NYC TAXI AND LIMOUSINE COMMISSION

PUBLIC COMMISSION MEETING

held on Thursday, July 12, 2007

40 Rector Street
5th Floor
New York, New York

Public Commission Meeting

convened at 10:50 a.m.
PRESENT:

MATTHEW W. DAUS, COMMISSIONER/CHAIR
NOACH DEAR, COMMISSIONER
EDWARD GONZALES, COMMISSIONER
ELIAS AROUT, COMMISSIONER
HARRY GIANNOULIS, COMMISSIONER
LAUVIENSKA POLANCO, COMMISSIONER
IRIS WEINSHALL, COMMISSIONER
HOWARD R. VARGAS, COMMISSIONER
CHARLES FRASER -- GENERAL COUNSEL
CHAIRMAN DAUS: Good morning, everyone. I am sorry to keep everybody waiting. My sincere apologize.

I would like to proceed to the revised agenda that was distributed this morning. Item 1 is the Chairman's Report.

First, I am happy to report that the technology project is proceeding quite well. We have done a tremendous amount of outreach upon approving our four vendors and giving them the ability to proceed and sign industry people up in the industry for contracts and start getting the units out there.

We held two very successful vendor expos. It was very hot so we thank all of the staff that coordinated that, Ira Goldstein and his staff, and all of the folks at our Woodside facility at Safety and Emissions who put in the extra effort to set up the area so people coming in for inspection could spend time meeting the vendors, comparing products one to another, seeing them in the cars.

The first one we had over 1,000 people there, and so I think that was a tremendous success, and as a result we had
another one. We had one on June 25th and also on July 10th, a day or two ago, and we will see if we can add some more. We will take a look at that.

It is very hot so, you know, the attendance was not as high at the second one, but there is certainly a lot of interest.

Also, we are bringing the show to you, so to speak. We are going to the airports to meet and do outreach with the taxi driver-owners so you folks out there can get a better idea of the technology.

We have been out there at least five times at the airport, and from now until the end of July, which the sign-up deadline is August 1st, every medallion owner must have signed a contract with one of the four vendors by that date.

Between now and the end of the month we will be out at the airports every Tuesday, Wednesday and Thursday.

Just a couple of reminders. Like I said, again, the August 1st deadline, every medallion must have put pen or pencil to a contract and committed themselves to one of the
four vendors.

We are seeing a lot of movement on that and we are very, very pleased.

The 4-month inspection cycle where the roll-out will start to begin will start on October 1st.

As of October 1st if you are a medallion owner and your regularly scheduled inspection is held on that date or thereafter, between October and I guess January 31st of 2008, during that time frame you will be required to, and the vendors will be required to, install in each one of your cabs the unit. So it is a nice, steady roll-out. It should work very, very well.

I was pleased, quite frankly, during the first expo to get a tremendous amount of positive feedback. You read the newspapers and hear what people say on TV, they talk as if the drivers are really against this, that they don't like it, and it is horrible. I didn't get that message at all. I think anyone, all the industry people that were there, saw that the driver-owners and the fleet owners have accepted it.
I think they are coming to a realization, a lot of the outreach we have done, a lot of the information we have acquired, indicated this is not a bad thing; it is a good thing for the industry, and I saw a lot of excitement there. I was very, very pleased and, quite frankly, pleasantly surprised, and I wanted to share that with my colleagues that it is not all gloom and doom. I think the industry is welcoming that.

As we get closer, in my history with the TLC, I have never seen such compliance ahead of time.

My 10-plus years I have been here, you set a deadline, nobody complies, you have to extend the deadline, issue summonses. That is not happening here. I almost see there is kind of a renaissance or a new beginning or a rebirth, and just a very different outlook; a lot of positive feelings in the industry.

I have never seen that before.

The level of compliance is basically close to half the fleet at this point.
We have 5,630 contracts have been signed out of the 13,000 or so cabs, which is a 43 percent compliance rate, and we have actually 488 units on the road already, even though they are not required to be on the road.

We had the 200 for the pilot, and an additional 288 have already been put out there thanks to the aggressive marketing and actions of the vendors.

So thank you very much and congratulations to everybody, but it is not over yet. There is still a lot more outreach to be done.

If you have not been in tune with what is going on, I think in addition, the best way instead of calling 311, I think a better way in this scenario is to get the information directly from the website.

We have a list serve you can easily sign up for on our website by going to the upper left-hand of the home page. Basically, you have to plug in some simple information including your e-mail address.

