, the TLC should not mandate a vehicle purchase if it is not the vehicle choice for that purchaser. An example, an owner purchases a Prius instead of an Escape due to delivery delays. The increased cost of taxi vehicles directly adds to a DOV drivers monthly or weekly payments. If a taxi fails prematurely, the DOV driver lose the benefit of his purchase and must buy another vehicle. Once again, the owners, agents, DOVs and owner drivers should not be compelled to purchase a vehicle that is not their choice. It is simply not fair to the drivers and the owners to purchase any qualifying vehicle if a Ford Escape is wanted but is not available. We respectfully suggest that perhaps the TLC could work with Ford in an attempt to have the Ford Crown Victoria modified to reduce their engine power, increase gas mileage and lower emissions. A lower powered Crown Victoria would also directly be accountable for smarter driving habits. Finally we ask, where is the
scientific technology assessment that provided
the basis for a 25 MPG taxi?

In summary, we believe implementation
may well be premature as to vehicles other
than the Ford Escape. We urge patience and
testing. We would also like the Ford Crown
Victoria allowed as a New York City taxi for
one more year, giving Ford the time needed to
perhaps modify the Crown Victoria so that it
can remain as a TLC qualified taxi vehicle.
This additional time would also allow for
hybrids other than the Ford Escape to be
tested as taxis and potentially save our
drivers possible unnecessary and needless
additional expense.

Thank you.

CHAIRMAN DAUS: Thank you.

Warren Prosky and then Michael
Wanderman, and the last speaker after that
will be Bill Lindauer.

MR. PROSKY: Good afternoon,
Chairman, Commissioners. I apologize, I
didn't plan to testify today, but I am a third
generation taxi. As Commissioner Daus knows,
he was nice enough to visit me and spend a
great deal of time. He has seen how I operate my garage. I have been coming here for 20 years now listening to testimony, and appreciating what both sides have to do to make the safest possible environment for the New York City riding public.

As an owner, I've also felt the pain that is brought upon me by my drivers, who are my customers, as well as the city's need to properly provide a vehicle for the riding public. Over ten years ago, I sat here and I listened to a similar meeting. Unfortunately, nobody sitting up here attended that meeting. And somebody, it could have been Jen Applebaum, I don't remember, sat there and gave all types of statistics and they were terrific. It talked about something called CNG.

We listened, and the Commissioners listened, and at one point, more forcing it on us, they asked us to commit to a CNG product because it was better for the environment. I tell you, irregardless of what feel personally about people who operate taxicabs, we are all concerned about the environment. We live here
in New York City. We live here in the region, so we are concerned about the environment. So many of us, myself included, committed to buy a more expensive car, based on literature and testimony that we received from the City of New York. The literature, and I have it if you want to see it because I keep a folder on CNG, was a beautifully prepared document by the city. It showed a picture of the car with three or four different drivers standing in front of it. And it talked about the 22 fueling stations that we would be able to use seven days a week, 24 hours.

It talked about how the dealerships, in conjunction with the city, in conjunction with the TLC, would provide us technical help, support, blah, blah, blah. I bought eight vehicles. Those eight vehicles were the only business mistake I’ve made in 20 years and my family did in over 70 years of being in business. So I want to paint a small picture if I have a few moments.

Number one, we did everything according to what the TLC asked. We purchased
the vehicles, we went for whatever training they suggested. I am still waiting for Brooklyn Union Gas to give me my rebates. I never received them. Not an issue.

The issue was my customers, the driver. My driver comes in at three or four o'clock in the morning. He is tired. He is waiting for his vehicle. I can't send him out because the fuel fill is leaking. I can't send my customer out because I am in Brooklyn on Bergen between Third and Fourth. On Flatbush and Bergen there was a Mobil station, it is now a part of Rattner's project, but they provided CNG. So I was the ideal candidate.

The only problem is their equipment didn't work, or they did not have CNG. Unfortunately, the dealer who sold me the cars is not here today. He could not support the product I bought from him. He apologized. It took months for me to realize, and I am not a stupid business person, that my car was being sent to a retrofitter in Staten Island, so I went weeks at a time sending two men home every day, not providing him a means to make and feed his family, nor for me to provide
income for myself. It was a tragedy and a
business mistake that I made, but I was
committed to what the city's program was.

   Sitting here listening to the TLC
testify, to other people testify. There is
going to be issues. People want the
environment, we should be protecting the
environment, we should be having a good car.
The reality is, this is exactly the same
scenario.

