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NYC TAXI AND LIMOUSINE COMMISSION
PUBLIC MEETING
held on Thursday, May 10, 2007
40 Rector Street
5th Floor
New York, New York

1 Public Meeting convened at 9:35 a.m:

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P R E S E N T:

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4 MATTHEW W. DAUS, COMMISSIONER/CHAIR

5 ELIAS AROUT, COMMISSIONER

6 NOACH DEAR, COMMISSIONER

7 HARRY GIANNOULIS, COMMISSIONER

8 IRIS WEINSHALL, COMMISSIONER

9 HOWARD R. VARGAS, COMMISSIONER

10 EDWARD GONZALES, COMMISSIONER

11 LAUVIENSKA POLANCO, COMMISSIONER

12 CHARLES FRASER, GENERAL COUNSEL

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1 CHAIRMAN DAUS: Could everybody
2 please take their seat. We are going to get
3 started.

4 We have a new agenda that was revised
5 this morning. This is the second revision.
6 The few things that were changed, number one,
7 there was a request for an adjournment from
8 the Commission appeal respondent's attorney,
9 which was granted. As a result, we are
10 putting that matter which was scheduled for
11 executive session over to the June meeting.

12 Number two, our designers who are
13 working on the clean air and accessible
14 taxicab stickers want a little bit more time
15 to perfect it and tweak it. We will try to
16 bring that back for the June meeting for
17 consideration by the Commissioners.

18 The first item on the revised agenda
19 is the Chairman's report, which I will go to
20 now. First and foremost, all around the city
21 a lot of people have been hearing about what
22 called Plan YC. This is a very comprehensive,
23 strategic plan for sustainability and for a
24 better New York that Mayor Bloomberg, under
25 his leadership and vision, has put out there

1 over the last couple of weeks. And the TLC,
2 of course, has a role in that.

3 First, I would like thank and
4 congratulate Mayor Bloomberg, and also Deputy
5 Mayor Doctoroff and his team and everyone.
6 And some people here, including Commissioner
7 Weinshall, my staff, and people at various
8 other agencies that worked on the plan.

9 There is, as part of the clean air
10 portion of the plan, a role that the TLC has.
11 The overall goals regarding air quality in the
12 city under Plan YC are for New York City to
13 have the cleanest air quality of any U.S. city
14 overall. That's the goal. Also, to get to
15 that goal, the plan is to reduce overall
16 citywide emissions by 9 percent by 2017.

17 In terms of the transportation
18 component, transportation, according to the
19 plan and the studies and the research, amounts
20 to about 50 percent of all pollutants. Taxis
21 account for 4 percent of all ground
22 transportation carbon dioxide emissions, or
23 CO-2 emissions, and one percent of all CO-2
24 emissions in the city. The TLC has about
25 three or four items that pertain to it under

1 the plan in terms of whether it is action that
2 the TLC will be required to take or matters
3 that are outside the jurisdiction of the
4 agency that are going to affect our
5 industries.

6 First, there is a sales take waiver.
7 If you buy a more fuel-efficient, cleaner
8 vehicle, which would include hybrids, the
9 sales tax will be waived.

10 Number two, anti-idling technology.
11 During 2007, New York City is going to select
12 the best device or technology for the taxicab
13 and the black car industries to keep cars
14 heated without idling. There is not
15 necessarily technology out there now that
16 allows the cars to not idle with the air
17 conditioning running, but certainly with the
18 heating, there is technology.

19 Now, the good news is that this is
20 something that will be government funded.
21 There are plans in place to use government
22 funding, including \$6 million and a CMAQ
23 Grant, Congestion Mitigation Air Quality, of
24 4.8 million. So, really, that's the plan, to
25 use the government founding to pay for these

1 devices. We will making a more formal
2 presentation to the Commissioners as we get
3 more information working with the Mayor's
4 office.

5 Also, there is another item which has
6 a very direct impact on our work, and that is
7 the plan to double the fuel efficiency of all
8 taxicabs and all for-hire vehicles that we
9 license and regulate. The overall goal is by
10 2010 new cars must double their fuel
11 efficiency of today's nonhybrid vehicles that
12 are on the road. There is a plan to convert
13 our entire licensed fleet to more fuel
14 efficient vehicles in between eight to ten
15 years, and to convert the entire black car
16 fleet to cleaner vehicles in about five years,
17 which would basically decrease CO-2 emissions
18 by 50 percent and 0.8 percent overall for city
19 harmful emissions.

20 So these are overall goals. How we
21 get there and how we do it is something that
22 staff will be working on with myself and with
23 the Mayor's office. So while these are the
24 goals, there are probably a variety of ways to
25 get there. I have asked the staff to

1 basically present to the Commission at an
2 upcoming meeting a comprehensive
3 implementation plan to put into place some of
4 the goals that the Mayor has set for us.

5 Also, we are going to immediately
6 engage in what is going to be known as an
7 outreach and awareness campaign. We have done
8 a lot of awareness already, but we need to do
9 more about the benefits of cleaner, more
10 fuel-efficient vehicles in the city. We are
11 going to work with the livery industry, the
12 community car services, and also the lending
13 industry, to further increase public benefits
14 and cost savings as a result of voluntarily
15 buying cleaner vehicles right now,
16 immediately.

17 And I am sure you probably heard a
18 lot of about congestion pricing, which is one
19 of the most prominent proposals in the Plan
20 YC, that the Mayor put out there. In terms of
21 the impact on our industries, the bottom line
22 is there is no impact in terms of you being
23 part of that pricing structure. Taxicabs, all
24 yellow cabs and all for-hire vehicles, black
25 cars, limos, everybody that we license, from

1 what I understand, are currently exempt from
2 the plan. I mean, if there is going to be an
3 impact on our license industries, it will
4 probably be positive. As less and less
5 congestion from other vehicular traffic in the
6 central business district occurs, this should
7 free up the roads for the black cars and
8 liveries and the limos and the taxicabs to get
9 people where they need to go more quickly.

10 So that is good news for our
11 industry, and also good news for the city
12 overall with this congestion pricing
13 structure, which it seems to be working in
14 every other city that it has been implemented,
15 and I am sure we will be as supportive as we
16 can of some of these concepts. Because at the
17 end of the day, it's the goals that I think we
18 can all agree on. There may be certain fine
19 points that we may disagree on in terms of how
20 to best do it, but with respect to the TLC, we
21 are very, very pleased and flattered to be
22 able to play a role, because at the end of the
23 day, this is something that will make lives
24 better and healthier for people in the city,
25 whether it is reducing asthma rates or just

1 having a better overall effect. Not just on
2 our local health, but also on the global
3 climate.

4 We will play our part and we stand
5 ready to do that. So thank you, Mayor
6 Bloomberg, and thank you Deputy Mayor
7 Doctoroff. And we will present our more
8 detailed plan in the next month or two.

9 Item 2, as you know, last month was
10 the 100th year anniversary of the taxicab.
11 Taxi '07, which there are many people in this
12 room that were at the Javits Center event
13 where we celebrated the 100 years and also had
14 prototypes and new designs for the,
15 quote-unquote, cab of the future. Some ideas
16 that were interesting, some that were a little
17 bit out there. But at the end of the day it
18 was a great exercise. It was very, very well
19 attended. We will international visitors from
20 all over the world visiting us to see the
21 exhibits.

22 I am very thankful, and I would like
23 to express Commission's appreciation to the
24 Design Trust and Taxi '07 for their hard work.
25 In terms of the next steps on this project, it

1 just wasn't an art exhibit. It wasn't an
2 exhibit of just concepts and ideas that are
3 going to hang out there. This is going to be
4 an exercise where we take some of the best
5 ideas that the Commission, my colleagues and
6 I, will agree on, and try to implement them.

7 The next step is for the TLC to
8 review the final draft of this master plan,
9 which I understand has undergone extensive
10 revision since my colleagues have seen it, in
11 light of some of the concerns we have had.
12 And they will share that final report with
13 that Commission at a future meeting, and they
14 will be presenting their ideas to us in a more
15 formal way.

16 All the manufacturers and people that
17 they have been working with, what are they
18 recommending that we do in terms of future
19 plans for the design of the taxicab of the
20 future.

21 Item 3, the taxicab technology
22 customer service enhancements. We are going
23 to hear a lot about that today. I just want
24 to note for the record that we have continued
25 our extensive outreach. From day one, over

1 the last three years, we have been out there.
2 I don't think there is a soul in this
3 industry, driver, owner, or now since it has
4 been reported so many times in the media, I
5 don't think there is New Yorker who is unaware
6 of this project at this point. Certainly we
7 have communicated the details and information
8 at every level, on a grassroots level, we have
9 been out to the airports a number of times,
10 including over the last week or two handing
11 out fliers. Numerous staff talking to the
12 drivers directly, dispelling myths and urban
13 legends that have come out of the
14 disinformation that is floating around there.

15 We have had the vendors demonstrating
16 their wares at the Woodside facility. We have
17 been handing out fliers at our inspection
18 facility as well. Thanks to the fleets. I
19 would like to thank the MTBOT for opening
20 their doors to us. The fleet owners got the
21 drivers to basically go around the table, and
22 we explained it to them, and I think they were
23 very excited to hear that a lot of the things
24 they have been hearing are based on
25 disinformation, and now they have enough

1 information to basically make a final decision
2 on which vendor they are going to choose.

3 We have a mass mailing that's going
4 out to every single Medallion owner with all
5 the details they need to make a final decision
6 and we have received tremendously positive
7 feedback on the demonstration project, the 200
8 cabs that are out there. We have actually met
9 with the drivers that are driving the 200 cabs
10 that are out being piloted and tested, and
11 overwhelmingly, the news is good.

12 So I want to thank the staff for
13 doing -- can we have some quiet, please. I
14 can't even hear myself.

15 We still are going to continue to
16 outreach over the next couple of months, and
17 if anybody has any suggestions on areas that
18 we could further explore to make sure we reach
19 everybody, we would love to do that. I know
20 we made several efforts to get the Committee
21 for Taxi Safety and the lease managers to open
22 their doors. We hope we can work with you,
23 like the fleets, so that we can talk to your
24 drivers as well. And also LOMTO and the Taxi
25 Workers Alliance, I know we have had

1 discussions with you. But we are there to
2 visit any and all groups, whether you like the
3 system or not. It's our job to convey the
4 information to all you.

5 Item 4, there is some City Council
6 testimony that we put on the website. It is
7 distributed in the back. On April 26th I
8 testified against a mandate that all commuter
9 vans be painted orange. It is not that we
10 don't like the color, we don't believe it
11 would be an effective way to help people
12 identify them, and we think there might be
13 better ways to mark the vehicles. So I am
14 working very closely with the City Council,
15 the Mayor's office, Chairman Lu. We are going
16 to have a meeting to discuss other
17 alternatives. But certainly that testimony is
18 there in case you would like to read it and
19 you have any questions about it.

20 As promised, based on past votes at
21 prior Commission meetings, we have three
22 Requests for Information that were officially
23 released and are available in the back as
24 well, and have been disseminated since the
25 last Commission meeting.

1 The first is the mobility seat RFI.
2 This is a Request for Information for those
3 who might be interested in participating in a
4 pilot that we authorize as a Commission for
5 mobility seats for accessible taxicabs. Also
6 we approved a Toyota Sienna accessible vehicle
7 being retrofitted for a pilot program.

8 And if there is any other
9 manufacturer out there, or any other
10 retrofitter that would like to participate in
11 that program, there is an RFI that we have
12 distributed to give you the means to do that.

13 Also, very quickly, and I want to
14 thank the staff for doing this, we distributed
15 an RFI for hearing enhancement technology. We
16 heard a little bit about that at the last
17 meeting. To gather information and advice
18 from folks that are interested in this concept
19 of putting hearing enhancement technology in
20 our yellow cabs. So it is just an information
21 gathering and seeking exercise, and we are
22 hoping that we are going to get some important
23 information at our fingertips.

24 In terms upcoming Commission
25 meetings, the next scheduled public Commission

1 meeting is Thursday June 14th. At the present
2 time, we have two sets of rules that will most
3 likely be on for public meeting. Those are
4 revisions to our Medallion auction rules, and
5 also new taxicab markings and designs that we
6 spoke about and was at the Taxi '07 exhibit,
7 and we are going to have a presentation from
8 New York City & Company about that at the
9 request of the Commissioners.

10 We are also hoping to get on
11 hopefully in June, if not July, revisions and
12 modifications to the paratransit or ambulette
13 rules to enhance customer service. And we are
14 going to talk about that with the
15 Commissioners today.

16 The next meeting after that is
17 tentatively scheduled is for Thursday, July
18 12th, and it's our hope that we will have
19 changes to the Medallion transfer and escrow
20 procedures on for public hearing. And
21 certainly, last but not least, on a personal
22 note, I'd would like to congratulate our First
23 Deputy Andrew Salkin, in government terms his
24 nuclear family head count has increased by
25 one. Congratulations on the birth of Levi

1 Joseph.

2 He's been a little tired, running
3 back and forth, but he has really been, for
4 the last week or two, still very much involved
5 in everything that is going on.

6 Congratulations, Andy, to you your family.

7 That's it. Any questions?

8 (No response.)

9 CHAIRMAN DAUS: Okay, no questions.

10 We will go to item 2, adoption of the
11 minutes of the April 12, 2007 Commission
12 meeting.

13 Any questions, comments, changes,
14 modifications to the minutes?

15 (No response.)

16 CHAIRMAN DAUS: Okay, can I have a
17 motion to approve, please?

18 COMM. WEINSHALL: So moved.

19 CHAIRMAN DAUS: A second?

20 COMM. DEAR: Second.

21 CHAIRMAN DAUS: All in favor?

22 (Chorus of "Ayes.")

23 CHAIRMAN DAUS: Okay, thank you.

24 Item 3, base license application
25 review. Do we have a representative from

1 licensing?

2 VOICE: Chairman, Commissioners, I
3 would like to introduce Ms. Georgia
4 Steele-Radway, the supervisor of the base
5 licensing.

6 CHAIRMAN DAUS: She newly joined our
7 team. Welcome aboard.

8 MS. STEELE-RADWAY: Good morning.
9 Licensing would like to present before the
10 Commission 26 bases with a recommendation for
11 approval.

12 Would you like for me to read them
13 out individually?

14 CHAIRMAN DAUS: Everything that is
15 noted on the agenda for approval, not the
16 denials, correct?

17 MS. STEELE-RADWAY: Not the denials,
18 correct.

19 CHAIRMAN DAUS: No, we don't have
20 read them.

21 Does anybody have any questions or
22 concerns or comments about them?

23 COMM. GONZALEZ: I just have one
24 general comment. I would like to say I am
25 very encouraged by this particular set of

1 bases, where I noticed that in the year and a
2 half that I have been here, this looks like
3 the least number of violations that I have
4 seen in the 612-2, which is the base owner
5 shall not dispatch unlicensed drivers.

6 And I would like to say thank you to
7 your group in enforcement, and the industry as
8 well, for making this happen. And I hope it's
9 a continuing trend.

10 CHAIRMAN DAUS: Congratulations.

11 Do I have a motion to approve the
12 bases on the agenda?

13 COMM. WEINSHALL: So moved.

14 CHAIRMAN DAUS: A second?

15 COMM. AROUT: Second.

16 CHAIRMAN DAUS: All in favor?

17 (Chorus of "Ayes.")

18 CHAIRMAN DAUS: We have a few
19 denials.

20 MS. STEELE-RADWAY: There are three
21 bases that licensing is recommending for
22 denial with a request that the Commission
23 grants an additional 30 days so that they
24 present the outstanding items.

25 CHAIRMAN DAUS: Okay, I would like to

1 move to deny those bases on the terms stated.

2 Is there a second?

3 COMM. POLANCO: Second.

4 CHAIRMAN DAUS: All in favor?

5 (Chorus of "Ayes.")

6 CHAIRMAN DAUS: Great, thank you.

7 Welcome aboard again. And thank you,
8 licensing, great work.

9 Item 4, proposed rules for public
10 hearing and Commission action. We have item
11 4A is the taxi technology system
12 implementation rules. I would like to call
13 chief of staff Ira Goldstein up. He is going
14 to give a very brief preview and overview of
15 what these rules state and then we will go
16 right to the public hearing.

17 MR. GOLDSTEIN: Good morning,
18 Commissioners. What these new rules put in
19 place is essentially a time line to begin the
20 implementation of the service enhancements
21 project. The main dates in there is that
22 there is an August 1st date which is when
23 owners will be required to sign a contract
24 with an approved vendor of their choice.
25 Before that, the TLC will issue an industry

1 notice to the industry. We refer to it as a
2 sign-up deadline notice, advising them that
3 they have until August 1st. That notice will
4 go out shortly after this meeting if these
5 rules are passed and will give approximately a
6 two and a half month period for owners to shop
7 around and to give the vendors a chance to
8 market their materials.

9 They have been out there and doing
10 outreach and marketing but they are not
11 allowed to sign any contracts yet, because
12 none of them have been approved yet.
13 Officially, they are still finishing up some
14 testing.

15 The second key date is October 1th.
16 And that is the compliance deadline that,
17 starting on October 1st, when a car is a
18 scheduled to appear at our Woodside facility
19 for their inspection, that would be their
20 compliance date. So essentially that rollout
21 would take place through the inspection cycle
22 from October 1st to January 31st, '08.

23 And the other piece that is new on
24 the proposed rules is the licensing of meter
25 manufacturers. And we are putting that in

1 place. We have the authority under the
2 Charter and it's been in our rules but it was
3 just never done before. We are doing that to
4 make sure that we are able to enforce and keep
5 the interface between the meters and the
6 systems in an orderly fashion, because there
7 is some computer work that has to be done
8 between the two and we just want to make sure
9 that we have rules in place that if someone
10 doesn't comply and cooperate with the rollout
11 with the service providers, that we have a
12 means of being able to remove that
13 manufacturer from the market.

14 Essentially that's it on the new
15 rules. Commissioners, are there any
16 questions?

17 CHAIRMAN DAUS: Any questions for
18 Ira?

19 COMM. WEINSHALL: Ira, I know we
20 have had a number of pilots in the cars, how
21 have they been working out?

22 MR. GOLDSTEIN: They have been
23 going, I would say, very well. We have
24 currently each of the vendors, there are four,
25 are required to have 50 cabs each on the road

1 for at least 45 days. And during that time,
2 we have doing additional testing, checking
3 their back end, doing certain security
4 testing, checking out certain functionality.
5 And, overall, I would say it went well.