The second we have any additional information, you know, about the project, you
will be getting an instantaneous e-mail.

There is also a special
technologies project section that is constantly
updated on our website.

So kudos to the technology team,
and I wanted to share that with my colleagues.

Number two, there are a couple of
RFI's out there, request for information.

There is an update on the Hearing
Enhancement RFI. We put out a request for
information to see what type of technology is
out there and what type of interest there is in
terms of hearing loop technology and other types
of enhancement systems possibly for a pilot to
go into the yellow cabs.

The deadline for that RFI was
June 29th. We actually received several
responses, but among those responses, two
vendors who manufacture and have rights to that
technology have responded, Assistive Audio and
Oval Window so our staff is reviewing those
responses.

I don't believe the responses
made it very, very clear that they are actually
interested in and committed to doing a pilot
themselves, but from what I understand they explained the technology and its applicability so Jen Palmer and our staff, and Andy Salkin, are going to be following up with these vendors and exploring what the recommendations of staff will be to us as to what we should do.

The rules revisions RFP, we are getting some movement on that, actually. The Agency had a competitive procurement process, and we have a tentative winner that was selected. It is called TATC Consulting. They are from Bethesda, Maryland.

I believe there is a public hearing at the Mayor's Office of Contract Services taking place today, which is part of the public procurement process where we announce the award.

There is a contract that is awaiting to be approved by the Law Department. It is in draft form, and we are negotiating that, and we anticipate that work on the project will begin as early as this fall.

One thing that Andy and I have discussed, which I think is a great idea, is having at some point one-on-one meetings with
the Commissioners so that the consultants and
also our staff can get a flavor for what each
one of our Commissioners' thoughts are on our
rules, and our priority policies, and what our
vision should be consistent with the Charter,
and I think a lot of that information is going
to be digested so the Commission drives the
process and basically kind of sets the
priorities and parameters for what we would like
the consultant to do, which includes a whole
rewrite of our rules to make them simpler, more
easy to understand, some policy recommendations
and streamlining measures as well.

There is also another RFP which
is not issued by us but which has an impact on
us, which is a follow-up to several discussions
we had on the Board about the, quote unquote,
cab of the future.

The City's Economic Development
Corporation has put out an RFP to hire a
consultant that is an expert in the automotive
industry that will assist us in better
understanding not only the interests in the way
by which we can go about developing a cab of the
future, given the automobile industry, as
Commissioner Dear has pointed out many times, but interested in developing a cab that meets our specs, more so than they have in the past, even though they have worked with us to a certain extent.

I think they are basically going to help us for the most part at the outset determine what we want, and then is what we want doable, and then at that point, how do we do it?

So this is basically automotive experts that understand the technical aspects of automotives so that we can -- if we wanted to write a specification saying "This is what we want to see in a car," they can take the lingo that is used in say the Society of Engineers, something that Peter Schenkman would understand, a lot of the technical specifications.

We are looking for somebody and the EDC is looking for somebody that is going to have an understanding of how the automotive industry works, what their economic interests are and how do we get to the decision makers what we want.

This is the beginning of a very long term project. It is not something that is
going to be accomplished overnight, and the consultant is there just to consult, and everything is really in a preliminary stage at this point.

The proposals are due no later than July 23 at 4:00 p.m. The RFP is available to be picked up in person between 9:30 a.m. and 4:30 p.m. Monday through Friday at the New York City Economic Development Corporation located at 110 William Street on the 6th floor, New York, New York between Fulton and John Streets.

Also, we had discussed at various prior Commission meetings the Accessible Vehicle Demonstration Project and the Dispatch Project whereby we will be looking for technology to utilize yellow taxicabs and possibly other vehicles to better serve the accessible -- the disabled community in New York City; in particular, using the dedicated medallions that are sold at auction that are wheelchair accessible.

We published a notice in the City Record, and it was on our home page. The deadline has passed, which was June 25 at 3:00 p.m. We had six responses.
TLC staff has basically consulted with and heard from each and every one of the responders and has decided to continue negotiations at this point with Executive Transportation Group, which was the first entity under this project that had come to us.

We anticipate that a final decision on this, as well as rules that will impact this project, will certainly be brought before the Commission within the next few months.

So we will have a final presentation and a recommendation for rules at some point before the year is over.

I just want to remind everyone about Gardens and Transit. We are getting closer and closer to the kickoff of this event, which has been in the works.

