NEW YORK CITY LIMOUSINE COMMISSION

PUBLIC HEARING

Held on Thursday, May 20, 2010

40 Rector Street
New York, New York.

Time: 10:00 a.m.
A P P E A R A N C E S:

DAVID YASSKY, Chairman
HARRY GIANNOLIS, Commissioner
LAUVIENSKA POLANCO, Commissioner
ED GONZALES, Commissioner
IRIS WEINSHALL, Commissioner
ELIAS AROUT, Commissioner
JEFFREY KAY, Commissioner
CHARLES FRASER, General Counsel
MR. YASSKY:  Good morning, commissioners. Good morning, members of the public. My name is David Yassky, and I am thrilled really beyond words to be joining the Commission, which has had such a productive period during the tenure of the current commissioners, and we have an enormous amount to do, and I look forward very much to working with each of you to get it done.

I have a few introductory remarks before we proceed to the business at hand. A couple of notes I want to share with you about the staff. And first let me just say that I have found, in the almost two months I have been here at the agency, we are blessed to have a tremendous staff throughout every part of it. Dedicated, really hardworking people, who really take their jobs and responsibility to the public enormously seriously, and it is a pleasure to work with these folks day in and day out.

There are a couple of senior changes that I want to tell you about. Our Deputy
Commissioner for Administration Finance, Lou Tazzi, who, from the time I have gotten here -- I did not know prior to arriving, but from the time I have gotten here he has really tutored me in the agency, and I have come to appreciate the enormous value that he has given to the agency over the last several years. He is retiring, so, that will be a significant position to fill. I expect that we will be able to fill it shortly, and I'm sure we'll have someone quite capable. But that is a significant event.

Many of you I know are familiar with David Klahr, who has made presentations here. He has been here in the chairman's office. He has moved already to Woodside to be the Executive Director of Enforcement, with the portfolio of adding to the capacity there, to do administrative enforcement.

Our Deputy Commissioner of Uniformed Services Bureau, Pansy Mullings, has done really an extraordinary job and continues to assert her job there with not enough resources, and to make sure that we push
forward very strongly on taking advantage of the opportunities of all the data we have collected give us for enforcement, I'm beefing up that you take an existing unit there, beefing it up, and adding to it the mission on focusing on administrative enforcement. So, I want the commissioners to know that.

On the Commission level, I would be remissed if I did not recognize that this will be the last commission meeting of our colleague Jeff Kay. And I personally was happy for Jeff when I read about his new venture. I'm sad for myself, because in my time, even prior to joining the Commission, Jeff was one of the people in City Government that I had worked with the most over the last eight years, and who I admired and respect enormously, and was kind of excited about working with you directly over the next years as I serve here. I will say that when the news of your departure was in the newspaper, I had a lot of comments from people here at the Commission. I would be surprised if
there is another commissioner about whom the
staff had a direct impact day in, day out on
the agency over a period of time. So, they
on their own initiative have prepared a gift,
which I was asked to present, but the truth
is, it is really from the staff at the
Commission.

So, Commissioner Kay, I present this to
you.

MR. KAY: Unexpected.

MR. YASSKY: Go ahead and open it
because you can share the tidings. We have a
lot of fun here before we actually get to
work. We'll get to work here very soon.
(Whereupon, there was a pause in the
proceeding.)

MR. YASSKY: It is a photomontage
depicting just some of the most salient
accomplishments of the Commission during the
time that Jeff served on the Commission and
worked with it day-to-day at City Hall.

MR. KAY: Thank you very much.

(Applause)

MR. YASSKY: And this is our last kind
of off-business topic, but some months ago, 
Andrew Sulkin (ph) left the agency for -- not 
greener pastures, but equally green and 
fertile pastures over at the Department of 
Finance. I would truly would say that I have 
not had a day that somebody at the Commission 
has not said, "Well, Andy had this insight" 
or "did it this way" or "showed us how to do 
something."

The number of day-to-day operational 
 improvements that are attributed to him are 
 actually quite improbable. So, probably only 
 really a quarter of them are real. But 
 nonetheless, many, many are attributed to 
 him. In recognition of his service to the 
 agency, we have Andy here in the back -- but 
 could you move forward so that you arrive 
 here approximately at the time I complete the 
 remark? This is a badge encased in something 
 that will make it permanent. So, here it is. 

(Applause)

(Whereupon, there was a pause in the 
 proceeding.)
MR. YASSKY: So, before we get to the business at hand, a few business items I want to update you on, commissioners. So, as you all know, back in March, I guess after the unfortunate case of wolicima (ph,) it became clear to the agency that there were a number of drivers, not just an isolated one or two, who were cheating passengers by using the out-of-town rate code, Rate 4, to charge passengers, essentially double the rate after the drop. At the time, the Commission made that announcement public so that the public will be informed and could protect themselves by looking at the matter and seeing if it's a 1 or a 4 on the meter. Indeed I think that was very successful. We took immediate steps to stop the practice completely, not just by arming passengers with that knowledge, but also by equipping each taxi cab with an alert screen, so that now, if the driver does engage the out-of-town rate, the passenger screen in the back, even if it's been previously turned off by the passenger, it will beep to draw your attention to it, and
then an alert will flash up on it that informs the passenger that the out-of-town rate has been engaged, encourages them to tell the driver if that's a mistake, and to call 311 if it is a violation.