6 There have been some little problems
7 with the systems, and as the Commissioner
8 mentioned during his report, we didn't get
9 some good feedback from some of the drivers
10 that we met with on Monday as far as problems
11 that are occurring that we couldn't
12 necessarily find during the first stage of the
13 testing because of the nature of the cars
14 being on the road. And that's why we came up
15 with the plan of having a beta phase in place
16 before we went to the full implementation.

17 COMM. WEINSHALL: I know a concern a
18 number of years ago was that some customers
19 wanted to be able to turn off the screen, and
20 all of these products that you are testing
21 allow customer to turn off the screen if they
22 don't want to be bothered?

23 MR. GOLDSTEIN: Yes, that's correct.

24 And to elaborate on that a little bit
25 more, when we did the passenger acceptance

1 surveys, we even got into the detail where
2 some of the vendors had used that universal
3 symbol that you would see on a computer for
4 on/off screen. The passengers actually
5 preferred to see an off button, so we even
6 made them change things like that as well.

7 COMM. WEINSHALL: One more question.
8 On the credit card side, you are comfortable
9 that all the security measures that need to be
10 in place are in place so that if a customer
11 chooses to use a credit card, they don't have
12 to live in fear that their number is being
13 taken or that their security is being taken in
14 some way?

15 MR. GOLDSTEIN: That is correct.

16 First, the vendors had to comply with
17 the credit card industry standards that in
18 place that are fairly stringent. And we went
19 beyond that and did additional security tests,
20 and they refer to that blacking. And we have
21 closed up or are in the process of closing up
22 any possible small openings that there were in
23 the system.

24 COMM. WEINSHALL: Thank you.

25 COMM. GONZALEZ: Ira, about how many

1 transactions have we processed so far in the
2 test program, a rough approximation?

3 MR. GOLDSTEIN: Each vendor is
4 running around 1,500 a month. So it has been
5 going on. Some vendors have been since
6 January. Oh, it's a little less -- it's a
7 little over 14,000 through April.

8 COMM. WEINSHALL: I might point out
9 that the staff gave me, I was able to see a
10 demonstration of this, and as we expected,
11 really, what the credit cards are being used
12 for are the big dollar items. So you see a
13 lot of credit card use to and from the
14 airports.

15 There are some people who will put it
16 on the credit card for three or four dollars,
17 but I would say -- would you agree, Ira --
18 overall what I saw showed that it was the
19 bigger items, not the smaller items.

20 MR. GOLDSTEIN: Yes, that's correct.

21 And Gary from my staff will be
22 elaborating on that a little bit later in the
23 presentation. But the average fare that we
24 have seen it being used for so far is around
25 \$23.50.

1 CHAIRMAN DAUS: Are they getting
2 bigger tips?

3 MR. GOLDSTEIN: Yes. We have been
4 told anecdotally that drivers tend to receive
5 tips in cash in between the 10 and 15 percent
6 range. And right now, last time we checked,
7 the tips are running more close to 19 to 20
8 percent on the credit card transactions.

9 COMM. DEAR: Talking about the GPS
10 and putting it to a test, for whatever reason,
11 every time it comes before a meeting there is
12 an issue someone lost a religious item. Last
13 night again this happens. And what's
14 interesting is the passenger recognized the
15 name but knew there was a GPS system. That's
16 why I figured I would get all excited. And I
17 know that you are working on it, and I hope we
18 come to a happy conclusion by end of the
19 meeting and find these articles.

20 In a sense, this will be another
21 reason, and a good story of why GPS is so
22 important. And we probably retrieve lost
23 items and articles that people have sometimes
24 given up, or whatever it is that they can't
25 find it and it means something to them, and we

1 will be able to get it back to them.

2 And I know there is a fear out there
3 that this government intruding and knowing
4 where the drivers are. If they are worried
5 about that, then they should stop driving,
6 because you go through a bridge or tunnel
7 today, you are photographed. There is not a
8 place in the country that they don't have now
9 more security and more photographs taking
10 place.

11 So this idea that the GPS is
12 something that is going to track somebody and
13 know what they are doing, and it just Big
14 Brother watching over them is nonsense. And I
15 think it's something that we should recognize.
16 It's a good thing for us and if we could
17 retrieved more articles and if we could get
18 back things to people who have lost things.
19 And for us, it is a security issue as well,
20 and I think it's a great idea.

21 CHAIRMAN DAUS: I think as we proceed
22 to the public hearing, and I agree with my
23 colleagues on these points, it's important to
24 note, I think there is a lot of
25 misinformation, even in the media about what

1 we are doing here today.

2 This is something that kind of like
3 old news. This was voted on by this
4 Commission three years ago. A fare increase,
5 the largest fare increase in the history of
6 New York City was given with the deal, with
7 the drivers and everybody at the table, that
8 they basically are going to give something
9 back to the customers. It took some time and
10 it was necessary for us to do security testing
11 and pilots so that the systems work well, as
12 Ira described. But at the end of the day, we
13 want to make sure that these systems work
14 well.

15 It took some time to get here but we
16 need to remember that there have been two, a
17 fare increase and a fare adjustment over the
18 last couple of years, and the industry has
19 earned additional revenue of close to \$1
20 billion since then. And part of the deal,
21 which, unfortunately, some people when they
22 are talking to media and so forth are
23 basically trying to go back on that deal.
24 That's wrong.

25 Customers and passengers deserve the

1 credit cards, they deserve better systems. We
2 are basically here -- these rules, though, I
3 would ask the public in terms of the testimony
4 that will be given today, they are technical.
5 It is setting a couple of dates. But this is
6 really something that has been a done deal for
7 years, and it keeps getting reported every
8 time we have a hearing.

9 The good news is that we are finally
10 here for the passengers. And I would ask that
11 the public basically limit their comments, as
12 per the law, and their testimony to the
13 specific items of the dates, compliance issues
14 and the technical definitions. Because this
15 is really just a technical rule-making today.
16 It is not whether the program is happening.

17 There are four contracts in place and
18 the city has legal obligations with four
19 companies. This is something that is in place
20 and is happening. It is just a matter of the
21 exact dates and some little nuances. So I
22 think it's important to clear that up for the
23 public. And we are not going to go back on
24 the deal that the industry and us made with
25 the riding public. They are going to get

1 those systems and they will get them before
2 the end of the year.

3 So without any further adieu, I would
4 like to bring the first preregistered speaker
5 up. His name is Vinny Sappone.

6 Oh, I think he got ill today. We
7 wish him the best.

8 Oscar Luzzi, a taxi driver, is our
9 first speaker.

10 MR. LUZZI: Good morning, Mr.
11 Chairman. I am going to ask you to be a
12 little patient with me because this is my last
13 time that I am going to be here and probably
14 in New York. I have been a taxicab driver for
15 34 years. And as you know, and I can see here
16 not too many people drove a car. I have been
17 doing this on and off for 34 years. I drove
18 an 18-wheel truck. I love to drive. I love
19 my job. It was not one day in my life that I
20 regret to go out on the street. So please
21 bear with me because this is very important.

22 Since I bought the Medallion many
23 years ago, my only view was that's going to be
24 my retirement as an income, leasing the
25 Medallion to some driver or whatever. Through

1 the years, TLC, especially you, Mr. Matthew, I
2 heard something -- I read something in the
3 papers and it really bothers me, because the
4 way it sounds, it said somebody was
5 complaining about this technology thing and
6 you said, in these words, "Stop the talking
7 and keep driving." Which for me and a taxi
8 driver's vocabulary -- it was in the Daily
9 News, you said, "Stop the talking and keep
10 driving." They were talking about the people
11 opposed to this new technology.

12 CHAIRMAN DAUS: I don't remember ever
13 saying it that way.

14 MR. LUZZI: It was in the Daily
15 News.

16 For me it was same thing as if we say
17 every time TLC comes to us, "Shut up and bend
18 over."

19 CHAIRMAN DAUS: That's really
20 offensive. And, first of all, you are not
21 even talking on the topic of the dates set.

22 MR. LUZZI: I am going to talk about
23 the technology thing that you say the people
24 are so crazy about it. Out of 13,000 cabs on
25 the street, you put 200 to try the system.

1 It's about four guys her that are going to
2 make \$80 million on us with this stupid
3 computer. We have already since many years
4 implemented a system in a simple way with a
5 cellular phone which they call me right away
6 if the passenger took the time to ask for the
7 receipt, they will have my number, they can
8 call me right away to my phone and say, "I
9 forgot something in the car."

10 Of course, by the time we have three
11 or four more passengers after that, whatever
12 he left there is gone. And the few that I
13 got, fortunately I was able to give it back.

14 Now, the system according to you, I
15 was reading on the black news, is going to be
16 good for the weather report -- yes, weather
17 report. We have that on the radio, AM radio.
18 We are going to have traffic report. We have
19 that on the radio.

20 CHAIRMAN DAUS: Could you sum up,
21 your time has expired.

22 MR. LUZZI: Jesus, I know that.

23 The thing is and my point, whatever
24 this is going to cost, at my age, 66, I am
25 retiring in 30 days, I cannot afford this

1 computer. What is going to happen to me?

2 I want that answer. You answer me
3 that publicly, because, like me, there's a lot
4 of guys out there, that, unfortunately, they
5 don't come here to fight for their rights.
6 And they get screwed every time. So what is
7 my position if I cannot afford this computer
8 for whatever remains of my life as an owner or
9 driver? Can you answer that for me?

10 CHAIRMAN DAUS: It was part of the
11 last fare increase.

12 MR. LUZZI: Excuse me?

13 CHAIRMAN DAUS: The billion dollars
14 that this industry pocketed, in addition was
15 designed to pay for this, and that's something
16 that has been said publicly, if you read the
17 articles that you have been citing, over the
18 last couple of years. This was part of the
19 fare increase. And this is not a debate, it's
20 a public hearing.

21 You have not spoken on any of the
22 items that are on issue.

23 MR. LUZZI: How much is it going to
24 cost me?

25 CHAIRMAN DAUS: It's been gone over

1 many times. And this is not a debate.

2 MR. LUZZI: My life and my
3 livelihood is depends on this. My wife and
4 whoever lives after my work. This my life and
5 my work and it depends on me and I am going to
6 fight it in court. If I cannot afford, and
7 the TLC is going to tell me: You out of
8 business -- listen to me, please.

9 CHAIRMAN DAUS: With all due respect,
10 there are a lot of other people that want to
11 be heard.

12 MR. LUZZI: You never respect me,
13 sir, as a taxi driver. Not even when I met
14 you at the elevator. You told me you are
15 going to do a thing, nothing was done. You
16 don't have memory. I have the view. Not the
17 Rosie view, but the windshield.

18 CHAIRMAN DAUS: Thank you.

19 Next speaker is Mr. Dave Pollack.

20 MR. LUZZI: I'm sorry, my last few
21 words. I know you have to send the Mayor
22 because you have the job because of him. But
23 I give two Fs to the Mayor, failure and force.
24 And TLC, which is The Liar Commission.

25 CHAIRMAN DAUS: Mr. Dave Pollack?

1 MR. POLLACK: Good morning, Mr.
2 Chairman, Commissioners. My name is David
3 Pollack, I am the executive director of the
4 Committee for Taxi Safety. The committee is
5 an association consisting of licensed leasing
6 agents representing over 2,200 Medallion
7 owners and the 5,000 drivers of these
8 Medallions.

9 The Committee for Taxi Safety does
10 not want to delay the implementation date of
11 this program, and we are not against the
12 program in any manner. I am going to speak
13 about two points.

14 Section 2G located in page 1 of the
15 proposed rules gives the owners of taxi
16 vehicles or agents of the owners until August
17 1st to have their vehicles equipped with the
18 technology system. And I think that was just
19 amended to October. But, anyway, the proposed
20 rule further sets forth that if any service
21 provider contracts to install the technology
22 system in more than 3,000 taxicabs, upon
23 written approval of the TLC, the installation
24 date for the technology system may be extended
25 until the vehicle's first inspection on or

1 after February 1, 2008.

2 However, if there is an installation
3 delay due exclusively because of the vendor,
4 there is nothing in the rule to protect the
5 Medallion owner or Medallion owner agent from
6 the imposition of a penalty in the event the
7 technology system is not installed by the
8 required date. Accordingly, the Committee for
9 Taxi Safety requests a change in the proposed
10 rule that would protect Medallion owners or
11 their agents if this were to occur.

12 With respect to new stated policy,
13 the city policy, which I've heard here
14 today --

15 COMM. DEAR: Before you go on; is
16 that accurate?

17 CHAIRMAN DAUS: Chuck?

18 MR. FRASER: I am not sure I
19 understand the point. The rules provide for a
20 presumptive deadline of the inspector to
21 install the equipment for the inspection on or
22 after October 1st. The inspection cycle runs
23 four months, so that the presumptive deadline
24 would run from October 1st through the end of
25 January.

1 There are two types of extensions
2 provided for in the rules. If your vehicle is
3 about to be retired within six months of your
4 otherwise applicable deadline, you don't have
5 to install the system in your retiring
6 vehicle, only in the replacement vehicle
7 thereafter.

8 And the second type of extension is
9 for any vendor who sells more than 3,000
10 systems. The idea is that they have such a
11 volume that they would not necessarily be able
12 to do them in the same time period, so they
13 can get an extension for their vehicles to the
14 next inspection cycle, which is on or after
15 February 1, 2008.

16 In other words, when you count up all
17 the extensions, you are basically talking
18 about a phase-in period that begins October
19 1st, but wouldn't end until something like
20 July.

21 MR. POLLACK: And if the vendor, for
22 reasons that we don't know, cannot provide
23 installation in a timely fashion for our
24 vehicles?

25 MR. FRASER: You mean by the extended

1 deadlines?

2 MR. POLLACK: Yes.

3 MR. FRASER: Well, if there is a
4 breach of contract by the vendor, then,
5 obviously, we would be taking action against
6 the vendor. We wouldn't be taking action
7 against the Medallion owner.

8 MR. POLLACK: I am just asking for
9 something that say we are protected in the
10 event that happens.

11 COMM. DEAR: It's an interesting
12 question, because it is nice that you are
13 saying this publicly now, but in the rules --

14 MR. FRASER: That's true. I have to
15 admit, we did not write into the rule an
16 anticipation of a breach of contract. I think
17 I have acknowledge that.

18 COMM. DEAR: Okay, so we may have to,
19 or --

20 MR. FRASER: That's up to the
21 Commission, of course. You vote on the rules.
22 But as I say, I think that if there were a
23 breach of contract by a vendor, we would be
24 going after the vendor, not the --

25 COMM. DEAR: That's all very nice,

1 but verbal rather than written. And I just
2 don't want the drivers or the owners to get
3 penalized on this.

4 COMM. WEINSHALL: I think it's a
5 valid point and I think counsel is going to
6 deal with.

7 CHAIRMAN DAUS: We can do that via
8 subsequent rule making if we needed to, right?

9 COMM. DEAR: Why can't you amend it
10 today?

11 CHAIRMAN DAUS: Can you?

12 MR. FRASER: It would be a little bit
13 tough to do that on the fly. Remember, the
14 first deadline doesn't happen to until October
15 1st, so we have time.

16 CHAIRMAN DAUS: So we have until
17 October 1st to do that?

18 MR. FRASER: Certainly.

19 CHAIRMAN DAUS: Good, and we will
20 consult with the Law Department.

21 MR. FRASER: I would point out, we do
22 consider comments. We got no written comments
23 on this rule.

24 When you see our rules and you see
25 problems with our rules, the reason for the

1 written comment period is to tell us that so
2 that we can anticipate that and revise the
3 appropriately.

4 MR. POLLACK: In all due respect, I
5 agree with you, but things change. Today the
6 agenda changed this morning. People didn't
7 know about it in advance.

8 MR. FRASER: Okay, the rule did not
9 change, though.

10 MR. POLLACK: All I am saying is
11 some people didn't think about it until after
12 the deadline, so I am sorry we didn't get our
13 comments in in a timely fashion.

14 COMM. DEAR: In defense of David and
15 others, the last month we had someone came in
16 at the last minute with something that no one
17 thought of, and we realized that he was right,
18 Ethan Gerber.

19 So we have to understand. I respect,
20 even if it is the last minute, if they come
21 and bring something up, I think it's a good
22 idea.

23 CHAIRMAN DAUS: Yes, I do understand
24 what you are saying. I do have to agree with
25 Chuck, thought, that to the extent that it

1 makes it easier for us, and actually the
2 industry has been very good. There have been
3 very few exceptions. We actually closed the
4 comment period for written comments a few days
5 before, so that expeditiously we can make the
6 changes ahead of time. And we always, as part
7 of our transparency practices, we make copies
8 of the final rules we are going to vote on
9 available to the public. I don't think there
10 is an issue there.

11 I know you have been in touch with
12 our office. I am sure you might have woken up
13 this morning and had a new idea, and that's
14 great. But as a general practice, I have to
15 agree with Chuck, I think we should, moving
16 forward, industry should try to get these
17 things to us in advance so that things don't
18 get delayed and delayed and delayed.

19 And it may have been an idea that you
20 had when you woke up, which is great. But,
21 certainly, there have been no comments on
22 this. And I do agree with Chuck, please, if
23 you can get your comments in in advance, it
24 only help us.

25 MR. POLLACK: With respect to the

1 new stated city policy for higher mileage and
2 cleaner vehicle goals that the TLC will have
3 for efficient vehicles as opposed to the Crown
4 Victoria, if the industry plans to phase out
5 the Crown Victoria, and we have to utilize a
6 hybrid vehicle or vehicles that achieve better
7 gas mileage, based on current available
8 vehicles, the industry will need to use a
9 smaller one that is approved by the
10 Commission. But if owners are compelled to
11 purchase a large personal information monitor
12 or PIM at this time, and then have to change
13 to a smaller vehicle in the immediate future,
14 then owners would be forced to buy replacement
15 equipment within just two or three years.