   So number one, I beg the
Commissioners, because I know you do care, and
you are all accomplished people, to go back
over ten years and look what the city did.
They did it wrong. It wasn't their fault.
They tried to provide the best available
technology and provide it to the people of the
City of New York. The reality is, it was a
failure. It was mistake, okay.

   What we are doing now is the right
track. We understand the Crown Vics is going
to be retired. We are not arguing that point.

   CHAIRMAN DAUS: You are way over your
time. Could you sum up on the issue of
vehicle availability. We got your point on
MR. PROSKY: Right now, it is pretty clear to me, and I think it is clear to the Commissioners, that the vehicles are limited. The reality is that a family of four, they don't fit comfortably in any of the cars available.

All I am saying is, if you mandate something, we will comply. It will be an embarrassment to the City of New York and it will be a failure to our industry. And I think if we are given a bit more time, I am not telling you how much time to give us, some car manufacturer will get it. Remember, we are the smallest market that any car manufacturer services. Yet, certain car manufacturers are willing to service us.

Thank you.

CHAIRMAN DAUS: Thank you very much. Michael Wanderman?

MR. WANDERMAN: Good afternoon Commissioners. My name is Michael Wanderman. I operate cabs at Gotham Yellow in the Bronx. We run about 238 taxis, and actually over 50 percent of our fleet are hybrids. We
originally got into the hybrid taxi in 2006 based on winning 38 in an auction, but have continued to buy voluntarily since that point. And based on the numbers Mr. Schenkman showed, we represent 25 percent of the voluntary industry that has purchased these new taxis.

We made the business decision to overhaul our fleet and keep going hybrid as more of a service campaign to the drivers who save 60 percent on gas when they fill up daily. It speeds up our shift change while helping the environment, which everyone agrees is important.

So far we have been happy with the hybrids, but I think it is still too soon to tell. Our oldest hybrids right now have 125,000 miles on them and they are not at the point yet where we will see if they last as a three year car or a five year car.

In terms of availability, we have had issues with availability since we started purchasing them. We were originally supposed to get our first delivery of 35 back in October 2006, those ended up getting delayed a month to a month and a half. We continued to
buy more, we needed another 60 the following January when brought in another group of medallions to our fleet on a voluntary basis to buy the hybrid. Those ended up being three months late, and during that time we made a commitment to stay with the hybrid and were promised by Ford, it is coming. And, therefore, we decided not do the easy thing for our business and put a Crown Vic on the road.

The problem is every day we lose 200 to $225 in shift revenue and drivers not going out on the road because our Medallions are sitting without a car to be driven. We still have availability issues, and what we did recently was, since we are knew we were going to continue to buy the hybrids, I ordered a large volume and made a deal with one of our vendors that they were holding them for us. And that allows me now to maintain some turnover. But that will come to an end soon, and, again, if 85 percent of the industry is using the Ford Escape, which, but the way, we stay with Ford due to our business relationship with them, and it has been
referenced in terms of apples and oranges, the
different cars. By having two sets of cars,
the Crown Vic and the hybrid, we are
maintaining two sets of parts, two sets of
inventory, to types of training. And we are
not a regular auto body store where we can
wait a few days to get a car fixed or for a
part to come in. Our cars, we want them back
on the road the next shift because it affects
our bottom line and it affects the driver's
ability to go out as well.

In terms of availability, I am
hearing the 50 available, and, obviously, it
is a simply supply and demands issue. If the
mandate goes through in October and we are
talking about 200 a month, there is no way
Ford or the other dealers are meeting the
supply.

The support we have had has been
great, but there has only been one Ford vendor
proven to service us, and even for my own
sake, I think the turn around time is too
slow. We have gotten Ford engineers with some
of our problems with the hybrids, which I will
go into quickly, but, again, it is sending
parts back to Detroit, then looking at it. And Ford corporate, not understanding the taxi industry in terms of the turn around time we need.

With our hybrids we have 43 2007 Ford Escape hybrids and over 82 2008 hybrids. Some of the major issues we have had, especially with the 2008s, and one thing that concerned us is in this industry we like consistency. And they talk about the Crown Vic being a consistent car year after year. There are many differences between the 2008 hybrid and the 2007 Ford Escape hybrid with body work and some internal stuff, which obviously creates new parts and things like that.