So, the first word of business was to stop the practice, and I believe that we've done that, if not 100 percent, there may still be a driver out there who hasn't gotten the message, but I believe it's done that to a pretty great extent.

The next step then was to understand the true scope of the problem of what had happened, and to deal with the drivers who had been wrongdoers. So, we took the time to do it carefully and thoroughly, and analyze the data, because what we knew at the time was that there were about 1.8 million trips, and this was widely reported, in which a driver had engaged Rate 4, but those included both inadvertent mistakes and deliberate overcharges.

So, we spent some time, and I want to give enormous credit to the t-pap, u-net and
the data analysts who parsed this data very, very carefully to identify the trips that were deliberate overcharges.

They did that in a couple of ways. For some of the taxis, the Rate 4 activation was time stamped, so, you could tell whether it was a mistake at the end of the trip or engaged at the beginning of the trip suggesting that it was deliberate. That was about half the taxis. The other half of the taxis, the activation was not time stamped, so, the staff developed a method that looked at the actual fare that was charged and compared that to the maximum fare that could possibly be charged for a trip of that time elapsed and that distance traveled under Rate 1. And they spent some time making sure that that was an accurate way to do things, and I'm satisfied that it is. So, based on those two methods, we were able to narrow down that original universe to about 286,000 instances of overcharge. On one hand, that is a large number. On the other hand, that is one tenth of one percent of all the trips during that
two-year period. So, I have been at pains to make clear to the public, and I hope that all of you will as well, that any perception that any time somebody got into a taxi, they were overcharged, that's just absolutely false. And certainly going forward, the public I think can count on the integrity of the fare. So, of those 286,000 trips, then the next step was to begin enforcement proceedings, and we did that the week before last, we began proceedings against, first, the group of serious repeat-offenders, people with 50 or more overcharges. In those cases, and that is about 633 drivers, the Commission is seeking revocation of their licenses.

We will then move on to a second group of drivers who overcharged ten times or more, but fewer than 50. And for those drivers, we'll be seeking stiff fines of up to $4,900. And I fully recognize that that is a significant amount of money for anyone, and for taxi drivers in particular, and there may well be people who will not be able to pay that and therefore will lose their license.
So, we may be looking at upwards of 1000 people; the original 633, and of that group of 1600, people who cannot pay the fine who will lose their license.

MS. WEINSHALL: How did you arrive at the $4,900?

MR. YASSKY: Well, it's proportional to -- we are going to seek a fine of $100 per overcharge. So, in this group, the most number will be 49 people. Could have rounded it to $5,000 and avoided the question. I should have done that.

So, you know, this is -- I don't for a moment underestimate the seriousness of the actions we have taken. It is a sobering thing to, you know, begin the process that will, as I say, result in perhaps upwards of a thousand people losing their jobs and livelihoods. But make no mistake, our obligation is to the riding public, and we will protect the integrity of the fare. And I am convinced that we are taking an important step toward doing that.

On the enforcement front, also you have
probably seen the newspaper recently, there was a number of stories about doormen at hotels charging taxi drivers, you know -- I'm not going to use an inflammatory word, but charging taxi drivers tips in order to steer rides their way.

We also received a number of complaints recently about a practice that may be more long standing like the hotel doormen, of dispatchers at fleets asking for tips. That is of course plainly prohibited by our rules, and I want people in the industry to know that we will be taking enforcement actions to identify, if there are cases like that, we want to find them. So, you know, be on notice that our inspectors may be at the garages looking for that, acting on the tips and the complaints that we have received.

Couple of things that I want to just bring you up to date on. First is group rides. As you know, last year this commission authorized ten taxi group ride stands; five locations in Manhattan, and five locations to be worked out with the Port
Authority at La Guardia Airport.

Three of the group ride stands in Manhattan, operation there was begun on February 26th. Those who were at West 57th Street and Eighth Avenue, West 72nd Street and Columbus Avenue, and East 72nd Street and Third Avenue. There is no question, those have been slow to take off, it has been reported in the press and it is true to boot that rider acceptance or integration into people's practice, and driver integration into practice has been very slow to the point of not really having taken off yet at all. Nonetheless, we remain strongly committed to fully exploring the possibility of the group ride concept. And I'm pleased to announce that we are going to be rolling out three more group ride stands that were approved by the Commission. One will be at the Port Authority Bus Terminal on the west side for rides ending at 59th Street and Sixth Avenue. That will be in effect weekdays from six o'clock to ten o'clock a.m., and the fare will be three dollars per person. The other
two new group ride stands will be a La Guardia Airport, specifically at the Marine Air terminal and U.S. Airways Shuttle terminal, and will go to midtown. Those, the La Guardia ones will be in effect weekdays from seven to ten in the morning, and four to eight in the evening, and the fair will be $18 per person for a three-person ride, and $22 per person for a two-person ride, and that includes the tolls.

So, at those rates, I think that is just what group rides intended to do. It will be a significant savings of money to the passengers. It will, we hope shorten the wait for a taxi at those terminals, which can be quite long, and will afford the driver a more lucrative trip. So, it should be a -- sorry to use the phrase, but a win/win.