So far -- I think the Mayor had spoken at his press conference when he announced it pretty much around this time last year -- this could be one of the biggest volunteer efforts in City history. So far we have 23,000 volunteers that have assisted in terms of going there and painting the decals.
Many people in this room, myself, some Commissioners were there with family members and staff, and many members of the industry, taxicab drivers and just people quite frankly walking by, see an interesting storefront, walk in and inquire about the good cause so that is a good sign.

The other good sign is that at this point, by the end of the next week or two estimate that there will be enough panels that have been painted to cover every cab almost. That is 750,000 square feet.

Our next phase will be industry outreach. I know we have spoken about it. There have been articles about it in the trade papers and newspapers, but now the tough part comes where Garden and Transit working closely with the Mayor's Office as well as the TLC will now be talking to the industry as to how we can best accomplish this.

Again, this is a voluntary endeavor, but it is our hope that every medallion owner will consider putting these decals on their cars.

We believe based upon information
that we have it is very simple. It is not going
to hurt anybody, and it is a magnetic decal that
will go on and off.

They are looking for the most
convenient way for us to accomplish this without
taking time away from you running your business.

We don't want cabs not to be on
the road because we are doing that. They will
probably be going out to the airports, going to
Woodside, working with some of the fleets who
have graciously volunteered setting aside some
time to have them come to their facilities as
well.

We are not done with the painting
just yet. There is one final paint-a-thon or
paint-in that is going to be held next Saturday,
July 21, open to the general public from
10:00 a.m. to 10:00 p.m. There will be live
music and refreshments there.

In particular, the industry is
invited from four to six. They are going to
have different groups of people coming at
different times. If you are able to join us,
you can call -- you can actually just show up,
149 West 32nd Street, but more importantly, if
you are a fleet owner or medallion owner and you
want to make arrangements to get this on your
cab, of course you can call 311. They will
probably refer you to the following two numbers.
If you want to call directly, Gardens and
Transit, (212) 216-9441, or Jen Palmer from our
staff who is coordinating with Gardens and
Transit, her number is (212) 676-1024.

We do have -- are the Consumer
Relations staff here?

Samara, are they here?

Could I ask you to stand for a
second, the Call Center staff?

You know, the Commissioners
mostly deal -- welcome, by the way -- these are
New York City employees that are working for our
Consumer Relations Call Center, which field the
calls that are transferred from 311; could be
anything from an inquiry about how do I get a
license to a passenger complaint. They come
from a variety of different disciplines,
including some folks who have worked at
universities, also at 311 itself.

We have an employee who came from
311, and they have a customer service
background, and all of our staff have met and
have been training them.

We just want to welcome you,
because the Commissioners, as you can see, we
make these policy decisions that impact the
operations of the agency, and they are very
familiar with the high level managerial staff,
but I can tell you that, with all due respect to
the high level managerial staff including
myself, the real hard work is done at the lower
levels of the agency, at the grass roots level
where you are taking the calls, where you are
dealing with the frustrated consumers, where you
are giving the information that impacts people's
lives on a daily basis.

Samara Epstein, Andy and I had
organized for all of our managerial staff to go
in and sit in and do their job for a day.

Let me tell you, this is the
hardest job I have ever done, sitting on that
phone, and it is certainly harder than I do in
my office on a daily basis.

It takes a strong personality,
somebody who has a lot of patience, tolerance
and knowledge and ability to basically bring
that together.

    I want to officially welcome you.

We appreciate you, and all of our staff, what
they do every day.

    I want to start bringing them
around more often so you can see what we do, and
so we can see the wonderful faces that we have
so welcome you, and congratulations.

COMM. AROUT: I had the
opportunity many, many times to dial 311, and I
had the greatest response. They were so
personal and listened to your problems, and I
want to thank them personally. It is nice
meeting some of them. Thank you very much for
being so helpful to me anyway.

CHAIRMAN DAUS: Thanks for
joining us here today.

    Also, the last item I have -- I
have one more personal announcement which is
very, very important.

    David Klaar, are you here? David
Klaar is our new Chief of Staff to the First
Deputy Commissioner. If you remember, Eric Kim
was the person who had that position before.
Those are pretty big shoes to fill, but we are
very confident that David is a very, very good fit. Shoes may be a little bigger, but we will see. He has a lot of experience out there.

    He comes to us from Columbia University where his last job he was employed there I think in the provost's office, and he has a Masters in Public Administration. He is committed to the City and public service.

    The Commissioners are going to be seeing a lot of him, and he is doing a lot of work in the agency, and he is going to be working very closely with Andy and I so welcome aboard and welcome to the TLC.