16 And the Committee believes that
17 owners should have a choice to purchase large
18 screen or small screen PIMs at this time.
19 Clearly, the smaller screen PIMs have the same
20 functionality and provide the same information
21 to the passengers as they have been approved
22 by the Commission. And, accordingly, the
23 Committee requests the Commission be cognizant
24 of its own intended plan so as not to cause
25 the owners to have this added expenditure.

1 CHAIRMAN DAUS: All right, your time
2 has expired. On that issue, we will get
3 clarity to you and to the public. Because I
4 think the contract deals with that. That's
5 not really a rule making issue, the size of
6 the screen.

7 MR. POLLACK: I do have comments
8 here if somebody wants them.

9 CHAIRMAN DAUS: There are smaller
10 screens that can be used but that's not part
11 of the rules today. But we will get clarity
12 from the staff.

13 The next speaker is Mr. Bill
14 Lindauer.

15 MR. LINDAUER: You heard the song
16 and dance of Matthew Daus. Now for the real
17 truth. I have been a cab driver for 30 years
18 so I know the real truth. He hasn't driven
19 one day, so he is rather clueless, right?
20 Right.

21 Incidentally, I applaud the cabs
22 being green, but it is rather ironic that you
23 are taking green out of the pockets of
24 drivers. Remember, drivers ultimately pay for
25 any system, any technology. Don't let them

1 say the owners will pay. The drivers will
2 pay.

3 Good morning, Commissioners, and Dr.
4 Strangelove or how I learned to stop worrying
5 and learned to love the GPS bomb. And a bomb
6 it certainly is. Despite the hype and
7 outright lies of this agency run amuck, don't
8 be bamboozled, Commissioners. Delay this. It
9 needs a serious consideration. There are
10 moral and financial issues, not just pay
11 issues. There is no need to rush this
12 foolishness, this folly.

13 Don't be brainwashed like the
14 Manchurian Candidate, dead set on killing the
15 hopes and dreams of drivers, or simply even
16 their ability to earn a subsistent living.
17 Incidentally, do you really want flout with
18 impurity the city's own living wage law? Are
19 you law breakers s or men and women of decency
20 and morals as my feigning trust thinks you
21 are?

22 Firstly, this worthless technology
23 driven by delusional, nonthinking is totally
24 abhorrent to the American way. This is a
25 grandiose totalitarian technology trampling on

1 drivers' and passengers' privacy rights.

2 Treasure our Constitution. Give
3 obeisance to morality and let's look at the
4 true financial facts. Not the TLC's Enron-
5 inspired financial fantasy land. First,
6 inflation, higher apartment rents and sky high
7 gas prices have more than long ago wiped out
8 our hard-earned once in a decade fare hike.
9 Now, like a monstrous giant leach, you want to
10 suck out more of our hard-earned earnings.

11 This is useless snake oil
12 masquerading as a miracle. Talk about
13 misrepresentation, the Bush Administration
14 would be proud. This multimillionaire
15 controlled industry has already seen divers
16 forced to pay for owner expenses such as the
17 \$1,000-plus vehicle tax stamp. What does the
18 TLC do about it?

19 Absolutely nothing. Absolutely
20 nothing.

21 Worst of all, the public is being
22 hoodwinked by this boondoggle. We want to
23 protect the public. Don't perpetrate yet
24 another TLC consumer fraud like a talking taxi
25 and the vehicle monitor.

1 CHAIRMAN DAUS: Can you sum up,
2 please, your time has expired.

3 MR. LINDAUER: Okay. I call on the
4 Commissioners to show some back bone, weight
5 the true facts and not the TLC propaganda.
6 And I call on everybody in the industry who is
7 against this to not be silent. As they say,
8 "Evil triumphs when good men do nothing."

9 Let us reason together and make our
10 case to the Mayor. The Mayor is a man of
11 intelligence, common sense and vision.
12 Remember, New Yorkers are smart and filled,
13 with common sense. They will see through this
14 costly charade. Drivers deserve no less, the
15 public deserves no less.

16 Thank you.

17 CHAIRMAN DAUS: Thank you. The next
18 speaker is Beresford Simmons.

19 MR. SIMMONS: Good morning,
20 Commissioners, ladies and gentlemen. I am an
21 immediate cab driver who is in the streets
22 every day. The message that I hear today
23 about the drivers are satisfied is a lie,
24 absolutely a lie. The gas prices alone has
25 taken away the so-called raise that you have

1 given to us. We are suffering.

2 The streets of New York City is
3 terrible. Get those streets fixed with the
4 Commissioner. Your design of no left and no
5 right turn is a disaster for the traffic, I
6 can tell you that right now.

7 COMM. DEAR: Hold on. I do not
8 appreciate, and I don't know about my
9 colleagues here, personal attacks.

10 MR. SIMMONS: It is not a personal
11 attack. I am telling you about my daily
12 living, sir.

13 COMM. DEAR: No, no, no, sir. Stop,
14 stop. You made a personal attack on the
15 integrity of one of the best Transportation
16 Commissioners that we have had in the City of
17 New York.

18 MR. SIMMONS: So be it, sir. I am
19 telling you what I suffer on a daily basis.

20 COMM. DEAR: She has done a fantastic
21 job and the city is better off today and
22 traffic is moving.

23 MR. SIMMONS: The traffic is backing
24 up in the blocks in between. I am a driver, I
25 have been driving a cab for 35 years.

1 COMM. DEAR: Sir, continue on the
2 issue.

3 MR. SIMMONS: I do not appreciate
4 your insult, Mr. Noach Dear.

5 On the technology, sir, it's going to
6 be an economic burden onto the cab drivers and
7 it's going to be a disaster for the people in
8 the city because the cab drivers that are
9 there today are going to have to be hustling
10 like dogs and you will have more people killed
11 in the street.

12 And I won't be holding up your time
13 and taking anymore insults from Mr. Noach
14 Dear. Thank you very much.

15 CHAIRMAN DAUS: Next speaker is Osman
16 Choudhury. Good to see you again.

17 MR. CHOUDHURY: Thank you. Good
18 morning, everybody. I came to say something
19 about the GPS. I am on the street, I am
20 driving a cab for ten years. I go anyplace,
21 never don't like the GPS, because by the
22 program they put the hack license number,
23 sometime they took a long time, malfunction,
24 they are waiting time, five minutes, ten
25 minutes they are driving. Sometime the meter

1 shut off automatically.

2 Also people in New York City, if you
3 give the credit card, they sometimes put it in
4 the shirt and put a second credit card. Who
5 is liable for that?

6 This system will not get any benefit.
7 Also, you I hear that there is a lot of fare
8 increase, we are making billion dollars for
9 drivers. How much do we pay extra gas money?
10 And another thing, how much did we pay last
11 year, 67 weekly. I pay now \$750. Why?

12 This is money for driver pocket? You
13 give the increase. Well I just spent the
14 increase. Thank you very much.

15 CHAIRMAN DAUS: Thank you, Mr.
16 Choudhury. While I don't agree with you, we
17 love you anyway. You are a fantastic driver,
18 and he is one of the honorees at our Driver
19 Recognition Ceremony. Congratulations.

20 Biju Mathew is our next speaker.

21 MR. MATHEW: Members of the press,
22 members of the ordinary public, New Yorkers,
23 the Commissioners and the Chairman. I choose
24 that order of address because the last time I
25 stood up here, I used the words, we beseech

1 you, we urge you. And at the end of it,
2 various Commissioners, including the Chair,
3 said that we are ungrateful. I refuse to get
4 on my knees.

5 The last time one of the most
6 property things I said up here was to do with
7 how this technology will not deliver some of
8 the functionality it claims it will deliver.
9 The other thing that I said was about the data
10 capture that this technology will produce, and
11 that there is absolutely no provision in the
12 more than thousand pages of RFP all the way to
13 the contracts that protects it.

14 The Chairman at the end of my speech,
15 immediately responded with a one-liner saying
16 that there is protection in the contracts. I
17 have been through contracts since with a
18 fine-tooth comb. In this day of information
19 and network technologies, various governments
20 across the world are going through extremely
21 detailed processes of protecting what is
22 broadly called the protection of the subject
23 of information.

24 In the case of the deployment of this
25 technology, the subject of information, that

1 is, the subject about whom information is
2 constantly being captured at the rate of
3 around 4 to 8 seconds, is the driver.

4 I went through, for instance, the
5 entire director principles of the union and
6 its information data protection policy last
7 night to see how detailed they are in trying
8 to protect every small piece of regulation, a
9 banking regulation that tries to change
10 something on a credit card produces 50 pages
11 of documentation on how to protect the subject
12 of information. The more than thousand pages
13 of documentation that this Commission has
14 produced, the bureaucracy of this Commission
15 has produced, does absolutely nothing.

16 If you look through that, there is no
17 clear provisions for any kind of protection
18 and that is one of the fundamental flaws of
19 how this has been gone about. There are all
20 sorts of bread and butter kinds of things
21 thrown in there about protection of privacy.
22 I grant you that. But there is no clear
23 provision as to where the ownership lies, at
24 what rate, who has the right to capture data.
25 What are the conditions under which they will

1 be allowed to reveal the data, what are the
2 conditions under which they will be able to
3 share the data -- not reveal -- share the
4 data, which is a different category.

5 If you know anything about juris
6 prudence around information, you should know
7 that each and every one of these categories
8 need to be considered.

9 CHAIRMAN DAUS: Could you sum up,
10 please?

11 MR. MATHEW: Sure.

12 The second thing is the lost and
13 found. I challenge anybody in this
14 Commission, including the Chair, including Mr.
15 Salkin, including anybody who is responsible
16 for technology, to prove that the solution
17 outlined last time is not 100 percent better
18 than what you have outlined. It is the most
19 ineffective lost and found. Take any and
20 every one of the claim functionalities that
21 you claim you deliver, and I will show that
22 there are better technologies. That this is
23 nothing but a money-making racket for a bunch
24 of businessmen and that's all there is to it.

25 CHAIRMAN DAUS: Okay, thank you.

1 MR. MATHEW: Five seconds I have
2 left. Mr. Fitch, who is the Village Voice
3 reporter, in the '90s wrote a book called,
4 "The Assassination of New York City," in which
5 he said the TLC, or the cleptocracy -- today
6 we are back to that situation. Thank you very
7 much.

8 CHAIRMAN DAUS: Thank you.

9 I just want to ask counsel to address
10 a clarification of a contractual matter.
11 Apparently, believe it or not, the New York
12 Civil Liberties Union has actually worked with
13 us and agreed on language that makes some
14 clarity to this.

15 Could you just talk about that for a
16 second, Chuck?

17 MR. FRASER: When we were finalizing
18 the negotiations on the four contracts, the
19 standard portion that applies to all four
20 vendors, we engaged in discussions with the
21 New York Civil Liberties Unions about
22 appropriate language for privacy protections
23 for the information that will be available on
24 the technology systems.

25 We did not sign off on those

1 contracts until the New York Civil Liberties
2 Union indicated to us that they were fully
3 satisfied with the privacy protections we
4 incorporated.

5 CHAIRMAN DAUS: Thank you, Chuck.

6 The next speaker is Ron Blount.

7 He is not here.

8 Bhairavi Desai.

9 MS. DESAI: Good morning. You
10 know, I have been thinking for several days
11 now as to what to say to all of you. For
12 three years we have been having the same
13 conversation. I have seen so many public
14 hearings where so many drivers -- some of the
15 people that you have already heard worked last
16 night, worked until 3:00, 4:00 in the morning,
17 went home, maybe slept for an hour and then
18 came back out here.

19 The last public hearing we had on
20 March 8th, this entire room was full of
21 taxicab drivers who had given up their
22 valuable shift time, which means their lease
23 money as well as their income, in order to
24 testify at this hearing, with the hopes that
25 they would be heard. And, yet, all of you,

1 every single one of you was completely silent
2 after every taxi driver spoke.

3 Today drivers have been interrupted.
4 When we critique policy, that is not a
5 personal attack. When you critique us, we
6 don't take it personally. We understand that
7 it is a political fight that we are engaged in
8 between our two organizations. And for you to
9 silence any kind of debate on this issue is
10 complete unconscionable.

11 You have seen massive demonstrations
12 outside of this building by hundreds upon
13 hundreds of taxicab drivers. There have been
14 two demonstrations where the entire block was
15 closed down by the NYPD because of the number
16 of demonstrators that were out there. And,
17 yet, again you have been completely silent.

18 There have been men and women who
19 have been working on the streets every single
20 date for 30 to 40 years who have said to you,
21 with all of their hearts, that this is one of
22 the most important issues they have ever faced
23 as a taxicab driver. Yet, you have been
24 completely silent. That's immoral. You have
25 an obligation to listen to the value of what

1 we are saying.

2 You know, you may value the Medallion
3 and the vehicles, and so nice of you to thank
4 the MTOBT and the Safety Committee and LOMTO,
5 but without the taxicab drivers, you don't
6 have an industry.

7 Commissioners and Chairman, I
8 understand you don't agree what I have to say,
9 but it would kind of nice if you did listen.
10 You are getting paid for your day for today
11 and I do have a constitutional right to be
12 heard today. And I understand that in this
13 day and age that the Constitution seems to
14 have very little value, right. But
15 Commissioner Dear, it would also be nice if
16 you also listened.

17 You had said earlier in the hearing
18 that we should basically get used to the fact
19 that we live in times of surveillance, but I
20 really want to remind all of you that New York
21 City was one of the first City Councils
22 throughout the country to pass a resolution
23 against the Patriot Act. GPS is simply about
24 tracking. There is no navigation, there is no
25 mapping. It's only about tracking the

1 whereabouts of the vehicle and the money that
2 each individual driver is making. You don't
3 pay taxicab drivers. They are not city
4 employees, thanks to all of you.

5 CHAIRMAN DAUS: Could you sum up,
6 please, your time has expired.

7 MS. DESAI: Well, for the amount of
8 time you didn't listen to me, I have decided
9 to add on a few minutes.

10 CHAIRMAN DAUS: I don't think so,
11 ma'am.

12 MS. DESAI: The side talking is not
13 appreciated

14 CHAIRMAN DAUS: We have been
15 listening to the same thing for three years.

16 MS. DESAI: Exactly, and you have yet
17 to hear us. You have yet to hear us.

18 CHAIRMAN DAUS: We don't agree with
19 you.

20 MS. DESAI: What does that mean?
21 What is your personal investment in this
22 technology that you refuse to hear us?

23 CHAIRMAN DAUS: Let me tell you
24 something. That is a very inappropriate and
25 loaded statement, and there are laws on the

1 books against defamation. So you better watch
2 what you say. When you make an accusation
3 that anyone here has any type of interest,
4 that's pretty outrageous.

5 MS. DESAI: I was actually asking
6 you --

7 CHAIRMAN DAUS: Your time has expired
8 and we are going to move to the next speaker.

9 MS. DESAI: You still haven't
10 answered my question.

11 COMM. DEAR: I have a question.

12 CHAIRMAN DAUS: Commissioner Dear and
13 then we have Ed Ott.

14 COMM. DEAR: To what time did you
15 drive this morning?

16 MS. DESAI: I don't drive. But
17 there is a difference.

18 COMM. DEAR: No, no. You know what,
19 you are here when the media is here. You are
20 never here when the media is not here. You
21 have not been here in the last few --

22 MS. DESAI: Really?

23 COMM. DEAR: When the media is here,
24 you are here.

25 MS. DESAI: Really.

1 COMM. DEAR: You disparage the other
2 people. LOMTO represents more than you do.
3 They represent owner and drivers.

4 MS. DESAI: They represent money in
5 your eyes.

6 COMM. DEAR: And don't start with
7 who you represent.

8 MS. DESAI: We represent the
9 drivers. You listen to the people that
10 represent the money.

11 COMM. DEAR: We listen to people.

12 MS. DESAI: We represent the
13 workers.

14 COMM. DEAR: And you get paid for
15 being here. I don't get paid to be here.

16 MS. DESAI: You made an accusation.
17 The Chairman got to answer. I am going to
18 answer my accusations. I have been working in
19 this industry for 11 years.

20 COMM. DEAR: All you care is about
21 the cameras.

22 MS. DESAI: I care about the
23 drivers. I have been working in this industry
24 for 11 years, Commissioner.

25 COMM. DEAR: I know how. When I was

1 at City Council I watched you. What industry
2 and who is paying you and how much are you
3 getting paid?

4 I don't get paid for this.

5 MS. DESAI: We also know who paid
6 for half of your election.

7 CHAIRMAN DAUS: All right, please.

8 COMM. DEAR: First talk about your
9 organization. I am public. You are not.

10 CHAIRMAN DAUS: Let's tone it down.
11 Let's have a little decorum and
12 professionalism and a little quiet.

13 MS. DESAI: Let's have a little bit
14 of respect for the truth in this room. Let's
15 have a little bit of respect for the dignity.

16 CHAIRMAN DAUS: I wish you would.

17 COMM. DEAR: You have been to make
18 some very disparaging and really demeaning
19 remarks about people and about groups of
20 people.

21 MS. DESAI: Your policies are
22 disparaging.

23 CHAIRMAN DAUS: The next speaker is
24 Mr. Ed Ott. If you come up now and speak, you
25 will be heard. Otherwise, we will move on.

1 MR. OTT: Good morning, Chairman and
2 all the TLC Commissioners. My name is Ed Ott,
3 I am the executive director of the New York
4 City Central Labor Council, AFL-CIO. We are
5 federation of 400 affiliated local unions
6 representing 1.3 million working people in
7 this city.

8 Last year we were pleased and honored
9 to welcome the New York Taxi Workers Alliance
10 with its 7,500 proud members to the Central
11 Labor Council as an affiliated member. As
12 country's largest municipal labor federation,
13 the Central Labor Council has always worked to
14 support and advance New York City's workforce,
15 as well as technological advancements that
16 offer working people greater opportunities and
17 more efficient workplace benefits.

18 However, I strongly believe the TLC's
19 plan to install taxi technology systems in
20 Medallion taxicabs and other such high tech
21 monitoring devices are a back door form of
22 surveillance and send the wrong message to our
23 hard working drivers. The fact of the matter
24 is the technology constitutes an invasive,
25 unnecessary intrusion into the privacy of taxi

1 workforce, as well as an unwelcome and unfair
2 pay cut in the form banking processing fees
3 for credit cards, credit card acceptance
4 capability. In several massive
5 demonstrations, the New York workers have
6 raised serious concerns over the past few
7 months about the cost of the technology,
8 implementation of the onerous credit card
9 acceptance fees, as well as the potential
10 working time lost for drivers if the systems
11 do not properly work and need repair.