So, I anticipate that we will officially kick off those three stands sometime next month. And to kind of return to the original ones, as I said, acknowledge not a lot of use at this point. Our thinking is that these locations are much better suited to
introducing the concept. There is a stream
of passengers, it will be easy to guide right
away into a stand. Let's see if people do
get used to the idea there, and once the idea
gets kind in people's heads in New York, I
think that then getting rider and driver
acceptance of it at other sites will be
easier. At least that's what we're going to
find out, because right, we're committed to
trying ideas that seem like they ought to
work.

Just parenthetically, Commissioner
Wienshall, I remember at the last meeting you
asked about the possibility of a group ride
to Brooklyn. We ran the numbers for a lot of
possible group ride destinations, including
Brooklyn and Downtown Manhattan. Midtown has
by far many, many, many more destinations
from both airports in truth.

So, again, the thought is, these are
the -- if there's low hanging fruit, this is
where it is. Let's do it there. Let's get
the concept established, and them we can look
at whether there's demand in Brooklyn. There
are a couple of destinations that the demand
may work there if the people understand the
concept. So, that's the thought there.

MR. GONZALES: On the group ride from La
Guardia to midtown, it is any point in
midtown?

MR. YASSKY: We figured, yes. It is
within a box that Eighth Avenue to I believe
Third Avenue or Second Avenue -- somebody
will correct me, Second Avenue, and then
there's north and south boundaries as well.
We are printing up pamphlets to give to the
riders and drivers who are going to
distribute these. In fact, for folks who are
in the industry who are here, we haven't
talked about this, but we will be seeking
your help in distributing these pamphlets to
your drivers. And the Port Authority is
printing up a sign that I think is quite
clear that describes it.

So, the idea is the two or three
passengers can go anywhere in this box and,
we'll leave it up to in-cab negotiation, if
you will, to figure out what's first and
what's second.

I think, and the staff certainly thinks that that will work out better for passengers than a fixed location.

MR. GONZALES: Okay. Good.

MR. YASSKY: Last on this point, because I want to just alert you to this: The Transit Authority as you know has announced a whole number of cutbacks -- not just announced, but they are implementing a whole bunch of cutbacks, including, and I think we're going to discuss others of these later, but including specifically one express bus service from Yorkville to the Upper East Side of Manhattan to the World Financial Center, that is going to be shutting down June 27th.

We have had a number of people who use that bus to get to work reach out to us about a group ride taxi stand to build on. They know that there is the existing one at 79th and York which is tremendously successful, brings a lot of people to work every day, and they have asked about the possibility of the setting up one or more additional group ride
stands at places along that bus route that is disappearing.

We think, our preliminary assessment here at the Commission is that that is a terrific idea that is likely to work. But we're going to have to do it pretty fast, so, I'm bringing this up just to tell you, I expect at the June meeting, I think it is likely that at the June meeting, I will be bringing to you a proposal for one or more group ride stands along that bus route. We want to do the appropriate community outreach. We want to do the appropriate consultation with the industry. So, it may be short notice by the time we have a specific proposal ready to bring to you. I just want to kind of alert you to that, that we're hoping to get it up and running. By the time this bus service ends, we may have to act pretty quickly.

I guess I'll ask on housekeeping, on an internal matter, I want to make sure you know that in the budget process, the agency is going to have to deal with a peg, a budget
reduction of about a quarter of a million
dollars, for an agency of our size, a
material amount. The original proposal was
for a much larger cut. Deputy Commissioner
Lou Tazzi did just a tremendous job in
working with OMB to get them to understand
that doing more than that would have
jeopardized our ability to carry out our
enforcement mission. We have identified
administrative savings that we can implement
to absorb that cut without scaling back on
our enforcement efforts, and I want to repeat
my gratitude to Deputy Commissioner Tazzi for
working that problem through.

FHV inspections, I just want to bring
you up to date on where we are there. You
know, the Commission overhauled the rules
regarding for-hire vehicles, including that
the requirement that FHVs come to our
Woodside facility for inspection, which we
have been doing for this year. Through the
end of last week, we conducted 20,306 FHV
inspections at Woodside. The pass-rate for
the initial inspections is about 47 percent,
again, you know, kind of underscoring the value of having the inspections there. Unfortunately the no-show rate has also been kind of high, about 35 percent of applicants for new FHV licenses have failed to appear for scheduled appointments, and this is one example of the broader phenomenon of taking a while for the new rules to sink in.

We continue to get a lot of calls to our call center, a lot of people showing up in our licensing facility and our inspection facility. FHV owners/drivers who didn't know about the rules, now they don't have time to get the inspection before their vehicle license expires and they are going to not be able to drive for a period of time. And that is a hardship. But I think looking at the whole picture, I'm confident that's part of a normal and to-be-expected adjustment process to new rules.

We got a significant backlog of inspections in March, part due to the normal increase in volume during that period, and in
part due to the industry, you know, learning at an appropriate but not instantaneous rate about these new rules. And the wait for inspections got as high as five and maybe even six weeks it might have been at one point. That's too long for people to be off the road. We responded by adding Saturday inspection hours at Woodside to bring that backlog down.