    Last item is upcoming Commission meetings. We are still scheduled to have our Thursday, August 9 Commission meeting. In fact, paratransit rules, proposed rules have been published for comment in the City Record so we will have a public hearing on that.

    Also, very important is that we will be having a presentation by staff and possibly the Mayor's Office will be joining us concerning the clean air initiatives.

    Mayor Bloomberg has announced a variety of initiatives, as you know, that will
make for a better environment in health in the City of New York. A significant part of those proposals involve the TLC, the green hybrid proposal.

We also have an obligation to meet our oversight requirements with the City Council. They have passed some legislation that we need to prepare and come up with a clean air report so we are going to put all of that together and talk about all of the things we have done and will do to help make cabs and for-hire vehicles contribute as a partner to the cleanest city in the United States, which is our goal to help combat global warming and to help with the environment in our local areas as well.

It is a very, very important presentation staff will be putting on at the August meeting.

There are some issues with the September meeting. I believe there is a Jewish holiday that our regularly scheduled meeting falls on so the next September date will be announced. We will be in touch with you on that.

That basically concludes my
report to the public and to the Commissioners.

Do we have any questions or

issues?

Thank you.

I would like to move to actually

out of order on the agenda, instead of going to

item number 2, since we do have time

constraints -- we have some visitors -- I would

like to move to item 4, For Commission Action,

A, Approval of Clean air and Accessible Vehicle

Stickers.

I believe Willie Wong from New

York City Marketing, New York City & Co. is here
today, and I want to welcome you back again.

In advance I would like to thank

you and George Fatida for all of your time that

you are spending on us. I hope it is time well

spent, and we have been very pleased with your

work product, and it is a great pleasure working

with you, and thank you.

MR. WONG: Thank you for inviting

me to be here again today.

I am here to present the markings

that we have been working on with the TLC to

identify the accessible vehicles and the
alternative fuel vehicles.

Just to give you a little background, City Council had passed Local Laws 54 and 55 in 2006 that mandated that the cars have markings to communicate a vehicle is either accessible or clean air, and rules were passed in May, and we have been working with the TLC to identify the two markings that would basically look like this for accessible vehicles.

Basically our goal here was to develop an icon that was universally recognizable but still inflected the design of the taxi, and that everyone has the ability to use New York City's taxicabs.

Basically, it references the icons on the New York City cabs that we have been designing with the little man hailing a cab within a wheelchair accessible icon.

The second marking we were asked to look at is the clean air and sustainability marking for the City cabs.

With this one we referenced the City's initiative that you mentioned before, the Mayor's commitment to sustainability, and the initiative is called Green NYC, and it is a
fully integrated consumer basing program that
basically challenges New Yorkers to make the
city a much greener place.

The city's Long Term Planning
Sustainability Office had identified ten
different steps that New Yorkers can take that
really help contribute to greening the City.

The logo mark that they
developed, which we will be adopting for the
clean air vehicles, is this infinity apple, that
the big apple is also a green apple, and it is a
sustainable initiative, and so our proposal is
to use those two markings on the pillars of
either the hybrid taxis or accessible taxicabs.

CHAIRMAN DAUS: That is it?
MR. WONG: Yes.

CHAIRMAN DAUS: The Commissioners
have received in advance prototypes of the
stickers with the designs so does anybody have
any comments on them, everybody is okay with
them?

I personally love them. I think
they are fantastic.

MR. WONG: One of the things I
want to point out with this marking is that NYC
& Co. had been working with the Mayor's Office, and there is lots of support for this mark.

It is appearing as we speak now, there was a press conference several weeks ago, but in the New York Times, the Post, Daily News, community papers, in El Diario, Spanish newspapers and across the networks from Channel 2, 4, 5, 6, 7, History Channel; tons of support in the media to make this the universal icon for the Mayor's commitment to making the City a greener place so it is great the TLC will adopt this as well.

CHAIRMAN DAUS: Do I have a motion to approve?

COMM. GONZALES: I have one question in the interest of being thorough. If we have an accessible green accessible hybrid, how will the decals --

MR. WONG: I believe that isn't the case yet, but I think if that eventually does become the case, they can exist either alternating pillars or one above each other.

CHAIRMAN DAUS: Any other questions?

COMM. DEAR: I know the cost is
not much. Who is responsible to put these
decals on the car?

MS. PALMER: Much like the
markings we discussed at the last Commission
meeting, we are going to draft an MOU that
people can sign -- we will be drafting an MOU
that people will be able to sign with the TLC
that will give them the right to print these.
We anticipate the cost to be around five
dollars. Very inexpensive.