12 The Taxi Workers Alliance has also
13 voiced serious concerns about how the Global
14 Positioning System will be used to track
15 drivers' privacy and freedoms. Any intrusive
16 burdensome use of technology needs to conform
17 to the standards and expectations of a privacy
18 minded workforce and society.

19 And just a point to Mr. Fraser, while
20 I have tremendous respect for the Civil
21 Liberties Union, worker issues have never been
22 their forte. Frankly, there is a growing
23 acceptance in this country that the
24 Constitution stops at the workplace. So we
25 are kind of in a bit of an idealogical

1 struggle with them about worker issues, as an
2 aside.

3 Our taxi drivers deserve to be heard
4 and deserve a chance to be heard and to
5 discuss this with the TLC before rules are
6 imposed that can be damaging to work and
7 livelihoods. They deserve better for the hard
8 and dangerous work that they do every day for
9 this city. And the labor movement is here to
10 support them every step of the way.

11 In the spirit of civil liberties and
12 worker protection, the New York City Central
13 Labor Council calls for a moratorium on the
14 proposed taxi technology rules, and asks the
15 TLC to work with the Taxi Workers Alliance to
16 reach a consensus on a more agreeable solution
17 to future technological advances.

18 I want to thank the TLC for allowing
19 me this opportunity to speak today on this
20 important matter of worker rights. And it is
21 a matter of worker rights for us.

22 CHAIRMAN DAUS: Commissioner
23 Weinshall has a question.

24 COMM. WEINSHALL: Good morning, Mr.
25 Ott, welcome to the TLC. I know you are new

1 to this. I guess, when did the taxi union
2 join up with the Central Labor Council?

3 MR. OTT: They began the process at
4 our executive board in October and we
5 completed it in December.

6 COMM. WEINSHALL: What I would ask,
7 Mr. Ott, is that maybe the union would like to
8 share with you the analysis that we presented
9 back in 2004 when we did the fare increase and
10 we talked about the technology and the costs
11 associated with that.

12 So I don't know if you got that
13 information, but Andrew Salkin, who is the
14 First Deputy, he is standing behind you, would
15 be very happy to share that with you and to
16 give you the analysis that we presented in
17 2004.

18 MR. OTT: Being a reasonable person,
19 Commissioner, I will meet with anybody, any
20 time, anywhere. I have worked with some of
21 you on different issues over the years and I
22 have tremendous respect for you.

23 I am not completely unfamiliar with
24 some of the issues of the taxi drivers and we
25 have had about a six-year relationship with

1 the Taxi Workers Alliance before they
2 affiliated.

3 COMM. WEINSHALL: But that's not my
4 point.

5 MR. OTT: Like I said, I will take a
6 look at anything you have for me to look at.

7 COMM. WEINSHALL: You talked about
8 the cost of the system. And I just want you
9 to know that this Commission has done a lot of
10 work on that, and we did a lot of work in 2004
11 and we have done a lot of work up until 2007.
12 And I know that you are somebody who likes a
13 lot of information, in particular, when you
14 come and talk publicly.

15 MR. OTT: I think she called me a
16 geek. All right.

17 COMM. WEINSHALL: I say it
18 endearingly, Mr. Ott.

19 MR. OTT: I know that.

20 Let me say this to you, we have a
21 saying that crap rolls downhill. I agree with
22 the drivers that some of the impacts of this
23 will negatively impact on them. This use of
24 the credit card, if anything goes wrong, there
25 is no indemnification for the drivers. They

1 are going to absorb these costs. And the
2 banking fees. It's a legitimate discussion,
3 and I don't see why that is so controversial.
4 But I will take look at anything you have.

5 COMM. WEINSHALL: Can I make one
6 other point?

7 MR. OTT: I am not going away.

8 COMM. WEINSHALL: I just want to
9 make one other point about discussing it with
10 the drivers. I would also encourage you to
11 sit down with Andrew Salkin, who is the First
12 Deputy, and to go over the number of times
13 that he has sat down with the union. And he
14 will be happy to go down and point out the
15 basis of those discussions and what was shared
16 with them. Because I think that you should
17 understand that this has been a long process
18 and not one that we are just coming to today.

19 MR. OTT: I will sit down with the
20 Taxi Workers Alliance at my side. Thank you.

21 CHAIRMAN DAUS: Thank you, we look
22 forward to that meeting.

23 Joseph Odiberg, last speaker.

24 Joseph Odiberg is not here. Okay,
25 that concludes the public hearing. I would

1 like to just basically say that we have heard
2 a lot about this over the years. It's about
3 time that we give the passengers what they are
4 looking for, what they deserve. And I would
5 like to make a motion to adopt these rules
6 that were just part of this public hearing.

7 Do I have a second?

8 COMM. AROUT: Second.

9 CHAIRMAN DAUS: All in favor.

10 (Chorus of "Ayes.")

11 CHAIRMAN DAUS: It is unanimous.

12 Starting October 1st, the passengers will get
13 what they deserve, which is technology
14 starting to go into every cab.

15 Congratulations to the riding public and to
16 the members of the industry that appreciate
17 it. Thank you.

18 The next item is item 5A for
19 Commission A. Final rules regarding clean air
20 and accessible taxicab stickers. I will turn
21 it over to our general counsel, Chuck Fraser.

22 MR. FRASER: This is a rule that was
23 on for public hearing last month at the April
24 Commission meeting and the Commissioners and
25 members of the public may recall that an issue

1 was raised in the public testimony about
2 whether we could validly require a blue roof
3 light on accessible Medallions.

4 We have done further research into
5 that, concluded that we cannot. So,
6 therefore, the staff is recommending deletion
7 of that portion of the rule and copies of the
8 revised rule --

9 CHAIRMAN DAUS: As people are
10 exiting, could you please be quiet. We can't
11 hear.

12 MR. FRASER: Copies of the revised
13 proposed rule have been distributed to
14 Commissioners and I understand they are
15 available to the public in the back of the
16 room.

17 CHAIRMAN DAUS: Any questions or
18 issues regarding the revised rules?

19 CHAIRMAN DAUS: Okay, do we have a
20 motion to adopt?

21 COMM. AROUT: So moved.

22 CHAIRMAN DAUS: Do we have a second?

23 COMM. WEINSHALL: Second.

24 CHAIRMAN DAUS: All in favor?

25 (Chorus of "Ayes.")

1 CHAIRMAN DAUS: Thanks and for the
2 record, at the next meeting we will have some
3 designs for you to look at in terms of what
4 those stickers should look like.

5 Item 5B, taxi technology matters
6 tabled from the March 8th meeting. I would
7 like to ask Gary Roth from our staff to join
8 us. He will give a presentation on some
9 research that he has performed as a result of
10 some questions that Commissioners had at the
11 March meeting.

12 Good morning, Gary.

13 MR. ROTH: Good morning,
14 Commissioners. My name is Gary Roth, I am the
15 systems implementation manager here at the TLC
16 and I am here to talk about the credit card
17 fees. Just to recap, there is one slide that
18 will be coming up shortly, but just to recap
19 from the March meeting, the credit card fees
20 are made up of three components. There's the
21 bank fees which is made up of interchange and
22 issuer fees. There is processors costs, which
23 is made up of vendor and access costs. And
24 there's administrative costs, which are
25 Medallion owners' accounting and handling

1 costs.

2 In March when I came before you, and
3 we recommended a 3.75 percent fee, and that
4 was based on a \$25 average fare and a 17 cent
5 administrative cost. We said we would look,
6 see what the actual fares are, and we found
7 that over the past several months the average
8 fare was \$23.50. So we used that as a base
9 for our fee.

10 And during the testimony in the March
11 meeting, we were told our administrative
12 costs, they felt our estimates were low, so we
13 increased them from 17 cents to 21 cents. And
14 based on those fees, it would average out to a
15 4 percent credit card fee would be
16 appropriate.

17 We expect the average fare to
18 decrease to 15 percent fairly rapidly, and
19 with a 15 percent fee -- \$15, sorry -- \$15
20 fee, a 5 percent credit card charge would be
21 appropriate. And so, this 5 percent charge is
22 based on the expected decrease in the average
23 fare down to \$15. It is also based on the
24 testimony we received in March when we heard
25 from many speakers that the 3.75 was too low.

1 And it is also knowledge from other cities
2 that have implemented mandatory credit cards,
3 such as Philadelphia and Chicago, where the
4 average fares have decreased. And, finally,
5 we have a commitment to review this every six
6 months.

7 Thank you.

8 CHAIRMAN DAUS: Any questions?

9 COMM. DEAR: So instead of having one
10 -- you had 3.75 percent before, right?

11 MR. ROTH: We recommended 3.75
12 percent.

13 COMM. DEAR: Overall, not according
14 to what the fare was, right?

15 MR. ROTH: We are having a standard
16 fare, because it's very complex calculating
17 the exact amount, so we wanted a cap and a
18 standard fare for all fare ranges.

19 COMM. DEAR: Help me understand.

20 3.75 percent the Last time we
21 recommended was for all amounts, that was the
22 cap?

23 MR. ROTH: That was the cap.

24 Today we propose a 5 percent cap.

25 COMM. DEAR: But now you are

1 breaking down according to the amount of money
2 being charged?

3 MR. ROTH: It is the same thing as
4 last time.

5 MR. FRASER: If I can sort of
6 interpret, I think what he showed you was the
7 analysis of how they arrived at the 5 percent,
8 a 5 percent that would then be applied across
9 the board, regardless of the fare amount.

10 MR. SALKIN: And the only reason that
11 Gary is suggesting different fare rates is
12 because what comes up on the meter, fixed cost
13 are a greater percentage of the fare.

14 COMM. DEAR: So it is a 5 percent
15 amount?

16 MR. SALKIN: Well, the
17 recommendation. So we show actual costs as of
18 today, we put the costs at 3.94 percent.
19 Based on experiences that we have seen in
20 other cities, we expect that number from \$23
21 to go down to \$15. And that reflects
22 testimony that we have gotten and
23 conversations that we have had.

24 Again, the number is up to the
25 Commission to decide.

1 COMM. DEAR: So it is 5 percent.

2 CHAIRMAN DAUS: Any other questions?

3 (No response.)

4 CHAIRMAN DAUS: I think we had
5 distributed final proposed rules to implement
6 this that the Commissioners received and have
7 been distributed to the public. Any questions
8 on those?

9 (No response.)

10 CHAIRMAN DAUS: Okay, vote to adopt
11 those matters that were tabled at the March
12 8th meeting.

13 COMM. AROUT: Motion to adopt.

14 CHAIRMAN DAUS: Do we have a second?

15 COMM. DEAR: Just the percentage or
16 the other issue?

17 CHAIRMAN DAUS: There was a second
18 issue, correct, Chuck?

19 MR. FRASER: There were two issues
20 that were tabled after the public hearing.
21 The rest of the proposed rule was adopted,
22 approved by the Commission at that time.

23 The two tabled items, one was the
24 percentage cap and the other was the provision
25 Section 1544 on the interaction of the system

1 with the meter. We've added a sentence,
2 which is the last sentence of that section, to
3 make that clear and tighter. And with those
4 two changes, we are recommending adoption of
5 the two tabled items.

6 COMM. DEAR: I know they have to
7 start working together because we are
8 mandating it. Did we hear anything about any
9 of the companies not giving out information or
10 anything?

11 MR. SALKIN: Basically the companies
12 all came together and they all agreed to share
13 the information. The information was shared,
14 basically the way it was shared and how it
15 rolled out took some time for the full
16 information to be known what was being shared
17 back and forth. But at this time it has all
18 been shared, people are working on programming
19 and we anticipate all the companies being
20 compliant and having access to the particular
21 meter shortage.

22 COMM. DEAR: So all the meter
23 companies and all the providers are all
24 talking to each other?

25 MR. SALKIN: Yes.

1 COMM. DEAR: Are we monitoring it?

2 MR. SALKIN: Yes, we have a subject
3 matter expert who reviewed the code that was
4 shared, the follow-up code, and conversations,
5 and we feel very confident that the
6 information that is available is enough if
7 somebody wants to do the work, that they could
8 succeed in doing it quite easily. It's
9 complicated, but they could to it.

10 COMM. DEAR: And you are overseeing
11 it, because this is very important?

12 MR. SALKIN: Yes, we agree that this
13 is very important.

14 CHAIRMAN DAUS: And the second issue,
15 I am glad you brought it up, this is a concern
16 that you had and we looked into it and we kept
17 it as it is.

18 I think we had a motion on the floor
19 by Commissioner Arout. Do we have a second?

20 COMM. DEAR: Second.

21 CHAIRMAN DAUS: All in favor?

22 (Chorus of "Ayes.")

23 COMM: GIANNOULIS: I abstain.

24 CHAIRMAN DAUS: Commissioner

25 Giannoulis has joined us, but he has abstained

1 from this vote.

2 Also I just want to very briefly
3 thank the technology providers. I know we had
4 a bit of a contentious meeting back in March,
5 a lot of misunderstanding, misinformation. I
6 had asked that the companies, who are, quite
7 frankly, city contractors that we are working
8 with, outside of the context of the public
9 hearing, to sit down and work closely with our
10 staff to try to resolve the issues. And I
11 just want to thank each and every one of the
12 companies, because, as a result of their
13 cooperative efforts, we have been able to
14 amicably resolve these issues for now.

15 I notify there are some tight
16 deadlines and some tight time lines to get
17 things done. We are going to be stepping up
18 our involvement and making sure that we prod
19 everybody along. As issues of concern arise
20 from one vendor to another, we will be having
21 enhanced fora for you to communicate your
22 concerns more quickly and will try to resolve
23 them in a way that is appropriate.

24 So I know there are a couple of
25 pieces of correspondence that are out there

1 that we will be addressing in the next day or
2 two. We just want to make sure everybody has
3 an equal and level playing field with one
4 another, that everybody gets out of the
5 starting gate and rolls it out as quickly as
6 possible and at the same time, and that that
7 program is an overwhelming success. We all
8 have same the intentions, the same overall
9 goals.

10 I want to personally thank all the
11 companies listening to me and doing what
12 myself and my colleagues asked you to do.
13 Congratulations, we all appreciate it.

14 Item 5B is concluded. Item 6A is new
15 taxicab markings and designs. I would like to
16 welcome Willy Wong from New York City &
17 Company, as well as Peter Schenkman, our
18 Assistant Commissioner for safety and
19 Emissions, who are going to explain their
20 thoughts and the designs that they came up
21 with for the new taxicab logos and markings.

22 MR. WONG: Good morning,
23 Commissioners.

24 CHAIRMAN DAUS: Good morning, Willy.
25 Thanks for your patience.

1 MR. WONG: My role as creative
2 director at NYC & Co. is to look at the
3 overall design and the creative style of the
4 city. And one of the areas that we are
5 targeted to review is the taxi brands markings
6 with the TLC, and coming out of the Design
7 Trust exercise. Our main focus also is to
8 look at the constituents of the residents and
9 visitors that come to New York. We are
10 looking at the role that the visual presence
11 of New York City has in improving the style
12 and tone of the city.

13 So one of the exercises that we began
14 when we looked at renewing the markings on the
15 taxicabs is the history and the traditions
16 that the taxis have. For example, in popular
17 culture, the taxi milieu has the checker cab
18 designs on the side of it. It is something
19 that does not exist on current taxicabs right
20 now. We are looking at airport designs and
21 the clarity that airports around the world
22 have, and also the urban language, the visual
23 language that exists in the subways. And also
24 looking at the ways users actually hail cabs
25 in the city, which is very different than most

1 other cities.

2 Taking all of these elements into
3 consideration, we started looking at, and came
4 to the conclusion of a new brand for New York
5 City taxis. This would be the logo that would
6 go across all New York City taxis as a way to
7 unify and allow taxi drivers and the public to
8 share in a cohesive and uniform look.

9 Again, you notice that the symbol in
10 the middle, the circle around the T, is
11 something that will speak to other visual
12 elements across the city like the subways,.

13 In next slide you will see the
14 additional markings that we are proposing. On
15 the bottom is the cab number, and, again,
16 bringing back this checker pattern. But
17 instead of just the traditional square
18 checkers, we have something that represents
19 the dynamic aspect of the city and the way
20 that the city is always fluid and changing.

21 For the fare panel, one of the things
22 that we propose is actually having this ipod
23 which clearly shows how to actually use the
24 scab system in New York. You literally stand
25 on the corner and you raise your hand. And it

1 is a very clear marking for domestic and
2 international tourists.

3 One of the other changes we are
4 proposing is actually to clarify, make it
5 simpler for residents and visitors, about the
6 pricing structure for the cabs. So the first
7 two lines, it's \$2.50 initial fare, plus time
8 and distance 40 cents per unit, and additional
9 surcharges, tolls may apply, \$45 flat fare
10 between JFK and Manhattan.

11 These are renderings of what the
12 taxicabs in the city will look like with the
13 consistent graphic look. Again, the goal is
14 to allow all cabs to share and participate in
15 this unified graphic system and language. You
16 will notice that the NYC taxi mark is
17 prominently displayed on the front door and
18 then the fare panel in the passengers seat and
19 then the checker pattern extends to the rear
20 of the cab.

21 I think part of the goal of this
22 exercise is to look at the iconic nature of
23 the taxicab. It's something that is
24 recognized around the world and when tourists
25 and visitors come to New York, they talk about

1 going to the Statute of Liberty, they talk
2 about going to the Empire State Building, and
3 from an experiential standpoint, they want to
4 ride in a New York City cab. And I think this
5 will definitely elevate that experience.

6 In the next slide you will see the
7 comparison between what the markings look like
8 right now and what that proposed marking
9 standard will be. Again, our goal is to bring
10 that graphic language into the 21st Century
11 and make it a lot more modern and a lot more
12 representative of the place that New York City
13 has in the world of design.