And I want to give credit to Deputy Commissioner Mullings and her team at Woodside. They've worked very hard to get that backlog down. I think it is now at about the nine-or-ten day point. We expect to get that to under a week for new vehicles. So, that would mean less than a week's time before the new vehicle gets on the road.

And you know, to thank our inspectors for the hard work they've put in on the Saturdays, we are having a cookout at Woodside this Saturday, to which you are all cordially invited, Commissioners, any of you that wish to join me and thank our
inspectors, and sharing in the good food, Pansy will make sure there's plenty for you.

Rules Revision Project. Today's agenda includes the last four chapters of Phase 2 of the Rules Revision Project. This is the phase of the project that involves, as you know, reorganizing the rules to make them more accessible and user-friendly, and rewriting them in plainer language but making very few substantive changes to the rules.

If the Commission approves these four chapters today, we will republish the entire set of nineteen chapters, and we can create an infomercial to sell them and take a final round of public comments. I anticipate that we will put the final approval of the rules of the agenda for July, with the rules to take effect months later.

Throughout Phase 2 of the project, we have deferred consideration, I know you know this, Commissioners, but I want to reiterate it, we have deferred consideration of substantive changes to the rules with very few exceptions. After the Phase 2 rules take
effect, or really after we vote on them, then
I think we can undertake what will be of
equal importance, I think it's going to be
great value to the industry and to us at the
Commission to have kind of reorganize the
rules so that their organization is clearer
and the language is clearer, but it has also
surfaced literally dozens of places where
there is a need to make changes, they are
substantive. I'm not going to claim that
they are just rephrasing what is there, but
there are things that don't work well in the
existing rules. And we have now put those
into two categories a group of changes that
all substantive, don't really involve
significant policy changes. So, you know,
they should not be controversial. And we are
going to try and do all of those together,
and we're talking about a couple of dozen, at
the meeting in September. It will require
Chuck Fraser and his staff to work very hard
to do all that work, so, perhaps we won't get
there, but I fully expect that we will, so, I
just want you to be on notice. It will mean
digesting quite a bit of material, but I don't think that it will be material that causes a lot of issues. So, we are going to try to do all of those substantive but not terribly controversial issues in the September meeting, and then throughout the remainder of the fall to the end of the year, deal with the more substantively challenging issues that have been surfaced by this rules revision process.

Last item to tell you about is the issue of retirement age and fuel efficiency standards for black cars. As you know, since you did it, the Commission adopted a retirement schedule for black cars along with a fuel efficiency requirement. That was originally set to go into effect in 2009. The Commission deferred its implementation, you know, this Commission did, and the agency did simply by industry notice deferred implementation further until July 1st of this year.

So, with that deadline approaching, we kind of had to deal with this, and the
reality is that our legal constraints don't permit us to do everything that we would like to do. As you know, the efforts to insure fuel efficiency among the yellow taxi is currently subject to litigation. We have been enjoined from enforcing some of the rules that the Commission adopted, and we were made to understand really in no uncertain terms that enforcing the rules on the black cars would meet similar legal challenge.

I remain convinced that had the actions of this commission were thoroughly consistent with the Clean Air Act, thoroughly consistent with the Federal law. As you know, one of the decisions, holding that those rules are preempted is on appeal right now, and we hope for and anticipate a favorable outcome to that appeal.

But the legal context is what it is. It is my judgment and the judgment of the staff that to go forward with rules on the black car industry that would cause a significant legal battle, it just wasn't prudent at this
point. So, I will being coming back to you. I have told the industry, that even, come the July 1st date when the rules are no are now set to go into effect, we will continue to postpone their enforcement until the Commission acts. What I will bring to the Commission I believe in September -- well, shortly. No, prior to September, I'm sorry, in July, will be a proposal to amendment the retirement age, which now is a gradual reduction of retirement age down to seven years, to keep going with that reduction so that ultimately there will be the retirement age of five years in place, but at the same time to add to that a retirement age incentive for fuel efficient vehicles, just as we have done with the yellow taxis.

It remains in effect, as you know, retirement age incentive for yellow cabs will be to mirror that the in the black car industry. I have talked with folks in the industry about that, I think it will meet with their acceptance. And at any rate, I do think it will help us to achieve our fuel
efficiency goals to the extent that's feasible at this moment, given the legal context. So, I'm to bring that to you hopefully in July.

Okay. We can now turn to the adoption of minutes. I am prepared to entertain a motion

MR. AROUT: Make a motion.
MR. FRASER: Second.
MR. YASSKY: So moved and seconded that the minutes of the March 18, 2010 Commission meeting be adopted. Ayes?
THE COMMISSION: (In unison,) Aye.
MR. YASSKY: Nays?
(No Response)
MR. YASSKY: The vote is unanimous.
Please let the transcript reflect that, and the minutes are adopted.
We can now move to base applications. Georgia is here to present the applications. There is one change to the list. Will you bring that to the Commissioners' attention.
MS. STEELE-RADWAY: Yes. Good morning.
Before presenting the basis for
consideration, Licensing is requesting that B02015, Hankook Limo and Car Service Incorporated be removed from the agenda, they have less than the ten-vehicle minimum required for approval. They are listed under renewal and name change. I think they are the third base listing on the agenda.