COMM. DEAR: Last markings are
were $20, $30.

CHAIRMAN DAUS: I have to point
out also that this is a mandate from the City
Council that we are required, and actually we
should have done this --

COMM. DEAR: Should we ask the
City Council to fund it? It is an unfunded
mandate.

CHAIRMAN DAUS: I don't think
there is any statute of limitations on that,
Commissioner Dear.

In the interest of my counselors
having to go, unless there are any issues, could
I get a vote on it?
COMM. AROUT: I make a motion.

COMM. WEINSHALL: Second.

CHAIRMAN DAUS: All in favor?

COMM. DEAR: Aye.

COMM. GONZALES: Aye.

COMM. AROUT: Aye.

COMM. GIANNOULIS: Aye.

COMM. WEINSHALL: Aye.

COMM VARGAS: Aye.

COMM. POLANCO: I oppose.

CHAIRMAN DAUS: What are your concerns?

COMM. POLANCO: Basically, with the prior vote I made last time with the marking. I don't have an issue with the design at all. I have an issue in terms of the implementation, in terms as to what I made clear last time was that since next year they are going to be changing basically all these vehicles, why are we imposing on the owners to incur additional expenses to do it now? I know it is a mandate from the City Council, but basically I am against it. That is why I am voting against it.

CHAIRMAN DAUS: Fair enough.
COMM. DEAR: In line of what the Commissioner just said, I think just to understand, we have 10,000 vehicles approximately that are owner-operated, like you would say mom and pop people, and every burden of expense is on them, and it just chips away from what they are trying to earn.

With gas prices soaring, it is ridiculous. I can't believe what is going on. It is eating up on everything that they are making, insurance, everything going up.

I just don't want to be -- speaking as an individual, I care about people, I care about -- and you think it is a joke, about $20. $20 to people who make a few hundred dollars a week is a lot of money, and it is something that they probably are not going to put on their table because of the $20, $5 here, $10 here. Before we know it it is another $200, and I think we have to start thinking about the owner-operator of a vehicle. That is my concern.

CHAIRMAN DAUS: Any other comments?
Thank you.

The next item on the agenda is the adoption of the minutes.

Does anybody have any --

COMM. AROUT: Motion to accept the minutes.

CHAIRMAN DAUS: Second?

COMM. POLANCO: Second.

CHAIRMAN DAUS: All in favor?

(Chorus of "ayes.")

CHAIRMAN DAUS: Just for the record, Commissioner Weinshall is out of the room.

Item 3, Base Licensing Applications Review.

Just before we get started on the base licensing applications, we have had some very intense good policy discussion over the last several months, but in particular at the last meeting, and just before we actually vote on these bases, part of the presentation on the agenda today is to basically have the staff give its final plan on how we are going to handle bases moving forward so just in case you are wondering, that is what that item is on the
agenda.

MS. RADWAY: Licensing would like to present before the Commission 37 bases with a recommendation for approval.

CHAIRMAN DAUS: Any questions on the particular bases?

By the way, for the record, the reason the agenda was revised is because there are two bases that were unintentionally omitted, clerical error from the first agenda, and that is 4621 Avenue N Corp., and Central Rockaway Car Service Corp. doing business as Shore Car Service, and 4621 Avenue N Corp. is doing business as Mill Basin Car Service.

Just for the record also, that the Commissioners had copies of all the executive summaries and information. It just was omitted from the agenda. That is the only reason why we revised the agenda yesterday.

Do we have a motion to approve?

COMM. DEAR: Is this the last of the batch going -- of licenses going through the first time we are doing this process, or do we still have more?

MS. RADWAY: We still have a few
more.

COMM. DEAR: How many more?

MS. RADWAY: By the next Commission meeting --

COMM. DEAR: Let me finish. From now on do we start looking -- because Commissioner Arout and I and others have concern. Now we start looking differently at bases.

Thank you.

CHAIRMAN DAUS: That is a good question.

Do we have a motion?

COMM. GONZALES: Make a motion.

CHAIRMAN DAUS: To approve?

COMM. GONZALES: To approve.

CHAIRMAN DAUS: Second?

COMM. DEAR: Yes.

CHAIRMAN DAUS: All in favor?

(Chorus of "ayes.")

CHAIRMAN DAUS: It is unanimous.