14 In the next slide, the implementation
15 for the new markings. Rules will be presented
16 to the Commission for a vote in June. If
17 rules are approved, they will go into effect
18 in the middle of July. All vehicles will need
19 to install new stickers by the last inspection
20 2007, and the cycle starts in September.

21 Stickers will be printed by the meter
22 shops and fleets and other organizations. TLC
23 will provide the designs to each of these
24 printers, and the estimated cost for these
25 revised markings will be between \$15 and \$20.

1 Again, these designs came out of an
2 exercise with the Design Trust at the Taxi '07
3 exhibition at Javits Center, and it was
4 revealed at the event. TLC's constituent
5 affairs has already begun outreach on this
6 topic, and in general, it has been embraced by
7 a lot of different design groups and a lot of
8 constituents across the city.

9 CHAIRMAN DAUS: Okay, great. Any
10 questions or feedback on some of the designs
11 or the idea?

12 COMM. GONZALEZ: I have a quick
13 question. With the new design, the current
14 decal has an explicit set numbers with respect
15 to surcharges. Is there a difference with --
16 what is the public's opinion, I guess, in
17 general, on new versus old designs?

18 MR. WONG: Our goal was to simplify
19 the process for everyone. Within the world of
20 tourism and looking at the end experience of
21 people coming to the city, one of the biggest
22 challenges is to deal with the manageability
23 of the city. They think that it is really
24 complicated and there is so much going on.
25 And it is encapsulated even in the fare panel

1 were few people are actually going to stand
2 there and do the calculations before entering
3 the cab. Our goal was to make the initial
4 fare really explicit and easy and to allow
5 people to understand that there is additional
6 cost based on the time and the distance. And
7 that the additional surcharges would be
8 available inside the cab.

9 COMM. WEINSHALL: So will there be
10 another sticker in the cab which will talk
11 about the surcharges, Andy?

12 MR. SALKIN: No. The monitors will
13 do that.

14 COMM. WEINSHALL: But what if I
15 choose to turn the monitor off. What if I am
16 annoyed by it?

17 MR. SALKIN: Again, the way the
18 monitor works, there is a part that you can't
19 turn off, which is at the very beginning it
20 says, "Welcome to New York City taxicab, here
21 is what your fare is. For more information,"
22 and you can click and get that information.

23 COMM. WEINSHALL: So that will be on
24 the monitor and it won't be able to be turned
25 off and so I, as a consumer, will be able to

1 see it?

2 MR. SALKIN: Yes.

3 COMM. AROUT: I have a question, if I
4 may. If I was a person coming into New York
5 City and looked at this decal, to me, it is
6 very, very small. I would say how much is it
7 for first the mile, how much is it for the
8 drop?

9 I personally think we should get back
10 to the old thing where it says taxi fair plus
11 the drop, make it a little larger. You are
12 saying .40 per unit. It's so small. I would
13 like to know how much it will cost me to get
14 into the cab. We won't know until we get into
15 the cab. I think it should be changed.

16 MR. WONG: From the airport
17 standpoint, for that last line it does say the
18 \$45 flat fare.

19 COMM. AROUT: But it is so small. I
20 am talking about initial fare.

21 MR. SALKIN: This is one of the
22 things I listened to the designers have a
23 debate on. And the question they were really
24 talking about that ultimately was decided was
25 from a user's perspective, how are you

1 get in the cab, the fare is actually six feet
2 away from you. You don't even see it. So
3 that's what they were trying to do. It sounds
4 like you might think what they did isn't
5 exactly correct.

6 COMM. AROUT: Well, my personal
7 opinion, on the old one you see on the door
8 exactly what it says, the taxi fare, plus
9 mileage, plus waiting time, et cetera. Now
10 you are not telling the public that until you
11 get into the cab.

12 CHAIRMAN DAUS: He has a good point,
13 but I think some of these things are drawn to
14 scale on a screen. Seeing is believing. I
15 saw it and when I had a life-size cab in front
16 of me, it was a little bit different, I didn't
17 have an issue. But maybe what we can do, I
18 think we have a cab that was outfitted with
19 it, maybe we can have that here before the
20 next Commission meeting in the morning so that
21 everybody can look at it.

22 COMM. AROUT: Okay.

23 COMM. POLANCO: As a user myself, I
24 don't want to get in a cab and wait until the
25 screen comes up to find out what is the

1 surcharge. I want to know right away.

2 MR. SALKIN: Right. Ian, can you
3 put on the slide that shows the rear panel.
4 Slide 4.

5 Basically it sounds like the feedback
6 we are getting is the language that is
7 contained in this slide, you would like to see
8 it changed to reflect the language that is
9 similar what is currently --

10 COMM. AROUT: That's the
11 recommendation.

12 CHAIRMAN DAUS: Also the size was an
13 issue too.

14 COMM: GIANNOULIS: So it should
15 outline the actual surcharges; is that what
16 the point is here?

17 COMM. WEINSHALL: I think, as a
18 consumer, when it just says "additional
19 surcharges and tolls may apply," you don't
20 know what you are getting yourself into. Most
21 New Yorkers know, but tourists don't know.
22 And I agree with you, some people wouldn't
23 take a cab, but, you know.

24 COMM: GIANNOULIS: What are we
25 talking about?

1 MR. SALKIN: There is rush hour
2 surcharge and the nighttime. So it would say
3 something like, instead of additional
4 surcharges, it would say between 4:00 and
5 8:00, \$1, between 8:00 and 12:00, 50 cents.

6 COMM. WEINSHALL: Can I make a
7 suggestion? I think you heard our concerns.
8 I think you need to come back in June and I
9 think you have to show a few more mock-ups and
10 maybe work with the staff and then we will
11 have a further discussion.

12 VOICE: And the industry?

13 COMM. WEINSHALL: Well, that's
14 Andy's job to meet with you guys.

15 CHAIRMAN DAUS: I think we did have
16 some meetings, but we have time to meet with
17 everybody if we haven't met with all.

18 CHAIRMAN DAUS: I think also it is a
19 good point, and that is the point of doing
20 this presentation, to get some feedback. I
21 think the concerns regarding tourism are
22 noted, but the flip side is that if everything
23 is not clear and up front, what could happen
24 is, as passengers are coming into the city
25 that don't know and understand the system that

1 we have, it could raise eyebrows and
2 questions. People might have questions about
3 whether they are being overcharged.

4 I think what would be helpful, too,
5 Willy, is if we could also work with the
6 technology companies and Ira's staff to get
7 actual printouts for the Commissioners about
8 what the screen will say about the fare
9 information on the inside before we do that.
10 But, obviously, I think it is a great idea. I
11 think it was certainly the most quick and most
12 effective thing so far that's come out of Taxi
13 '07.

14 We unveiled this with the
15 Administration and we have done a lot of work
16 on it, but that's why we have a Board, to get
17 the input. I would like to thank you for your
18 hard work. Smart Design worked on this as
19 well. And also, George Fatita, the CEO of New
20 York City & Company, who I speak with on
21 almost a daily basis, has really dedicated the
22 resources of this entity, including you and
23 your staff, Willy, to basically commit to this
24 endeavor, and we thank you.

25 And you are also working on the

1 stockers. Willy is the one who is working on
2 the stickers for the accessible and clean air
3 stickers that we are going to, hopefully, get
4 some more mock-ups on, so we look forward to
5 working with you closely.

6 Harry?

7 COMM: GIANNOULIS: What do the
8 four-digit numbers represent?

9 MR. WONG: Those are the cab
10 numbers.

11 COMM. GIANNOULIS: But what is that?
12 I don't know what that is.

13 MR. SALKIN: That is the Medallion
14 number.

15 COMM: GIANNOULIS: This is a silly
16 question, don't Medallions switch on cabs?

17 MR. SALKIN: They can, but not
18 frequently.

19 CHAIRMAN DAUS: You are stuck with
20 the same number for life, except if you change
21 hands, it has a little A, B or C on the bottom
22 of it.

23 MR. SALKIN: No, that the license
24 plate.

25 COMM: GIANNOULIS: That is not my

1 question. My question is: If somebody has a
2 vehicle and they take it off the street, do
3 they --

4 MR. SALKIN: Technically there is a
5 way for a vehicle to change Medallions. So if
6 I own a car like a DOV, and I buy a Medallion,
7 I can switch my Medallion on the car. It does
8 not happen that frequently.

9 COMM: GIANNOULIS: I assumed it
10 happened on a regular basis.

11 MR. SALKIN: No. What you typically
12 have is you have a vehicle that has a fleet
13 life and it ends its life as a fleet, it
14 typically has the Medallion on it. The
15 Medallion might go on a stand-by vehicle.

16 COMM: GIANNOULIS: Okay, my second
17 thing is, I don't know who put the
18 presentation together, but just from
19 experience, I have two creative people who
20 work for me, we do a lot of branding, and
21 sometimes they come up with ideas and it is
22 good that I vet them. Putting an image of a
23 homicidal maniac representing a taxi driver,
24 quite honestly, is offensive to me.

25 MR. SALKIN: I think he is referring

1 to the picture of Robert De Niro.

2 COMM: GIANNOULIS: Sometimes people
3 don't vet. I certainly wouldn't make that
4 emblematic of New York City taxi drivers.

5 CHAIRMAN DAUS: Maybe he was trying
6 to show where we were and where we are.

7 COMM: GIANNOULIS: Like I said,
8 sometimes marketing ideas need to be vetted a
9 little bit and somebody needs to say, "Not a
10 good one."

11 CHAIRMAN DAUS: Thanks, Willy.

12 COMM. WEINSHALL: Willy, we are very
13 opinionated. Don't take it the wrong way.

14 MR. WONG: We will revisit the fare
15 panel.

16 CHAIRMAN DAUS: Thank you.

17 The next item 6B, Medallion auction
18 procedures. I would like to ask Jen Palmer to
19 join us with a presentation on changes. And
20 before we start, I would like to personally
21 thank Commissioner Gilheron (ph) and our
22 Inspector General Julie Block, who is with us
23 today. They gave us some really excellent
24 recommendations as a result of a report and an
25 investigation that they have conducted, which

1 I have shared with all the Commissioners and
2 they shared with the public.

3 Part of these recommendations are to
4 tighten up, close loopholes and make for
5 better procedures for the lending industry and
6 our upcoming auction, of which there is 150
7 more accessible cabs. So thank you, Julie and
8 Commissioner Gilheron. We appreciate your
9 efforts. Jen?

10 MS. PALMER: Good morning,
11 Commissioners. I guess we will get started,
12 you have the presentation before you in hard
13 format.

14 I am here today to talk to you about
15 the proposed Medallion auction rules. The
16 rules that you have before you reflect several
17 changes in procedures that illustrate the
18 experience gained in the auction held in 2006,
19 as well as the valuable feedback that we
20 received from Department of Investigations,
21 and are being proposed to ensure that future
22 auctions provide full and fair bidding
23 competition amongst all bidders.

24 I would like to start with a brief
25 overview of the next auction that is slated

1 for FY 2008. As authorized by Chapter 535 of
2 the Laws of 2006 and in Section 19-532 of the
3 New York City Ad Code, the TLC has been
4 authorized to auction an additional 150
5 Medallions that are to be placed on accessible
6 vehicles. We also have an two independent
7 alternative fuel Medallions that were unsold
8 in the 2006 auction.

9 In sale of the 150 new accessible.
10 Medallions, we will be required to maintain
11 the ration of 42.21 percent for individuals,
12 which is 64 Medallions, and 57.9 percent for
13 corporate, which is 86. As with previous
14 sales, independent Medallion owners are
15 subject to the Owner Must Drive Rule.

16 Now I would quickly like to turn to
17 the specific procedures of the Medallion
18 auction, where I will highlight both existing
19 and new procedures. Starting with the bid
20 process, existing rules include that a bidder
21 must include a deposit \$2,0000 with the bid
22 and a commitment letter for 80 percent of the
23 total bid. A new component is that the
24 individual must place a bid, which can still
25 be assignable to a partnership, corporation or

1 LLC in which the winner is a partner,
2 shareholder or a member of.

3 Experience showed us that bids were
4 placed by individuals, but that winning bids
5 were often closed upon by corporations, LLCs
6 or partnerships. That bidders don't typically
7 organize these entities unless they know they
8 are the winning bidder. And this practices
9 just reflects those experiences.

10 Moving now to the auction procedures,
11 as in the past, the Chair will determine
12 whether to set an upset price and how much
13 that will be. A new addition is that the rule
14 changes will provide for ties, both winning
15 bids and reserve status, to be determined by a
16 drawing at the public bid opening. And this
17 was established to eliminate unnecessary delay
18 in the auction.

19 Moving to the closing procedures,
20 winning bidders that fail to close within 30
21 days of notification of the winning bid, will
22 be required to deposit an additional \$25,000.
23 Failure to close the bid within 60 days of a
24 bid opening will result in the
25 disqualification of the winning bidder and

1 forfeiture of his initial deposit.

2 We also stipulate that a hack-up must
3 happen within five days of closing, and these
4 provisions were intended to ensure that
5 winning bidders close the bid and put the
6 Medallions on the road properly.

7 Now looking at the reserve class, a
8 new provision permits that the Chairperson
9 will determine a separate reserve class of at
10 least ten percent of the number of Medallions
11 being sold in class for each type of Medallion
12 being sold. And this change was done to
13 permit the TLC to set a reserve class that
14 will help guarantee all Medallions are sold in
15 future auctions.

16 COMM: GIANNOULIS: What is a reserve
17 class?

18 MS. PALMER: The set aside people
19 who are not the winning bidders but have the
20 next highest bids, so if somebody should
21 default or not close on their Medallion.

22 MR. SALKIN: One of the things we
23 are trying correct is the previous rule stated
24 a set number, I believe it was like five, and
25 one of the problems is if we had more than

1 five people default -- if you remember, Jen
2 mentioned there are two random Medallions that
3 we didn't sell, this would prevent that from
4 happening.

5 COMM: GIANNOULIS: Thank you.

6 MS. PALMER: Reserve bidders are
7 converted to winning bidders on the date they
8 were notified. And that will then start the
9 clock on the closing deadlines as well.

10 There are a couple of additional
11 features that I will quickly run over with
12 you. The rules prohibit collusion by
13 potential bidders. These changes are made to
14 align practices more closely with those in
15 place for procurement process and will help
16 assure that the auctions are open, fair and
17 competitive.

18 The rules also as proposed would
19 eliminate the ability of licensed taxicab
20 brokers and their principals and employees to
21 place their own bids if they are advising
22 potential purchasers at the auction. It also
23 provides that winning bidders would not be
24 allowed to default to their own reserve status
25 bids, and that winning bidders of multiple

1 bids who default must first default on their
2 lowest bids.

3 Lastly, these rules were designed to
4 be used in any future auctions, so it contains
5 similar provisions for auctions of future
6 sales. But it should be noted that there is
7 no current legislation authority to auction
8 additional Medallions other than the remaining
9 hundred 150 plus the two left over from the
10 2006 auction.

11 COMM: GIANNOULIS: So, number two,
12 preventing broker's employees, et cetera, what
13 does it mean to be representing a bidder?

14 And currently, in theory, do people
15 -- I don't know, but do people charges fees?
16 Do they charge significantly fees or is it
17 mostly people advising people hoping to get
18 the back end of the business?

19 MR. SALKIN: I think it could be
20 both of those things. Again, we don't
21 regulate fees that are charged. The concern
22 about this particular rules is that there is
23 someone, an individual that perhaps could be
24 advising you, you, you, all these different
25 people, and then do their own bids. So that

1 they have inside information to what other
2 people are bidding.

3 COMM: GIANNOULIS: I understand
4 that. My question is: What does representing
5 mean?

6 MR. SALKIN: Representing means when
7 you submit your bid, you have to indicate if
8 someone helped you prepare the bid. And that
9 would be a broker.

10 COMM: GIANNOULIS: So, in theory, if
11 a broker speaks to somebody and says "I think
12 \$500,000 sounds good," while grabbing cup of
13 coffee --

14 MR. SALKIN: That would fall under
15 the other rules that say I didn't collude with
16 anybody. And if the person feels that is
17 conclusion, they shouldn't do that bid. If
18 they feel it is not collusion, then I think
19 that would be okay. I don't know exactly the
20 nature of the conversation.

21 The key here is if I am being
22 indicated on the bid as someone helping you
23 prepare your bid, helping you pick your
24 number, and then I am also somebody bidding on
25 multiple Medallions, and I actually know what

1 you are bidding, the idea is --

2 COMM. GIANNOULIS: I understand
3 that.

4 MR. SALKIN: That is all this rule is
5 geared towards doing.

6 COMM: GIANNOULIS: I am just asking
7 questions because I am concerned if we are
8 going to enforce this and make sure that we
9 don't have that situation happening, I don't
10 want to create enforcement but not have much
11 clarity for people knowing what they can't do.

12 MR. SALKIN: That is a key point.
13 Right now the way it works, there is
14 documentation that each individual bidder has
15 to sign, it notarized. It basically indicates
16 that they did do the bidding in the
17 appropriate way. So at least that's kind of
18 our enforcement. And if turns out that they
19 didn't, then they are able to lose their
20 Medallion or they can be brought up on other
21 charges of conclusion. But that's kind of how
22 the process works.

23 I don't know if you want to get into
24 more detail, but that's basically how we do
25 it. This just clarifies what's allowed and

1 not allowed in a more specific place, in a
2 place that wasn't -- on the broker side, that
3 wasn't defined clearly.

4 COMM. DEAR: If an attorney
5 represents somebody and he represents many
6 owners, and they are all bidders and they are
7 all bidding on this, and he himself wants to
8 bid, so he can't.

9 MR. SALKIN: That's basically the
10 way this read.

11 COMM. DEAR: What happens if they are
12 all bidding, they are talking to each other
13 but they are not using each other to be
14 helpful?

15 MR. SALKIN: That falls under the
16 definition where we ask if you colluded with
17 anyone.

18 COMM. DEAR: They talked to others
19 in the industry. I have to tell you
20 something, this is a very serious matter. You
21 have the Inspector General and everybody
22 working together, and this is a very important
23 issue. Now I am thinking attorney-wise that
24 we have to make sure that we are clear with
25 everything. And that's what they chided us

1 for, for not being clear.