MR. YASSKY: Yes, they are.

MS. STEELE-RADWAY: Licensing would like to present to the Commission 53 bases with a recommendation for approval.

MR. YASSKY: Do I hear a motion?

MR. AROUT: Move to make approval.

MR. KAY: Second.

MR. YASSKY: It this is moved and seconded. Commissioners, you are noting that that seconding role once Jeff is no longer here.

All the ayes?

THE COMMISSION: (In unison,) Aye.

MR. YASSKY: And Nays?

(No response)

MR. YASSKY: So, the vote is unanimous.

Please reflect that, and those base
applications are approved as indicated in the materials.

Now, the rejections.

MS. STEELE-RADWAY: Licensing would also like to present three bases with a recommendation for denial with the request that the Commission also grant an additional thirty days so that they may present the outstanding items.

MR. YASSKY: Do I hear a motion to that effect?

MR. AROUT: Motion.

MR. GONZALES: Second.

MR. YASSKY: Thank you. Ayes?

THE BOARD: (In unison,) Aye.

MR. YASSKY: Again, the vote is unanimous. Those bases are rejected as consistent with the staff recommendations.

Thank you, Georgia. Thank you very much.

MS. STEELE-RADWAY: Thank you.

MR. YASSKY: We have two staff presentations, first one is on two fee increase proposals that will be coming before the Commission once we approve counsel
authority to do that, Deputy Commissioner Mullings.

MS. MULLINGS: Good morning.

MR. YASSKY: Good morning.

MS. MULLINGS: Currently TLC inspects taxicabs three times a year. We do a full DMV inspection, and we are a DMV certified facility, and we also do additional tests since it's a taxi, including testing the major testing, looking at the color of the vehicle, the seatbelts, and other things.

If a vehicle fails any part of the inspection, they have to come back for reinspection. Right now, they're charged $50 for the first inspection, nothing for the second inspection. $35 for the third inspection, and after that nothing.

They currently pay at the time of renewal every two years $1,140; 550 is the per year renewal fee. Six times 50 for another $300, and 10 dollars for the medallion.

In 2009, the initial first inspections, the pass-rate is approximately 58 percent,
and putting it in another way, 42 percent of the vehicles fail the initial inspection. On the reinspection, 80 percent of the vehicles pass.

Since 2007, the average pass-rate for the initial inspection is 53 percent, otherwise known as a 47 percent failure rate. We actually can track it by fleets, and we can track it by individual owners, and the average for some fleets are as low as a 16 percent pass-rate, and is high as an 84 percent pass-rate. The non-fleet vehicles average approximately 60 percent. So, there are approximately 15,000 inspections per year that we do, either including the second or fourth attempt. And some vehicles have done as many as ten inspections before they pass.

In 2007, if we assume that we were charging $50 per inspection, that would bring us about two and a half million dollars. So, since we are using the agency's resources for doing these inspections, we intend to propose up to $50 for every inspection that they now make as compared to
the current one, where you pay for the first and the third and everything else is free. Part of this is to encourage -- we believe there are certain bases that use us as a diagnostic center, therefore, they make very little repairs before they get to us, and then only fix what we fail them for. So, we hope that this proposal, one, will hopefully limit the amount of resources we need to reinspect taxicabs. And two, we think in the end, it will make the cabs safer because people will do the repairs before they get to us, and hopefully as part of their regular function, and many of the fleets are already doing that.

I should note that the for-hire vehicles pay for each inspection.

MR. GONZALES: Quick question. What's the, say, three most common reasons for failure of inspection?

MS. MULLINGS: You have the OBD too which is basically testing the computer system, brakes, whether it be the regular brakes and the parking brake.
MS. WEINSHALL: Which vehicles do you find fail the most, and have you had any type of, I guess, data on the hybrids that we have approved here at the Commission?

MS. MULLINGS: The biggest failure rate is probably in some of the accessible vehicles.

MS. WEINSHALL: What about the hybrids, do you have any data on that?

MS. MULLINGS: We can provide it to you, but they seem to be holding up well.

MR. YASSKY: Thanks for the question, Commissioner, we should take a look at that, see what it tells us.

Okay. Thank you.

MR. GIANNOULIS: So, there is three inspections a year, the second inspection, there is no charge, and that's what the proposal is, to charge on that second inspection?

MR. YASSKY: If I may, Commissioner, the yellow taxi required to have, as you say, three inspections a year. In each of those cases, we charge the appropriate fee for the
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initial inspection on each of those three instances. However, if a vehicle fails, as they do 42 percent of the time, then they come back for a reinspection. We have not previously been, we are not now, charging for that second inspection. The proposal is to charge for that reinspection on any of those three-times a year instances.

MR. GIANNOULIS: So, if there's three instances and a 55 percent initial rate, call it 57 percent just to come up with the number, 43 percent of vehicles will be charged an extra $150 a year?

MS. MULLINGS: Right, if they fail each one.

MR. GIANNOULIS: That's the bottom line.

MR. KAY: I don't know if that is the bottom line. Some of this is to, and I guess, is to sort of increase compliance on the first rate. So, I don't know if those numbers will hold up over time, if in fact you are asking -- you are putting more of an incentive to pass on the first turn?