The 2009, I am hearing will also have a different braking system. I am not sure if that is correct, but more changes. We have had issues with our 120 hybrids, where we have had to change over 40 steering shaft and knuckles. This is where the steering gets locked up on the car and makes the car not safe to drive. We have changed over 40 throttle bodies, which have caused the car to cut off. Some people have testified to cars
cutting off, it is limp mode, when certain components go. To protect the hybrid technology in the car, it tells the driver to slow down and stop, but it is actually putting the car into neutral and forcing the driver to step. And if you are going down the highway at 60 miles per gallon with cars around, that could potentially create an issue. Thank God we haven't had one so far.

We have changed over 150 pumps, which are the coolants to cool down, also causing limp mode. We were told the pump was reengineered. We continue to have failures in them. Most recently they have asked us to try out three years with the new version of it where we have to take the cars to the dealer because the dealer has to do them in order for them to be considered certified for our test. We have changed over axle tubs and bearings. And on the 2007s, there have been issues with 95 percent of the chassis when they reach 100,000 miles.

In terms of accidents, I don't think -- the Crown Vic is obviously a much better built car and a sturdier car. When we have
accidents with our hybrids, there is a lot more damage that occurs because the car is softer and it not as well structured as the Crown Vic. The Crown Vic is built more like a tank, built to handle that type of demand and driving. Repairs are much longer and much more expensive to repair, which increases lost shifts for us.

CHAIRMAN DAUS: I'm sorry, Mr. Wanderman your time ran out a while ago. Could you sum up, please?

MR. WANDERMAN: Basically I think it is an issue of needing more time. If anyone could speak to the expertise of how these hybrids are working, I think it is our fleet because we are running more of them than most other fleets.

CHAIRMAN DAUS: We would love to get more of this information. I did keep public comment period open until May 31st. I would be happy to meet with you to get some more of this information directly into Peter's hands.

MR. WANDERMAN: Sure. One last point I want to make is that parts are more expensive because there is no after market
yet. On average we are paying a markup of 100
to 700 percent based on the type of parts that
we have to put into these vehicles.

CHAIRMAN DAUS: Great, thank you.
Next speaker is Bill Lindauer.

MR. LINDAUER: I am Bill Lindauer.

This has been a very interesting hearing, but
I must admit last Thursday's transportation
commitee hearing was much more fun.

There are some legitimate concerns
expressed here, but I am worried that these
multi millionaire brokers and garage owners
will put the economic burden on drivers.
Drivers, despite whatever you say, are paying
for this cockamamie technology you have in the
cabs that passengers hate and drivers hate.
And now the economic burdens of the added
costs of the hybrids -- and we believe in
clean air, don't get me wrong -- will be
passed onto the drivers.

Even now, in some instances, brokers
and garages, I say in some instances, are
passing the cost onto drivers. They say you
save money on gas, okay, give me $20 more a
day. So the drivers don't save a penny. And
they are eking out a living now barely.
Pay ing a ridiculous rate on the charge cards,
which the system fails completely. It is just awful. And I don't want the burden passed onto drivers.

As one gentleman said, they said in The New York Times, the Toyota, they are not designed for commercial use. If the auto manufacturer says that, you can believe that.

I have a question: With the city mileage, I drove a Crown Vic, I know it doesn't meet the standards but you got more mileage per gallon at night because there is less traffic. During the day you would get maybe six to eight miles per gallon. At night maybe you get 10 to 12. So I don't know what standards you are going to be using for judging these hybrid vehicles. That's just a question. I will let you think about that.

But, remember, keep in mind the drivers. They are barely making a living now.

Thank you.

CHAIRMAN DAUS: Thank you.
That concludes our public hearing. I want to thank everybody for taking the time to
testify.
A lot of information to sift through
but we are going to continue to take
information, so if you would like to
supplement some of your testimony with written
comments, you have until May 31st to do so.
And in addition to that, if you would like to
request a meeting with some staff to present
information, Peter Schenkman will make himself
available.
I want to thank everybody.
Do we have motion to close?
COMM. AROUT: So moved.
COMM. WEINSHALL: Second.
CHAIRMAN DAUS: We are closed.
(Time noted: 1:15 p.m.)
CERTIFICATION

I, MARGARET EUSTACE, a Shorthand Reporter and a Notary Public, do hereby certify that the foregoing is a true and accurate transcription of my stenographic notes. I further certify that I am not employed by nor related to any party to this action.

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MARGARET EUSTACE,
Shorthand Reporter