2 What happens if someone talks -- you
3 have to understand, you have organizations,
4 you have people, they are all together, "How
5 did you bid," and that kind of thing.

6 MR. SALKIN: It's a closed bid
7 auction and ultimately the individual who is
8 making the bid has to come up with the number
9 they are choosing on their own. When you work
10 with a broker, you are usually doing a little
11 bit more engaged, and the broker is helping
12 you so there is a more formal process.

13 COMM. DEAR: I understand that.

14 MR. SALKIN: If it is informal and
15 people are having conversations, I don't know
16 what crosses that line. The individual, it is
17 their responsibility to indicate.

18 COMM. POLANCO: I would imagine with
19 a broker, there would be a fee involved.
20 There has to be a relationship established.

21 MR. SALKIN: There is an indication
22 that a broker was involved in filling out the
23 application. I do not know the fees. I
24 imagine there are fees, whether it is on the
25 front end, the back end, or both. There is a

1 reason they get very excited about auctions, I
2 assume it's because they make money.

3 COMM. GONZALEZ: Another question
4 regarding the auction and the bidding process.
5 Are the brokers acting as agent or are they
6 acting as principal, meaning if they are
7 acting as principal, they are actually going
8 to take ownership?

9 MR. SALKIN: The concern is if a
10 broker helps people, is assisting others in
11 coming up with their bid package, and then in
12 addition to that, acts as their own broker,
13 helping themselves come up with their own
14 package, so they were part of assisting people
15 and then also bidding themselves. So the idea
16 is they are kind of playing two rolls because
17 they actually help people pick numbers and
18 then they know what other people picked, so
19 then as a bidder has more information than the
20 regular bidder has.

21 COMM. GONZALEZ: In the securities
22 industry we have a serious situation with
23 something like this when bidding on government
24 bonds where there was an individual who was
25 bidding on behalf of customers and with the

1 award process, so that you get allocated bonds
2 based on if you are delivering to a real
3 customer versus delivering to the brokerage
4 house. In essence, there were bids being
5 submitted on behalf of customers, but
6 unbeknownst to them. So this particular
7 individual wound up getting awarded an unfair
8 allocation. And then the other houses wound
9 up having to pay up, to go to him and pay up
10 for that.

11 And the big distinction is, I think,
12 with respect to whether we are acting as agent
13 -- whoever is submitting the bid, if they are
14 acting as agent or acting as a principal.

15 MR. SALKIN: I think in your case,
16 as long as they are making clear what they are
17 doing, it's okay. That's what we are trying
18 to accomplish here. You can be a broker, you
19 just can't be a broker and a bidder. It's
20 your choice.

21 COMM: GIANNOULIS: Is it possible --
22 it's probably difficult, but is it possible to
23 have some kind of best practices, standard
24 memo guideline to give people something that
25 -- I know you get into funny legal areas. The

1 broker thing is specific. I am sure you
2 thought about it a hundred times, I think what
3 you are hearing here is that the broker thing
4 is fine, we understand is that.

5 MR. SALKIN: Best practices on what
6 is collusion and what isn't? I think that's
7 a fair point.

8 COMM: GIANNOULIS: Actually, I don't
9 know what collusion is.

10 One last question, I hope this isn't
11 a silly question: Is conclusion prohibited
12 because we are saying it is prohibited or are
13 there some other laws that prohibit it?

14 MR. SALKIN: I think the nature of a
15 closed bid auction is that everyone is bidding
16 what they think is the best price. It is not
17 that people are getting together to determine
18 what the value of a Medallion is. And there
19 is that sense of competition that comes with
20 the way that is done..

21 CHAIRMAN DAUS: I think that from a
22 legal perspective, that is a very fair point.

23 COMM: GIANNOULIS: If two people
24 colluded, they would be in violation of what
25 and the aggrieved party is the city basically?

1 CHAIRMAN DAUS: It is not that clear
2 and I think from the very outset when this
3 started, it was very unclear legally what
4 state and other laws say you can and cannot
5 do. I am sure before we actually propose
6 these rules publicly, and that's why we are
7 doing this presentation, for that very reason,
8 we should probably get a Memorandum of Law
9 from Corporation Counsel's office and the
10 Department of Investigation so that the
11 authorities and lawyers at all levels can give
12 us a firm legal opinion that says this is
13 collusion, this is illegal, this is not.
14 Because it is only fair to the industry as
15 well that they know what is illegal and what's
16 not illegal.

17 COMM: GIANNOULIS: And I don't know
18 if it's a clear kind of thing that you could
19 explain it. I think the concern would be that
20 we don't want it to occur because we don't the
21 city to get ripped off and we want to get top
22 dollar, but the flip side of it is, people can
23 make accusations about people, this is a
24 competitive business. And Department of
25 Investigation will do their due diligence,

1 they will start an investigation, people will
2 have to hire attorneys. Everybody gets
3 lawyered up and it gets complicated. I just
4 think if maybe there is a best practice --

5 MR. SALKIN: One of the things we do
6 do is, everyone who bids has to fill out a bid
7 package and with that bid package comes
8 language about how to fill out the bid. What
9 we can do is include language if we are able
10 to get something that meets what you are
11 saying. I think it is a reasonable thing to
12 say here is what your responsibility is as a
13 bidder. Whether it is clarified in our rules
14 or if it is clarified in best practices, just
15 so people know.

16 CHAIRMAN DAUS: Right. We may have
17 draw from, like Ed suggested, some other
18 industries. In terms of best practices for
19 taxi auctions, New York City is the best
20 practice. Every city around the world that
21 sells Medallions replicates and looks to what
22 we do and they ask for copies of our auction
23 rules. So it is really up to us to set the
24 standard.

25 But Commissioner Giannoulis is 100

1 percent right, we need to get clarity from the
2 New York City Law Department. The office of
3 the Corporation Counsel was very much involved
4 with not only the prior rules that are here
5 that are dealing with some of these issues,
6 but also some of the events that led to the
7 investigation going over to the Department of
8 Investigation. So they are very much well
9 versed in I think with what state law has
10 said.

11 But clarification for the public and
12 for the industry and for the Commissioners, we
13 should have the legal counsel division or
14 official opinion of law for the Commissioners
15 to see before we vote on these rules because
16 the last thing we want is to think we are
17 closing a loophole and then to be back here in
18 another couple of months, well, the industry
19 thought they were doing the right thing and
20 then they got handcuffs on them. Nobody wants
21 that.

22 COMM: GIANNOULIS: I don't think
23 anybody is opposed to doing these rules, and
24 appreciates DOI's work. They have done a
25 great job on this work.

1 CHAIRMAN DAUS: Right, it's
2 fantastic.

3 COMM. DEAR: Going back to the
4 attorneys representing clients. It will bar
5 an attorney --

6 MR. SALKIN: The rules speak
7 specifically to brokers who are licensed by
8 the TLC. I think what you have just raised is
9 another issue that will probably go back to
10 people that have offered opinions here and ask
11 them if an attorney is engaged. But I think
12 attorneys are covered by their own ethical
13 practices that might bar them from knowing
14 certain kind of information. But I am not
15 exactly sure.

16 This is a good question and we will
17 ask it. You are asking, a person who is
18 non-licensed by the TLC but a licensed
19 attorney who is advising clients on how to
20 bid, can they also bid in the Medallion
21 auction? And we will find out the answer.

22 COMM: GIANNOULIS: The real issue,
23 and this is my question: Nobody is allowed,
24 according to our rule or according to some
25 law, to engage in collusion.

1 actually take the rules and make modifications
2 to them or vote on them.

3 Any more questions?

4 (No response.)

5 CHAIRMAN DAUS: Okay, thank you.

6 MR. SALKIN: Just generally, the
7 feedback was everybody is okay with the
8 changes we are proposing to the rules. We are
9 looking for better clarity of some of the
10 terms. Collusion is collusion, let's
11 understand what it is.

12 COMM: GIANNOULIS: We are looking
13 for better clarify of the rules and we are
14 looking to explore the notion of putting
15 together some kind of best practices or
16 something memo that would help people to know
17 what not do to do, if possible.

18 COMM. GONZALEZ: Andy, I will try to
19 give you some information, too, on the
20 securities industry, how they dealt with
21 That.

22 CHAIRMAN DAUS: Thanks everybody.

23 I would like to now move to item 6C
24 on the agenda, paratransit rule revisions. I
25 will introduce Ariel Dannis who has been doing

1 a lot of hard work on this project.

2 MS. DANNIS: Just to give some
3 background on the paratransit industry,
4 currently there are approximately 2,300
5 paratransit licensed vehicles. The average of
6 an ambulette is seven and a half years.
7 Approximately 53 percent of the fleet is older
8 than seven years of age, with 18 percent older
9 than ten years of age.

10 New York State Department of Health
11 sets revenues collected by ambulettes for
12 Medicaid reimbursed trips. The rates are set
13 with close consultation from City Department
14 of Health and Mental Hygiene. In October
15 2006, a coalition of ambulette groups
16 requested New York City increase ambulette
17 rates in conjunction with increased regulation
18 of the industry.

19 TLC worked closely with OMB and the
20 Department of Health and Mental Hygiene staff
21 to come up with the approved fare change,
22 which included several improvements that link
23 customer service and overall value to the city
24 to higher reimbursement.

25 Firstly, we are proposing today an

1 upgrade of the ambulette fleet. Vehicles will
2 have a life of seven years. We felt seven
3 years was appropriate because this is the
4 retirement age of Medallion accessible
5 vehicles. This will be phased into effect
6 over a three-year period. Beginning January
7 1, 2008, all vehicles ten years and older will
8 retire in 2008. 2009, vehicles nine years of
9 age and older will retire. In 2010, vehicles
10 eight years of age or older will retire. And
11 by 2011, all vehicles older than seven years
12 of age will retire.

13 In return, only new vehicles will be
14 placed on the road. New vehicles because they
15 are cleaner, safer and more economical to run.

16 Secondly, beginning July 1, 2008, we
17 will be requiring ambulette vehicles to
18 utilize an electronic trip tracking system in
19 order to better track services and prevent
20 fraudulent claims. The data which will be
21 tracked includes date, time of pick up, pick
22 up location, drop off location, driver's TLC
23 license number and vehicle license plate
24 number.

25 Lastly, based on numbers that we

1 received from OMB and the ambulette industry,
2 the old fare for ambulettes was \$50 for a
3 round trip less than five miles, and \$62 for a
4 round trip greater than five miles. The new
5 fare, which is retroactive beginning January
6 2007, is now \$60 round trip up to five miles,
7 and \$74.40 for a round trip greater than five
8 miles. The chart below explains how much net
9 revenue the industry will be receiving while
10 incurring the cost of purchasing new vehicles
11 and the electronic tacking system.

12 Again, based on numbers from the
13 industry and OMB, ambulettes do about five and
14 a half trips per day. With the increased
15 fare, they make \$9.60 cents per trip, \$52 per
16 day, and \$12,500 a year.

17 As you can see, the industry will
18 still have a net gain of almost \$10,000 a
19 year. And that concludes the presentation.

20 COMM. GIANNOULIS: So who is an
21 ambulette exactly?

22 MR. SALKIN: Again, this is --

23 COMM: GIANNOULIS: I generally know,
24 but why don't you explain it to me.

25 MR. SALKIN: The state Medicare

1 reimbursement program defines three different
2 ways that someone can get transported and get
3 reimbursed. One is if you are in an
4 ambulance. Two is if you are in an ambulette.
5 And three is if you are in a livery. And
6 there are rates that they set for all of
7 these, a reimbursement rate specifically.

8 So an ambulette in our case, in
9 1991 --

10 COMM: GIANNOULIS: I'm sorry, Andy,
11 do we license ambulances as well?

12 MR. SALKIN: No, we do not.

13 In 1991, my understanding is that the
14 Commission passed rules that brought this
15 industry under its umbrella, or it was under
16 an umbrella and we revised it.

17 What we call paratransits are
18 basically what the state defines as ambulette,
19 and that's kind of how that all fits together.
20 And our rules speak about vehicles that are
21 used to transport people that have a physical
22 or mental issue that requires them to be in a
23 vehicle that has devices that help them to be
24 in a vehicle. So it is someone who really
25 can't be in a livery vehicle but doesn't need

1 to be in an ambulance.

2 COMM: GIANNOULIS: We set those
3 rates?

4 MR. SALKIN: No. The fees that they
5 get are set by the state in consultation with
6 the local partner. In this case, the local
7 partner to the State Department of Health is
8 the City's Department of Health.

9 COMM: GIANNOULIS: So then what is
10 this?

11 MR. SALKIN: What happened is when
12 the Department of Health and OMB were
13 negotiating with the industry, because
14 basically the state said if the locality wants
15 it, because we do, I think, 25 percent of the
16 reimbursement is city funds, 75 percent is
17 state via federal funds. The idea here is the
18 state said to the city: Are you interested in
19 giving them a change?

20 So OMB, I think are the ones who
21 ultimately ran the numbers, sat down with the
22 industry and worked out this 20 percent
23 change. But OMB wanted some improvements
24 done. They asked us what our concerns were,
25 and we had some dialogue back and forth and

1 the two thing that came up, and the one mostly
2 driven by OMB was the notion that they want to
3 have better data so that they can track the
4 claims that are being made to make sure that
5 the claims reflect the services that are
6 legally allowed to be provided. And I guess
7 there's always audits going on in the
8 ambulance industry and the way that it works,
9 so they wanted that.

10 And then we pointed out that the
11 fleet was rather old and seems to be getting
12 older over the years. And industry claims
13 that the reason it is getting older is because
14 they haven't been able to afford new vehicles.
15 And we asked if you got this change, would
16 that help assist you in affording new
17 vehicles.

18 COMM: GIANNOULIS: So we do not
19 establish the rates?

20 MR. SALKIN: You, as the Commission,
21 do not.

22 COMM. GIANNOULIS: We can vote on the
23 standards of the vehicles?

24 MR. SALKIN: You can vote on the
25 standards of the vehicles, although there are

1 a number of standards that are set by the
2 state, whether it is the Department of Health
3 or State DOT, who have a lot of oversight over
4 these vehicles. So we do secondary regulatory
5 standards.

6 COMM: GIANNOULIS: And we are not
7 voting today on this?

8 MR. SALKIN: This is just to
9 introduce you to the rules. It is something
10 we are interested in pursuing. I think Ariel
11 pointed out correctly that the fare increase
12 that they go, the city said that they would
13 maybe retroactive from the time that it was
14 negotiated.

15 We suggested that we have a rule
16 making process to go through, and we have
17 gotten letters of support from the industry
18 indicating that they are in support of what we
19 are trying to do as we set out.

20 COMM: GIANNOULIS: Do we currently
21 inspect those vehicles?

22 MR. SALKIN: No. The state DOT
23 inspects the vehicles. One of the things we
24 are working on with state DOT is to
25 consolidate that inspection activity and kind

1 of have it fall more into line with what we
2 envision is bare minimum for our side, which
3 is we would look to see the vehicles once in a
4 while. And state DOT sees them, I think,
5 every six months and gives them a very
6 intricate test --

7 COMM: GIANNOULIS: But if we don't
8 inspect them and we don't set rates, why do
9 we --

10 MR. SALKIN: I don't know the answer
11 to that.

12 CHAIRMAN DAUS: This industry is a
13 very small industry compared to the other
14 industries and they are very much off the
15 radar screen for two reasons.

16 COMM: GIANNOULIS: And they have do
17 very well.

18 CHAIRMAN DAUS: Yes. I don't think
19 we have had a discussion about that in years.

20 COMM: GIANNOULIS: I am sure they
21 are very happy about that.

22 CHAIRMAN DAUS: Until recently.

23 Basically they operate well outside
24 of our authority. There are many different
25 agency players outside of our responsibility,

1 so, unlike yellow cabs, we have exclusive
2 jurisdiction over everything that they do,
3 there is a split in jurisdiction between
4 various components of regulations with the
5 State Department of Transportation, the
6 funding streams and sources have involvement
7 of HRA and the Department of Health. So there
8 are a lot of things that go on there outside
9 of our control. But I think the things that
10 are within our control, even though the fare
11 increases aren't and the regulation of fares
12 and the reimbursement of government funds,
13 what is within our control are the vehicles,
14 the insurance, the standards of the vehicles,
15 the drivers getting their state license.

16 They have to get Article 19A status
17 under the VTL which is like a bus drivers
18 license. So I think it would be a good idea
19 as we actually bring these rules to fruition,
20 that we have maybe an even more in-depth
21 historical explanation.

22 COMM. GIANNOULIS: So we do control
23 the vehicle?

24 CHAIRMAN DAUS: To a certain extent.

25 COMM: GIANNOULIS: It's our plate,

1 is it our plate?

2 MR. SALKIN: Some have TC plates,
3 some have LA plates, but it is a regulated
4 livery type vehicle, yes.

5 COMM: GIANNOULIS: So who made the
6 determination that seven years is a good
7 number?

8 MR. SALKIN: This is something we
9 did in consultation with Peter.

10 COMM: GIANNOULIS: I understand this
11 is complicated and there are different
12 agencies involved. I am just trying to --

13 MR. SALKIN: This is something that
14 came down to us as the experts of the
15 vehicles. And one of the concerns we had is
16 it is one thing to have the van, it is another
17 thing to have an old van, it is another thing
18 to have a really, really old van. And when
19 you see some of these vans on the road, you
20 start thinking what is the quality of service
21 that the individual is getting.

22 You have to remember, no matter where
23 you live in New York City, the state is
24 reimbursing you for the same amount of money.
25 The quality of service you are getting should

1 be similar. And what we believe is that by
2 requiring people to own a vehicle, own it for
3 seven years, they will do one of two things.

4 One, they will take care of the car
5 because they own it. And then, two, if they
6 don't like the way it is performing, they will
7 sell it and buy a new one. And what we are
8 doing is mimicking the success we had in the
9 yellow industry of really cleaning up the
10 fleet, bringing the average age down to it is
11 actually under three years now. Where the
12 average age here is over seven years. These
13 are the kind of cars that pollute, fall apart,
14 they are big.

15 COMM: GIANNOULIS: Is there any way
16 we can info from DMV as to what the average
17 lifespan of some of these vehicles are?