MR. YASSKY: Indeed. For what it's
worth, our own revenue estimates assume that. So, we figure, the dynamic scoring here is, that we'll change behavior by charging for that reinspection.

MR. KAY: Or not, but I guess you'll find that out.

MR. GIANNOLIS: But, if the numbers stayed as there are, I'm just trying to figure out if my numbers are correct, if the numbers stayed as they are let's say, fundamentally, that 43 percent that failed the first inspection, do we know what level of repetitiveness occurs?

These numbers are based on that initial inspection, so, if those numbers hold three times a year, then we are talking about $50 for that second attempt three times a year, correct?

MS. MULLINGS: Correct.

MR. GIANNOLIS: So, the two and a half million is projected from that fee, from that increased fee?

MS. MULLINGS: Of did the second, fourth, fifty, sixth, seventh, up to ten.
MR. GIANNOLIS: And you are not proposing to change the initial licensure fee, correct?

MS. MULLINGS: That's correct.

MR. YASSKY: By the way, Commissioner, that two and a half million dollar figure you allude to in Pansy's presentation was just a way of saying over the past few years, the amount of uncompensated work that the inspectors have done. We don't believe that's how much additional revenue we will. Do you follow me?

MR. GIANNOLIS: I do. So, is there a number attached to that?

MR. YASSKY: I can get you that number.

MR. GIANNOLIS: One more question. Going to Commissioner Gonzales's question. Do you categorize things pretty broadly, so that if you gave us those numbers, we could see them in terms of failure, or are there so many different things, it wouldn't helpful?

MS. MULLINGS: I believe we could break it down for you so it gets you the general
category. We'll do even probably the top five.

MR. GIANNIOULIS: That would be helpful. Thank you.

MR. YASSKY: Any further questions? (No response)

MR. YASSKY: Thank you very much. Along with that, indeed we only have a presentation on that one, but along with that, there's a second category of uncompensated work that the Commission staff has been doing that we will now be charging for. There is a fee that the Commission charges for processing an FHV application to change bases with an FHV vehicle changes its affiliation from one base to another, there's a fee that goes along with that of $25. It has been the practice of the Commission to accept applications for thirty or forty vehicles from a single base for a transfer and process all of those for the single $25 fee. Each one of those though requires work. So, we plan to begin now charging for each application, even if they are all filed together. And both of these,
that change and the change that Deputy Commissioner Mullings just described, the ideas came to light as part of our budget discussion, I don't really see them as budget initiatives, rather policy initiatives to charge the appropriate fees for the work that the agency is doing. And in the case of the yellow cab inspections at Woodside, encourage the owners to do the preventative maintenance, rather than rely on the Woodside facility for the diagnostic.

MR. GIANNELIS: Is that when one vehicle goes from one base to another, or is it more common that people just change names of bases? Is it people actually moving?

MR. FRASER: These are three kinds of transfers, either changing the license plates from one vehicle to another, or transferring the vehicle's affiliation from one base to another.

MR. GIANNELIS: Thank you.

MR. YASSKY: Okay. Thank you, and now we have a second presentation by David Klahr on the fruit of the Commission's work on
MR. KLAHR: Good morning, everyone.

Just a quick presentation today, with a little bit of visual aids that I brought in for everybody.

You may have noticed over the last year or so that for-hire vehicles in the City have little circular decals in the rear windows. In-house we refer to these as the poker chips, because that's kind of what they look like. It was kind of an initial effort as part of the FHV reform and inspection effort, to let the general public know who is a licensed vehicle and who is not.

So, what has been kind of percolating under the surface, that we're now ready to talk about is that these were always intended to be temporary decals. That's why they all come with an expiration date of April 1, 2012.

Because the idea before that, we would get what we're referring to as the permanent decals. And the permanent decals have a very specific purpose, and that is to make it
really easy for passengers, law enforcement, anyone visiting the City, to tell who is a licensed for-hire vehicle or other type of vehicle we regulate, and who isn't.

   It's kind of easy with a medallion taxi, they're bright yellow, they have an actual piece of tin stapled to the hood that let's you know that they're legit.

   But it's a little more difficult for other types of vehicles. So, we designed these permanent decals that we're going to be releasing into the wild soon, for that purpose, and also kind of like a branding exercise. We worked in cooperation with New York City and Company to design these details. We wanted something that was aesthetically pleasing and easy to spot from a long distance away. The same way that a cab is bright yellow, you can kind of eyeball and say, "Hey, this is a legit vehicle."

   So, what we're going to have are a bunch of color-coded four-inch decals, let me kind of show the audience here too (indicating.) I'll be available afterwards to show people
if they want. I'm going to pass this up actually, pass it around (handing.)
So, we are going to have color-coded decals that go in the rear opera window of vehicles, and they're going to convey a lot of information without having to actually read them. They're going to be color-coded, is, you can tell at a glance, is this a community car, is this a black car, is this a luxe limo, what am I getting into here and did I get the thing that I called for; and color is really a great way to do that.
So, most vehicles will have three decals. The good news for the industry is the bright orange diamonds that you really hate in the front of the vehicle are going bye-bye. We know you don't like them, they don't stick too well, they're a little hard to read, they fade after a while. They are going to be replaces in the front by these decals. So, in the front decal of vehicles, there will actually be a bar code that Enforcement will be able to read. The license number, the license expiration date,
and the last few digits of the VIN number to confirm that the decal that's on the car actually matches the car.

In the side windows where the passengers kind of interact with the vehicle, it will have the same outer color-coded sticker, but it will have different information inside, because passengers aren't going to confirm the VIN and they don't need to scan it. What it will say instead is the plate number of the vehicle so that you can confirm that you're actually getting into the right car, expiration date of the license, and then the base name. I know that people in the industry complain about poaching a lot, that you call one base and then somehow mysteriously another car appears. This way, the passenger will be able to say, "Well, I called Base ABC, and this car is affiliated with Base ABC, this must be the right guy. This is kind of an important thing we've heard from passengers from the industry, and now we're able to kind if integrate it into the markets."
One note is that luxury limos will not have these side decals. They'll have them in the front window only. And it's kind of a specific luxe limo issue.

So, kind of the interesting thing about the decals is, much like the poker chip decals, is that these will only be applied by TLC staff. We're not going to mail people their diamonds or diamond equivalents anymore. What will happen is, if it's a new vehicle, when you come in for your initial inspection, if everything checks out, you'll get your decals right then and there and you can start service immediately. The same way that medallion cabs come in through their initial hack-up inspection, if everything works out okay, your medallion is put on.

I've seen people hail cabs at the S and E facility. It happens.

This will start this summer. I do not have an exact implementation date yet, but we are talking about weeks rather than months. Also when the information containment in the decal changes, like an ownership change, or a
base transfer, the old decals will be removed by TLC, and new decals will be put on so you always have the freshest information.

Then, as we kind of cycle through people's scheduled inspections, you'll start to see those older kind of poker chip decals disappear. So, we're not going to do a wholesale change. I just want to kind of reassure the industry, we're not going to call everyone in all at once and say, "Your old decals are not good anymore."

Those old decals are good until the expiration date printed on them, and you'll start to kind of see a gentle implementation, and it will take a while to hit every vehicle.

We'll have a full outreach plan and more public information ready again later this summer. I would advise people to kind of check our website, check our press releases. This is it something we'll definitely be talking about later.

So, the color-codes, so everyone knows, is that we have blue for liveries and
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community cars. Just as a test, can you guys all see this?

MR. YASSKY: Es.

MR. KLAHR: This is the idea, you can see it from far away.

We have grey, which I think I passed out, for black cars, you'll actually be able to tell at a glance who is affiliated with black car bases and who isn't.

We have violet for luxe limos. So, you will be able to tell who is affiliated with a luxe limo base and who isn't.

We have light green for power transit vehicles. It's more like a lime green. Again, if anyone really wants to see these up close, come see me after the meeting.

Finally red for commuter vans. This is the pretty bright, you can definitely spot this from across the room.

We purposely picked colors that you could see on a stormy day from far away, to say, "Okay, this car is legit. I feel okay getting into it."

Then I kind of have them all together
here for the last slide. Does anyone have
any questions from this?

(No response)

MR. KLAHR: Okay. Thank you very much.

MS. POLANCO: Is there a fee associated
with any of the new decals?

MR. KLAHR: Just the normal fees you
would pay for your licensing at this point.

MS. WEINSHALL: I think grey is hard to
see from a long distance away.

MR. KLAHR: Well, it was a little
difficult. We did some field testing with
the pantone (ph) book, and kind of held it
across the room. Let's do a little focus
group right now.

MR. FRASER: The only thing I want to
point out is, on the decal, it doesn't really
appear as it will appear on the cab, because
it has to peel off. What you have on your
screen is what it will actually look like.
So, the colors are a little more distinct on
the screen.

MR. KLAHR: Correct. You will also be
able to tell, kind of the inside will have
text printed in it like the one I passed along.

Again, if you have serious problems seeing this, or feel like this is inappropriate, let me know. Thank you.

MR. YASSKY: In addition, the goal is to have each color be distinct enough from the others so that, not just customers who I don't know that will memorize the color-coding, but law enforcement, our inspectors and the police department, that will be of really material benefit. That is an operational improvement to them, to be able to look at the decal object the side and know from the color what category of regulation it falls under. But we will monitor the effectiveness of the colors needless to say.

We have one more item, and then I'll allege make a concluding comment. We are going to vote on the four chapters; Chapters 5, 9, 1, and 3 of the final four of the Rules Revision Project that you have heretofore been presented with information about.

Counsel Fraser?
MR. YASSKY: As Chairman Yassky mentioned, these are the last four of the nineteen chapters of the rules revision. What we have today is Chapter 1, which is definitions used throughout the rules, Chapter 3 which is the accessible dispatch chapter, Chapter 5 which is the for-hire vehicle drivers chapter, and Chapter 9 which is the for-hire vehicles and bases chapter.