18 MR. SALKIN: We know the age, but we
19 don't have the mileage.

20 CHAIRMAN DAUS: It is between seven
21 and ten years.

22 COMM: GIANNOULIS: I am going to get
23 a sense of some kind of impact.

24 MR. SALKIN: It depends on who you
25 talk to. If you talk to larger operators,

1 they say they operate on a three to four-year
2 cycle of their vehicles, much like the fleets
3 do. They turn them over rather quickly. If
4 you talk to other people, they seem to buy
5 used vehicles, although we are not sure where.
6 They buy them because it is unclear that you
7 can really get a vehicle that meets ambulette
8 standards. But some people claim they do
9 that.

10 When we do the financing, if you do a
11 vehicle over seven years and you finance it
12 and it is new, we talked to all the providers,
13 it comes out to be about the similar cost to
14 what you are paying now whether you are buying
15 used or new.

16 COMM: GIANNOULIS: Is Access-A-Ride
17 considered?

18 MR. SALKIN: No. Access-A-Ride
19 would be another conversation.

20 CHAIRMAN DAUS: I think this is a
21 good start, and I guess, in effect, what we
22 are doing legally is there are tough standards
23 at the state level, but we are setting even
24 higher standards. State DOT inspections are
25 very rigorous if you talk to these ambulette

1 operators. And the Access-A-Ride thing is
2 whole other issue. They are similar vehicles
3 in Access-A-Ride, but they have separate
4 contracts with the Metropolitan Transit
5 Authority and New York City Transit, where
6 some of our vehicles are used as part of a
7 contracted for service and they oversee them.

8 With all these people having
9 different hands in the pot, it makes our job a
10 little more difficult, but, yet, we are going
11 to see if we can raise the bar. The City of
12 New York and the passengers and the
13 government, in exchange for the additional
14 money, should get some enhancement and
15 customer service for the people that use these
16 vehicles.

17 COMM: GIANNOULIS: One quick final
18 question: What would electronic trip tracking
19 be; do you know?

20 MR. SALKIN: We are not defining
21 that it has to be one thing or another. We
22 are defining that data has to be transmitted
23 to the state actually in electronic format.
24 There are all different kinds of ways to do
25 that. I have talked some vendors that provide

1 Medicare have very tough regulators and
2 enforcement, and I am not sure we should start
3 stepping over --

4 MR. SALKIN: No, this is done at
5 their request.

6 COMM. DEAR: Okay.

7 CHAIRMAN DAUS: They are looking for
8 this.

9 COMM. DEAR: Are we going the GPS
10 route again?

11 CHAIRMAN DAUS: There is a new
12 Attorney General, we have DOI, we have the
13 police department. Anyone who gets involved
14 in this, the last thing that we want to be is
15 asleep at the switch when we could have done
16 something to prevent people from stealing
17 government money. And you know what, it has
18 happened. There have been investigations and
19 people have been in trouble in this industry.
20 So I would respectfully disagree with you.

21 COMM. DEAR: No, no. We have a lot
22 on our plate. We are not an enforcement
23 agency, except what enforce internally of our
24 service. And it is not about stealing, it is
25 more about providing service, am I correct?

1 So here we are going a step further.

2 MR. SALKIN: I hear where you are
3 going. I want to clarify, the data that would
4 be collected that we would look at would be
5 more to look at what type of trips are the
6 vehicles doing, how long are the trips, where
7 are the trips consolidated. That is what we
8 are interested in.

9 We are not interested in whether the
10 trip is legal or not. That's a whole other
11 boy of enforcement.

12 CHAIRMAN DAUS: I think it is fair to
13 say, Andy and Chuck, that within the New York
14 City Charter, I think the prevention of fraud
15 is certainly within our mission. We have done
16 it in our rules, and they are requesting it
17 and I am going to cooperate with the law
18 enforcement.

19 COMM. DEAR: I understand that.

20 COMM. GONZALEZ: Also, my opinion in
21 general, too, the way I look at it, they are
22 looking to the TLC to take a leadership role
23 on this issue and we have the reputation to
24 get this thing done.

25 MR. SALKIN: One thing that is

1 consistent with that is, all these other
2 entities that oversee are much larger
3 organizations that have a much greater
4 mandate. And even though this is not our
5 largest piece that we regulate, it is still,
6 in terms of enforcement, in terms of
7 relationship to the industry, we have one of
8 the strongest relationships and enforcement
9 relations to anywhere in the state. So a lot
10 of times they do look to us as, you can help
11 us, that will be great.

12 CHAIRMAN DAUS: Okay, we have our
13 work cut out for us on this. Thank you, you
14 have done a great job.

15 COMM: GIANNOULIS: Sorry, Matt, just
16 one final thing.

17 I know most of these things are out
18 of business now, but you read a lot about
19 these kind of neighborhood ambulance
20 companies, and those generally are ambulances.
21 Just for my own purposes, I think it would be
22 good to just kind of take a look at that. We
23 want those safe as well.

24 MR. SALKIN: Ambulances that run in
25 neighborhoods?

1 briefing on this. Maybe in writing we can do
2 it and we can send it between Commission
3 meetings. We will try to learn some more
4 information.

5 Item 6D, accessible vehicle central
6 dispatch system update, which Andy will
7 provide. And I want to thank also Liz
8 Weinstein from the Mayor's Office who is here.
9 Welcome back, Liz. I know you have been
10 working very, very hard. Thanks for joining
11 us.

12 MR. SALKIN: Also Jason Michelle
13 from the Mayor's Office of People with
14 Disabilities is also here, who has also been
15 partnering with us, as well as DoITT,
16 specifically the 311 part of DoITT. Samara
17 Epstein at TLC has also taken the lead on
18 this. She can't be here today, so I am pinch
19 hitting, so bear with me as I kind of weed
20 through this proposal.

21 We are here to report back and
22 follow-up on a presentation we gave to the
23 Commissioners earlier this year. The idea of
24 how do we provide accessible service within
25 the regulated industries so that folks in New

1 York City who are in wheelchairs and need
2 these services can utilize them.

3 There has been a lot of debate and
4 talk about there not being enough vehicles,
5 not being the right vehicle. I think this
6 Commission has gone a long way to
7 understanding the issue and probably knows as
8 much or more than anyone in the country about
9 how this issue works.

10 One of the challenges that we face is
11 we don't have a large number of vehicles.
12 Right now there are 81 accessible vehicles
13 that were done from the previous auction, and
14 as you heard today, we are going to go through
15 the process of having an additional auction to
16 have another 150 Medallions added, which will
17 bring the yellow fleet up to 231 total
18 accessible Medallions.

19 Obviously, in our conversations with
20 the accessible community and our conversations
21 with the providers who run those vehicles, the
22 ability for the person who needs that
23 specifically vehicle, to actually see one on
24 the street, has been quite difficult. So we
25 know 231 vehicles is not quite enough. As you

1 heard from Commissioner Schenkman, the idea
2 of putting the vehicles on the road and the
3 vehicles that we do have, we haven't found the
4 right vehicle yet. So we are kind of like in
5 this beginning stage, but, yet, we really
6 think it is a service that needs to happen.
7 What we have been thinking about is what can
8 we do to enhance the vehicles that are already
9 on the road so that they can provide service
10 to people that need them.

11 In addition, the Commissioner passed
12 several years ago, 607-F rules, which is for
13 the livery industry and black car industry to
14 be able to provide equivalent service for
15 people that are in wheelchairs. And this,
16 while it has led to a lot of conversation and
17 a lot of debate, it's clear that the service
18 being provided is not something that the
19 industry interested in providing because there
20 is not enough demand, although it is
21 expensive; nor is it something that the users
22 are interested in taking, because they have
23 pointed out to us over and over that they are
24 not interested in using it.

25 So we have a system that was created

1 by the Commission but is not really being
2 utilized the way it was envisioned, so it is
3 also time to revisit that and think about
4 that. And we are faced with a situation where
5 there is not a large number of vehicles on the
6 road, but there are some. Again, how can we
7 partner in using those vehicles to assist with
8 things.

9 So the final point on the slide is we
10 are faced with a situation where we know there
11 is a demand or we assume there is a demand
12 because we know there are people who use
13 wheelchairs who would likely like to use
14 unsubsidized service to get from point A to
15 point B. But we need to work out a situation
16 to make sure that the service they would want
17 at a minimum level is available. And this a
18 way for us to get there.

19 And what we are proposing, next
20 slide, is to do what we are calling a
21 demonstration project, which is basically a
22 pilot program to see a couple of things. What
23 we are proposing is that we centralize the
24 demand into one phone number, ideally using
25 311, so that anyone who would like this

1 service knows that they can call one place and
2 they will be guaranteed to at least get a
3 response and be hooked up to appropriate
4 service that will hopefully be able to provide
5 them a service that they find adequate.

6 So 311 would take the call and then
7 it would be transferred to a dispatcher. The
8 dispatcher would then find the closest vehicle
9 and assign that vehicle to go pick up the
10 person and ensure that the pick-up happened
11 and that the ride was completed. That is the
12 basic model. It varies quite significantly
13 from what we currently have. We have the
14 yellow cabs just driving around doing right
15 now doing random pick-ups as needed as the
16 yellow cab industry. And then we have the
17 livery model, which is basically the vehicles
18 sit idle until someone calls them into
19 service.

20 What we are trying to think about is
21 how can we create a system that we at least
22 get a sense of what the demand is to see if we
23 even have enough vehicle or we don't have
24 enough vehicles or we have too many vehicles.
25 I won't get into how we envision that working,

1 but the basic premise is there would be one
2 number, you call the number, it would dispatch
3 a vehicle to you. Ideally it would be the
4 vehicle closest to you, whether it is yellow
5 or livery, fares would be set and
6 standardized, and you would get picked up and
7 taken to where you want to get to. In the
8 meantime, we don't have any details on what
9 the vehicles would be doing. Meaning a yellow
10 cab, if no one ever calls it all day long,
11 just drives around doing yellow cab business
12 as part of the system. A livery would be part
13 of a base and they would have to have business
14 all day long doing regular livery service,
15 potentially airport runs or other things,
16 unless they are predetermined that they have
17 these types of service.

18 This is the concept, if you want to
19 ask questions on that now?

20 COMM: GIANNOULIS: What if nobody
21 would take the ride?

22 MR. SALKIN: One of the things we
23 are looking to do is partner very specifically
24 with people in the black car industry or
25 livery industry in this case who would be

1 focusing on providing services. And one of
2 our partners here is Easter Seals who has a
3 grant from the U.S. Department of
4 Transportation to put livery accessible
5 vehicles on the road. What they are going to
6 do is make their vehicles available, plus we
7 envision making anyone else who has an
8 accessible vehicle available to this program
9 for the initial dispatch.

10 The system we envision, this is based
11 on feedback from both the providers and the
12 users, they want the ability to do
13 reservations. So the idea is they could call
14 the service the night before or two days
15 before, they could go on-line, register
16 on-line, and then the service would be
17 collected. The idea is you would have a route
18 schedule set up for a number of vehicles. So
19 the first thing in the morning, they set out
20 on a specific route, picking up the vehicles
21 based on the times and the schedule.

22 If service demand gets beyond that,
23 then we would be looking to utilize the yellow
24 industry to help support that. What we have
25 envisioned is support from the yellow industry

1 but not solely providing the service. So, for
2 example, there is 231 vehicles and we
3 anticipate if there is an additional demand
4 above 200 that can't be met throughout the
5 day, the idea is the service will call upon
6 each yellow cab once to help provide a ride.
7 The notion being that we are not the owners to
8 these vehicles, and the drivers, but we do
9 want them to do that.

10 Which gets us to the next slide which
11 is concerns that we have, and these are the
12 things we have to balance. We are trying to
13 figure out how to provide service, so we have
14 to provide service that the advocates will
15 use, that they think is satisfactory and will
16 work. But we are trying to leverage the
17 industry and the strength of the industry.
18 When we really thought about it, we felt that
19 the industry is really strong. We have a
20 strong taxi service, we have a strong livery
21 service. There are drivers out there
22 providing service all day long, very
23 professional.

24 But they all make money, and if there
25 is a way for them to make money and provide

1 these services, everybody said sure they would
2 be willing to do it, but we don't know if
3 there is way for them to make money in
4 providing accessible rides because we don't
5 have a system in place. So one of the
6 questions for us is: Is there a way for
7 drivers to still make money and provide rides
8 to people in wheelchairs.

9 Obviously, if they are not making
10 money, we will hear back very quickly that
11 every ride I do takes three hours, this is not
12 worth it, I am losing tons and tons of
13 business, and we will have to reevaluate what
14 we are doing. Again, the idea of a pilot.

15 And then the idea is it has to
16 accepted by the general public. It really
17 can't be abused by the general public. We are
18 envisioning something where, even take anyone
19 on the Commission, if you go away on vacation
20 and you break your leg, and you come back to
21 the city and you are in need of vehicle that
22 can take you in a wheelchair now, the idea is
23 that you could call for this service and get
24 this. This is not an Access-A-Ride kind of
25 that where you have to be prequalified.

1 So do we know if it's going to work?
2 No. Do we think it is going to work? Based
3 on our conversations with advocates, based on
4 our conversations with providers, they feel
5 that this is the best way to utilize the
6 limited number of vehicles that we have to
7 match up them up with the limited number of
8 riders that will be there.

9 COMM: GIANNOULIS: So you are saying
10 initially you are not going to include the
11 yellow disabled vehicles?

12 MR. SALKIN: No. What I am
13 suggesting is, what we want to do is make any
14 vehicle that is licensed by the TLC in the
15 livery and the yellow fleet, part of this pot
16 of vehicles that are available to pick someone
17 up. But the first level of assignment goes to
18 the people who are specifically doing that.

19 COMM: GIANNOULIS: So you want some
20 locked vehicles?

21 MR. SALKIN: Exactly.

22 COMM. GIANNOULIS: Who are they?

23 MR. SALKIN: Easter Seals, they have
24 eight vehicles on the road, and the idea is --

25 COMM. GIANNOULIS: What kind of

1 vehicles?

2 MR. SALKIN: They are going to be
3 vehicles that meet the Commission's specs to
4 take people in wheelchairs.

5 COMM. GIANNOULIS: And they have the
6 funding to provide those vehicles?

7 MR. SALKIN: I believe they have the
8 funding to buy the vehicles and they are going
9 to lease them out, which is a similar model to
10 how the livery industry works. Then each
11 vehicle has to be affiliated with a base, and
12 they are working with bases throughout the
13 city so that the driver would have a really
14 regular business if its something other than
15 accessible service. That is something they
16 are working out.

17 So, hopefully, they will break even
18 or make a little money on providing the
19 vehicles and then they will be able to
20 purchase more vehicles. But, again, they are
21 going to start with eight.

22 COMM. GIANNOULIS: So there will be
23 eight livery disabled vehicles?

24 MR. SALKIN: Eight vehicles capable
25 of taking people with disabilities.

1 COMM. GIANNOULIS: And they are
2 going to be assigned to a base?

3 MR. SALKIN: In our system, it will
4 look just like a livery vehicle. It is not,
5 but the dispatcher will be able to assign them
6 a route. Let's say the dispatcher has ten
7 reserved rides for the morning, they will have
8 to figure out how to use those eight cars best
9 to fulfill the needs of the passengers.

10 COMM: GIANNOULIS: And why would a
11 livery base take them?

12 MR. SALKIN: Again, a livery base
13 would take this vehicle because it is a bigger
14 vehicle, it is going to be a new vehicle, it
15 something that might be good for airports, and
16 the driver might have a long-standing
17 relationship with the base. Why do they take
18 anybody, as long as they pay the money to be
19 affiliated.

20 So it is going to be up to Easter
21 Seals and the drivers to make sure the
22 vehicles are in good standing with a base, but
23 we are not saying that that person is going to
24 get tons of rides that aren't accessible, so
25 they have to find the base that they work best

1 with, like a regular car does.

2 Does that make sense?

3 COMM: GIANNOULIS: Yes. Don't we
4 already have this? There's that rule out
5 there that we always talk about.

6 MR. SALKIN: 607-F.

7 COMM: GIANNOULIS: Which, it seems
8 to me, we should either eliminate. Because it
9 kind of annoys me, it's always out there but
10 we believe it is not there.

11 MR. SALKIN: What we are proposing
12 to do is when we enforced 607-F, and I think
13 we put a lot of time and effort into it, and I
14 think you are right, it is not providing the
15 service that it was intended to do. We are
16 looking to do is do this demonstration project
17 over a certain amount of time, keeping the
18 Commission involved, and keeping the
19 Commission informed. And at the end of the
20 process, we want to have a couple of things
21 know.

22 Right now, we don't know a couple of
23 things. We don't know what a reasonable level
24 of rides are that are needed by the New York
25 City population and where those rides are.

1 Through this system, we will know that. We
2 will know how many ride are needed in the
3 morning, how many rides are needed in Staten
4 Island, the Bronx, Manhattan or Brooklyn. We
5 will know that.

6 Then you, as the Commission, can
7 start to make determinations about what's the
8 right way to provide that service. Do we
9 reenact 607-F? Do we do it by borough? Do we
10 do it some other way? Do we require every
11 base to have a car of its own?

12 This is a way to do a demonstration
13 project utilizing funds that are available
14 before we make mandates onto the industry.

15 COMM: GIANNOULIS: I am not trying
16 to discourage you, but I certainly don't --
17 maybe this works and maybe it keeps people
18 happy. But I don't particularly know why
19 somebody wouldn't make some of these call to
20 get a roomier vehicle. I don't know why my
21 mother, who is convinced she has a bad hip,
22 won't call 311 up so she can get bigger car.

23 MR. SALKIN: That's exactly one of
24 the concerns we have. Let me go through the
25 last slide and then we can talk about this. I

1 think it's in the last slide.

2 Part of this is going to be a pilot
3 program. So it is a demonstration project
4 procurement plan. And then we will come back
5 to the Commission and talk about the way that
6 the pilot would work. Obviously, you want to
7 make the yellow cabs available to this program
8 to help support it for any ad hoc services
9 that need it, but we also want to give the
10 driver some rights, so that the drivers are
11 not in a position where they have to drive out
12 of their way to go pick up someone, perhaps
13 your mother --

14 COMM: GIANNOULIS: They better go
15 pick my mother up.

16 MR. SALKIN: If she is in a
17 wheelchair. So, for example, the drivers will
18 have the right refuse someone who is not in a
19 wheelchair. One of the ideas we had is the
20 driver has the right to double charge someone
21 who is not in a wheelchair, so even if your
22 mother does want to take the service. But the
23 point is, your mother who has a bad hip, can
24 call her local car service and get a van
25 anyway.