We published each of the chapters for the required thirty-day written comment period and held public hearings. The written comments and the transcript of the hearings have been copied to the commissioners and summarized for them. Where the staff is recommending no changes in Chapters 3, 5 and 9 based on the comments. But as to the definitions chapter, Chapter 1, the staff is recommending five changes which are detailed for the commissioners. I would characterize them all as technical changes. They are revisions of the definitions to be more precisely accurate.

Before we vote, I would like to take
just a minute to thank all the people who did participate in this process, both in the informal publication of the rules before the kappa process, and then those who formally participated in the kappa process.

I would like to single out one person, my predecessor, Peter Mazer, who is now general counsel at MTBOT, because he devoted a great deal of time and attention to technical commentary on the rules, draftsman issues, which is not something obviously we get a lot of input on. And I would say that four of the five changes today that we are recommending are from him. And I would say that that is probably consistent with the pattern throughout. The vast majority of the changes we made in the rules are technical changes that Mr. Mazer recommended to us.

MR. YASSKY: So, this is a vote on conditional approval of these four chapters. We will then, before too long, be voting on a final approval, you know, and be followed by implementation of all of the entire rule book.
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MR. AROUT:  Make a motion we approve.

MR. YASSKY:  Thank you.

MS. WEINSHALL:  Second.

MR. YASSKY:  All in favor, say Aye.

THE COMMISSION:  (In unison) Aye.

MR. YASSKY:  All opposed, say Nay.

(No response)

MR. YASSKY:  By unanimous vote, these four chapters are conditionally approved.

So, we have almost made it to the hour target, that was the target time period for this meeting. We're just one minute or two over. I'm not going to promise you, commissioners, that we're going to make it an hour every time. Some may be a little bit longer, I just want to caution you.

Seeing Mr. Klahr just reminded me to tell you about two additional things that are coming down the pipe that you should know about. One is, of course we embarked on the Taxi of Tomorrow Project to select a vehicle that will serve as the emblematic New York City taxicab for the next decade or decade and a half. We are doing that by means of a
request for proposal. The responses to that request are due May 27th. So, one week from today, we'll be getting those responses. And I will keep you commissioners apprised, and the RFP and procurement process is hedged with numerous restrictions and constraints. But consistent with those, I will keep you apprised of our evaluation process as it precedes. It will take up a considerable amount of the commission staff's time over the summer, but I'm consistent with it's importance, because I believe it is an enormously important initiative.

MR. GIANNOULIS: Are we in some kind of restrictive period that we shouldn't be speaking to people? Is there some RFP going on?

MR. FRASER: Let me look at that question and get back to you. I think commissioners won't be actually making the decision, so, I think commissioners should probably not entertain discussions.

MR. YASSKY: Why don't I, because as we say, this is a decision of great import, so,
we want to dot every I cross every T and act
with an abundance of caution. I will commit
the counsel if I may to circulating an email
or memo, doesn't have to be fancy, to
commissioners about what if any constraints
they're under. Is that a fair plan? T.

MR. FRASER: Sure.

MR. YASSKY: Okay. We'll do that.

The other technology initiative that
we're in the middle of, of course is shaping
the next iteration of the T-pep device. I
continue to be amazed at how successful this
innovation has been, you know putting cutting
dge or close to cutting edge technology in
every taxicab is a real achievement of this
commission and I commend you for it.

The contracts with the vendors who
provide those devices are set to expire this
fall. So, we now have a number of decisions
to make substantive about what the next
T-pep, what T-pep 2.0 should look like. What
functionality and features should be included
in the next request iteration of these
devices.
And then we have a technical but quite meaningful decision about whether to regulate these devices by means of a contract as we have done for the past couple of years, or by means of a rule. And I think there are strong arguments to be made in both directions. Obviously, competition in the marketplace, what one would expect would lead to lower prices and better value for the customers who are the taxicabs, then as through presumably through the passengers.

On the other hand, we want to make sure that the vendors, the industry here that makes these products has an incentive to invest in them and to give the time and money needed to make them state of the art, and it may be that the best way to do that is by a contract that assures a certain amount market share.

I think that's an important question with arguments to be made on both sides, and I wanted to simply alert you, commissioners, to the fact that we are now beginning to think this through, and we have to do it
fairly quickly.

We'll certainly, as the staff thinks through these issues, I will come back to you with the results of those thoughts.

I want to invite members of the public, the stakeholders here. If you have views on that specific question, to communicate them to us in writing presumably. We'll be reaching out to meet with stakeholders to think through these issues face-to-face.

And if I think it will be useful to the Commission, we may even make time at the next meeting for people to present their arguments in person. But I wanted at this point just to let you know that this is I think an important question that we are going to have to decide.

So, with that, I would entertain a motion to adjourn.

MR. AROUT: Make a motion we adjourn.

MR. GONZALES: Second.

MR. YASSKY: All in favor, say Aye.

THE COMMISSION: Aye.

MR. YASSKY: By unanimous vote, this
meeting of the Taxi and Limousine Commission is adjourned. Thank you.

   (Whereupon, the meeting was adjourned at 11:10 a.m.)
CERTIFICATION

STATE OF NEW YORK       )
COUNTY OF NEW YORK      )

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

THAT this is a true and accurate transcription of New York Taxi and Limousine Commission public meeting held on May 20, 2010.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of May 2010.

_____________________
CASEY MARTIN