1 So why a demonstration project? It
2 gives us a bunch of opportunities. And as we
3 said this is basically a pilot. We really
4 want to know what is the demand out there for
5 accessible service? It is really hard to set
6 standards from a regulatory perspective if you
7 don't know how many rides are going to be
8 needed. And there has been a big debate among
9 the advocates and the providers and us, and we
10 just don't know.

11 This will help provide a sense of
12 what is known. One of the concerns is, what
13 we are trying to figure out is, not what
14 subsidized ridership is, this is not
15 subsidized. This is unsubsidized service. If
16 you are going from here to JFK, it is a \$45
17 ride whether you are in a wheelchair or not.

18 COMM: GIANNOULIS: It's a lot more
19 than 45.

20 MR. SALKIN: Plus tolls and other
21 things. If you are taking a black car, a
22 special service reserved for people who like
23 that, that could be more.

24 Once there is that service provided,
25 we want to how it all works. We want to see

1 what type of training the drivers really need.
2 Easter Seals is going to work with us on that.
3 Do we have the right level of training? What
4 are the rules of engagements? One of the
5 rules are the driver is not supposed to get
6 out of the car, get into your house and pull
7 you down the stairs. You have to be able to
8 get to the car yourself. And what are the
9 right type of tie-downs that we should have in
10 the vehicles, and to begin to set standards.

11 Because right now, we don't. We have
12 a bunch of cars that meet a standard but they
13 are not necessarily providing service
14 associated with that standard.

15 COMM: GIANNOULIS: Let me ask you a
16 question. Let's say, day one, totally
17 overwhelmed, which is, you know --

18 MR. SALKIN: Potentially possible.

19 COMM. GIANNOULIS: Right, and then
20 you have these yellow Medallions out there.
21 In theory now you have put in a two-way radio.

22 MR. SALKIN: No. The dispatching
23 company we are going to work with, they will
24 be kind of the keeper of this. They will put
25 out technology into all the vehicles,

1 including all the eligible liveries and all
2 the eligible yellows. It will probably likely
3 be a Blackberry that is in the vehicle that is
4 used for dispatching, and it is used for
5 two-way communication. The idea is that we
6 would come to the Commission and you would
7 allow that to pilot so that these vehicles are
8 able to participate in picking somebody up.

9 And that we would monitor how often a
10 yellow cab gets involved in that activity,
11 what time of day it was, and keep track of it,
12 if it is a real drain on their ability to do
13 regular business or not. We might have to
14 make amendments to how we are doing this if
15 everyone is losing money and the service is
16 being overwhelmed. Potentially one of the
17 things we might have to work with is putting
18 in more liveries and more reserve type
19 vehicles on the road.

20 One thing we do know is that if
21 everyone is making money, no one will complain
22 about what they are doing. The key is to
23 figure out a way to utilize a smart dispatch
24 system, an intelligent dispatch system to
25 insure that the vehicles are out there making

1 as much money as they can.

2 And then, again, with the dispatch
3 system, this is what we would be procuring,
4 keeping track of when people get picked up,
5 when they get dropped off, and all the things
6 in between. They would have the capability of
7 handling calls, "No one came to pick me up.
8 What's the deal?" And this is the kind of
9 information we would report back to the
10 Commission.

11 And we would keep track of basically
12 measuring levels of service being provided to
13 the passengers, levels of service being
14 provided to the drivers, and an overall level
15 of service that we are actually achieving. We
16 don't really know what the answer is going to
17 be, but we feel like this is a service that
18 needs to be provided. It is absolutely not
19 successful right now. We know that the yellow
20 cabs at this point are not really helping that
21 system. We think putting it all together,
22 having a pot of vehicles that are capable of
23 providing service on notice, on demand, ad
24 hoc, could go a long way towards providing the
25 service.

1 The idea for this project is to
2 procure a dispatcher, get the technology out
3 there, reach out to the advocate communities,
4 working with the Mayor's Office of People with
5 Disabilities to help prevent people who maybe
6 shouldn't be using the service from even
7 knowing that it exists, but, nevertheless,
8 reaching out to the people who are in
9 wheelchairs and letting them know that the
10 service exists. Ramp up, run the service for
11 about a year, analyze that service openly,
12 publicly, and then make a determination on
13 what comes next.

14 And there are a lot of things that
15 could come next. It could be a strengthening
16 of 607-F rules, it could be abolishing 607-F
17 rules. It could be that the service isn't
18 really being used.

19 COMM: GIANNOULIS: Before you
20 proceed with this, I just think you need to be
21 very careful. Because if you publicize, I
22 think this is going to be significant when
23 people with disabilities are told that they
24 can dial 311 and have access to a vehicle, and
25 then they don't.

1 Look, if I had my way, if we had the
2 ability and the vehicles, I would make every
3 single car able to transport people with
4 disabilities. But we don't have the cars.
5 That's like a nasty shell game to play on
6 somebody. That is not the intention,
7 obviously, but if that happens, that is bad.

8 MR. SALKIN: I think that is one of
9 our major concerns here. That is why we want
10 to kind ease into this in an appropriate way.
11 We want to make sure that we have the right
12 technologies so that at least we can keep
13 track of what is going on. We want to work
14 with the Mayor's Office for People with
15 Disabilities to make sure that as we do the
16 outreach, we are managing expectations so that
17 people know what is coming.

18 COMM: GIANNOULIS: Right. I don't
19 know if it is from the City Hall side, but
20 anything involved with 311, it is like Mike
21 Bloomberg has said "I am doing this," and they
22 will also expect it to be at a certain level.
23 And I don't know if this is going to be able
24 to do that. And I think it is good that you
25 are trying to get information and statistics.

1 CHAIRMAN DAUS: Harry, we need to put
2 this into context. I have been dealing with
3 this issue now for like 12 years almost, and I
4 have many discussions with TLCs around the
5 country. They all have the same challenges,
6 the advocates never always agree. They
7 always, if you do X, they always want Y and Z.
8 Until you get full accessibility, you are
9 never going to make them satisfied. So I
10 think it comes down to doing the right thing.

11 There are some effective programs in
12 place in other cities, but they are not like
13 New York City. We have been down that road.
14 There are a lot of challenges and this is an
15 area where I feel that we have not produced
16 and we haven't come up with a solution. And I
17 think this is the best hops and I think this
18 is the right thing to do.

19 I believe that I agree with you, that
20 if we had a vehicle that works and we could
21 work it out, it would be great if that could
22 be the only vehicle on the road and get them
23 all to become accessible. But that's not the
24 reality. And while the Commission had the
25 best of intentions many years ago, before my

1 time, in passing these rules, we gave it ever
2 effort to try to make it work. The question
3 of the demand being there, the public
4 awareness being there and the expenses
5 involved being offset by the demand for the
6 service, I think that those are concerns, even
7 though the ADA doesn't apply to us and mandate
8 that we do things like make cabs accessible,
9 they are exempt, I think that in the spirit of
10 the ADA, when you look at the way disability
11 laws have kind of played out over the years,
12 there are all sorts of exemptions to
13 reasonable accommodations. And that takes
14 into fact cost, and cost and practicality and
15 safety are issues.

16 And I think this is our best chance,
17 having a dispatch system, with using the
18 accessible yellow cabs and some livery
19 vehicles on the road to make this a success.
20 I think this could become a model and I think
21 we can catch up for a lot of lost time that
22 had been bogged down by very contentious
23 discussions with the advocacy community, the
24 Council, and a desire for everybody to do the
25 right thing, but time and time again, because

1 the vehicles aren't there and because each
2 project has not done what we needed it to do,
3 we are back to the drawing board.

4 But I think we have it right this
5 time, and I want to commend Andy, his staff,
6 and also the Mayor's Office has been
7 tremendously supportive. The reason why we
8 are here right now is because of the Mayor and
9 the Council setting aside these accessible
10 cars, but also because -- and Jason is here
11 from the Mayor's Office of People with
12 Disabilities. And the Mayor's Office of
13 Operations over the last two years has taken
14 on a great responsibility. Jeff Kay, Carol
15 Post, Liz Weinstein used to work with us.
16 TWEEPS, all the people that work on this
17 project. You have A lot of minds looking at
18 this from a lot of different perspectives,
19 and my personal opinion is that this is the
20 only chance we have that this will ever work.

21 But I caution by saying it will not
22 make everybody in the accessible advocacy
23 community happy. It is not going to happen
24 and we just have to do the right things. And
25 I think this is, with some tweaking, the right

1 thing.

2 COMM: GIANNOULIS: I appreciate
3 that. And all the names that you mentioned,
4 those are all very smart and serious people
5 and it is good that they working on this
6 project.

7 My point is not about the advocacy
8 community, because advocates are fine but they
9 certainly don't drive what I have to say. I
10 am talking about the people with disabilities
11 who are going to be using these services,
12 including obviously the advocates who will be
13 advocating. But the I am just very concerned
14 that we go out there and we say, "We now have
15 this service for you. Call 311," which a lot
16 of people do, and they don't get what we
17 promised them. And then the Mayor and
18 everybody else looks bad, and we look bad, and
19 the people with disabilities don't get a
20 service. And then we come back and say, "Oh,
21 my God, we have a problem. How are we going
22 to fix it?"

23 MR. SALKIN: I agree with your point
24 100 percent. We need to work on that.

25 COMM: GIANNOULIS: I am totally with

1 you trying this. When we put it out there,
2 whether it is down playing it or kind of
3 describing it as an experimental program, I
4 just think we need to be careful not to give
5 people a belief that eight vehicles are going
6 to guarantee their ability to get around the
7 city.

8 CHAIRMAN DAUS: I think we agree with
9 you on that. That's why they are recommending
10 a demonstration project.

11 MR. SALKIN: We are also
12 recommending, clearly, that the 231 yellow
13 cabs also be partner in this program. That
14 they have the capability of being directed,
15 which would be a variance of the current --

16 COMM: GIANNOULIS: That's where I do
17 get into a question, because the people who
18 bought -- I don't know this, but if somebody
19 who purchased that Medallion under what they
20 believed the rules to be when purchased it, if
21 they now have a Blackberry in their car and
22 they reject that call, are they discriminating
23 against somebody?

24 MR. SALKIN: Again, that's what we
25 are going to work on, and fortunately for us,

1 most of the vehicles are owned and run by a
2 particular group, and they have been working
3 with us on this program. The moral that we
4 keep getting back is the same, as long as
5 people are making money, there is not going to
6 be a lot of backlash.

7 And I can envision a scenario where
8 the dispatch system would be preferred -- late
9 at night, you are driving around looking for
10 rides and you get a dispatch, that might be
11 better than just driving around. During rush
12 hour, it might a real drag. That is what we
13 need to learn.

14 CHAIRMAN DAUS: Andy, we also have to
15 acknowledge the intention of the industry.
16 Sometimes the advocacy community tends to say
17 that the TLC doesn't want to do this and the
18 industry doesn't care. And it is just not
19 true.

20 We had various amounts of money put
21 on the table to try to make the systems that
22 didn't work work, including John Asserno (ph),
23 Vic Dizengarff (ph) from the Black Car Systems
24 Corporation, Neil Greenbaum with a Ride For
25 All. A lot of people really tried, put their

1 hearts and soul into making it happen. This
2 goes back to the days when Joe Giannetto was
3 working for the TLC and we were looking at
4 solutions to this stuff. I feel like we've
5 tried everything, and we are probably more
6 well-versed in a lot of things that we have
7 done that didn't work, but also things that
8 have not worked outside the City of New York.
9 So I think we are kind of in a good spot right
10 now. Because of the technology project that
11 we voted on earlier today, we now have the
12 capability to actually solve this problem.

13 I just want to make sure you
14 understand, as was this morning's public
15 hearing as a good point, we have to do the
16 right thing. Just because somebody has a
17 voice and they keep saying the same thing over
18 and over again that we don't think is right
19 and that we don't agree with, while we may
20 sympathize with them, we may sympathize with
21 some of the advocates that want full
22 accessibility, I just think right now it is
23 the wrong thing.

24 I just bring it up, Harry, only
25 because I know when we start having public

1 believe now approved. It is slowly getting
2 bigger. We have the pilot with the Sienna. I
3 think we are doing really good work. The
4 pilot you guys approved last month on the
5 Braun fold-out seat is really cutting edge.
6 So this is exciting, I think we are doing a
7 lot.

8 COMM: GIANNOULIS: I don't know for
9 the life of me why - you are not going to
10 answer this now, but why a not-for-profit
11 hasn't partnered somehow with the government
12 to get the capital. We are talking to put 100
13 vehicles on the street or 50 vehicles on the
14 street, a significant amount of vehicles on
15 the street, the capital dollars that the city
16 would have to spend are --

17 MR. SALKIN: Compared to other
18 capital dollars.

19 COMM: GIANNOULIS: If Iris was here,
20 she could tell us in her new job, a room at
21 CUNY or anywhere else. And I don't know why
22 it hasn't happened.

23 MR. SALKIN: One outcome could be
24 that, which is where a government commission
25 decides this is a service that works well but

1 it does need some government support.

2 COMM: GIANNOULIS: I know years back
3 with Gifford --

4 MR. SALKIN: There was a million
5 dollars put in.

6 CHAIRMAN DAUS: Yes, Peter Vellone,
7 Sr., and Speaker Miller.

8 COMM. DEAR: I just want to jump in.
9 First of all, the advocates, when they come
10 here, they always advocate -- same with the
11 Council -- they are not looking for a service
12 to call. What they really want is get down
13 from their office meeting and be able to hail
14 and all of a sudden there is something
15 accessible. So I don't know if they will be
16 satisfied.

17 And the other on my mind, there is a
18 service called now Access-A-Ride technically
19 that they could use.

20 MR. SALKIN: I think it is important
21 that you hear what our point is to that.

22 One is, when you look around at the
23 TLC regulated industries and you see --
24 really, when I look at it, I go what's the
25 best industry for us to replicate?

1 The yellow is the most attractive,
2 the most well-known, kind of sexiest industry
3 that we have out there. But it really doesn't
4 serve the entire city. It can, but
5 predominantly it is serving airports and
6 Manhattan. So the livery industry has over
7 20,000 vehicles already working throughout the
8 entire city. It also is the model, the part
9 of the call for ride that is replicated in
10 other cities that have done this very
11 successfully. The most notable and most
12 lauded is Chicago, which we have worked
13 closely to mimic what they are doing.

14 So that is part one, let's use the
15 system that is citywide and let's piggyback on
16 the success that the industry has already
17 proven a success.

18 Part two is Access-A-Ride is a
19 subsidized service, and everyone doesn't want
20 us to offer a subsidized service. They have
21 made that clear until they are blue in the
22 face. And they want a special vehicle. They
23 don't want a van that says ambulette on it.
24 They want a sedan that can take a wheelchair,
25 and there just isn't that vehicle -- right now

1 we are using minivans -- and they want to pay
2 a premium. They have made that very clear,
3 they want to play normal rates.

4 COMM. DEAR: Commissioner Giannoulis
5 is right, if he had his dream, we would have
6 all the cars accessible. I think it will come
7 to a point when we have finally a vehicle that
8 will pass the test.

9 It is just a matter of time now that
10 we, as a Commission, are allowing more and
11 more vehicles and retrofitting some of them.
12 And maybe one industry finally will come out
13 with something.

14 MR. SALKIN: London solved it in an
15 interesting way.

16 COMM. DEAR: Right, so I see the
17 next few years as a crucial time where we will
18 see all of a sudden everything will turn
19 around.

20 And looking at David Pollack, he made
21 a very interesting comment. Last time we
22 talked he made a point about one of the
23 vehicles we were going to get rid of because
24 of the rules that we changed, and he said, "I
25 like bigger vehicles." What happened was,

1 once upon a time, we never had vans. Now that
2 we have vans, everybody gets into them and
3 enjoys them.

4 So I think that there will be a
5 vehicle eventually, it is just a matter of
6 time. And I think eventually it will work
7 itself out. The issues that are raised, that
8 Commissioner Giannoulis raised and everybody
9 else, we will put money into that, all kinds
10 of efforts, and before we turn around, it is
11 probably not going to work the way we want it
12 to work.

13 What we should focus on, and whatever
14 resources we have, is to encourage as much as
15 we can, everybody having these accessible
16 vehicles.

17 MR. SALKIN: Again, I would point
18 out that the step you took today, clearing the
19 way for the auction for the 150 vehicles. All
20 of this has set a standard. And New York
21 really is the standard for accessible for-hire
22 vehicles. Whether you realize it or not,
23 Commissioner Schenkman has spoken at national
24 conferences. He and Samara Epstein have gone
25 to national conferences.

1 There was a conference here where the
2 Chair spoke and represented a lot. And Taxi
3 '07 was also an interesting take on it. It is
4 exciting but it is challenging. They also
5 have to be clean. We need clean accessible
6 vehicles.

7 COMM. DEAR: It's interesting, this
8 another meeting where I have good news again
9 at the end. But, again, due to good diligent
10 staff, as you know, I got a call late last
11 night about a lost religious article.

12 I called Commissioner Mullens, Pansy,
13 right away. She had Ira Goldstein staying up
14 all night, as opposed to some other people who
15 claim that they were working all night -- and
16 I want to tell you something, we have good
17 news. I am supposed to wait for it here. It
18 was found.

19 And I don't know if GPS was the
20 reason. Ira, it is the GPS that did it,
21 right. So it is a success story. Thank you
22 very much.

23 CHAIRMAN DAUS: Congratulations.
24 Thank you very much.

25 Do I have a motion to close the

1 meeting?

2 COMM. AROUT: Make a motion to close
3 the meeting.

4 All in favor?

5 (Chorus of "Ayes.")

6 CHAIRMAN DAUS: Thank you,
7 everybody.

8 (Time noted: 12:20 p.m.)

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C E R T I F I C A T I O N

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.

MARGARET EUSTACE,
Shorthand Reporter