MS. RADWAY: There are two bases that Licensing is recommending for denial with the request the Commission grant an additional 30 days so they may present the outstanding
CHAIRMAN DAUS: Any questions?
Do I have a motion?
Howard, and seconded by Commissioner Arout.
All in favor?
(Chorus of "ayes."
CHAIRMAN DAUS: Thank you, Georgia.
Moving to item 5A, the lithium battery pilot update.
After we passed our pilot rules we promised we would update you periodically on pilots, whether they are successful or unsuccessful.
Although this pilot was well-intended to get a zero emissions vehicle out there that would work for the City, unfortunately, this particular one with this particular company was unsuccessful.
Peter Schenkman is going to join us today and tell us why it failed and give you an update.
Good morning, Peter.
MR. SCHENKMAN: We are very
excited about the prospect of going back to the future with an electric taxi.

Unfortunately, the vehicle was not prepared for cold weather when it debuted in March, and it had only done 30 shifts. The company took the car back about 55 days ago to change the battery and to make some changes, and they have been non-responsive and have violated their MOU with the fleet owner and have not returned the car so I am recommending that the pilot be canceled or terminated.

It is unfortunate, but we have had other companies express interest.

MR. FRASER: I believe at one point you told me there was a maximum number of miles, of the shifts that the car did run, the farthest it ever ran?

MR. SCHENKMAN: The farthest the car ran was 90 miles with one of the engineers driving it. The car returned on flatbed tow truck about 12 times before the fleet owner just threw his hands up. They were doing everything to try and make it work, but the vehicle did not live up to the 120-mile advertised range.

CHAIRMAN DAUS: Do we have to
MR. FRASER: We have to terminate the RMOU, but we don't need a Commission vote for that, no.

COMM. GIANNOULIS: When you say you have other proposals, is that for electric vehicles?

MR. SCHENKMAN: I have been in contact with companies, Phoenix Motor Cars, Tessla Motors, and a couple of -- I don't know if it is the right term -- fly-by-night companies that say they make electric-powered cars. None have actually come to fruition. We have actually never seen any of the vehicles.

COMM. GIANNOULIS: What is the status of electric powered vehicles in general in terms of the world, not the country?

MR. SCHENKMAN: Within the next five years it will start trickling in like the hybrids did.

The federal government believes that plug-in hybrids are the transition solution where you can get an extra 40 miles on just
electricity.

COMM. GIANNoulIS: Is one of the concerns out there where you can -- how you can plug in, where you can plug in?

MR. SCHENKMAN: The new generation are talking about grid sharing where when you plug in your car at night, you are giving back to the grid once it is charged.

COMM. GIANNoulIS: That would be a particular concern for us in the taxi industry?

MR. SCHENKMAN: Yes, and the other thing is the duration of the charge. Companies are now advertising 20 minute charges at a ridiculously high voltage, and that kind of scares me.

COMM. GIANNoulIS: If for some reason there were charging outlets or stations every few blocks, you might be -- that would be helpful to you?

MR. SCHENKMAN: There are in California and most municipal parking lots.

COMM. GIANNoulIS: You should talk to me, because I am working on a project that may interest you.
MR. SCHENKMAN: I will talk to you.

CHAIRMAN DAUS: How about hydrogen fuel cell technology?

MR. SCHENKMAN: I don't know if anyone watched Myth Busters last night, but they actually did it. It works.

That is something that I don't think is allowed in New York City yet due to fire codes. I don't think you can drive around with hydrogen tanks. The one chief at the fire department just said Hindenburg, and that was the end of the discussion.

But it is something that every manufacturer is researching right now, and it is through hydrolysis generates electricity.

CHAIRMAN DAUS: We certainly can't fault you for trying. This is what makes New York City great and makes the TLC a leader around the world in regulation, in having these ideas and testing them. A lot of times they work, sometimes they fail.

In terms of what is on the horizon, do you anticipate there will be more electric vehicles?
MR. SCHENKMAN: I anticipate within the next year or so we will have another pilot proposal. I think the next big proposal is going to come in the way of clean air diesels, which would run on 20 percent biofuel, which could be recycled vegetable oil or components such as that.

CHAIRMAN DAUS: I would just encourage the Commissioners in spite of the failure of this project to keep an open mind on these new technologies. Hopefully we will have some more pilots.

Thank you, Peter. Good work.

Item 5B is the for-hire vehicle industry accountability presentation I was talking about.

Sara Meyers, who is a newly minted Assistant Commissioner, I believe, thank you and welcome.

First of all, I would like to just talk a little bit about the whole scenario in the for-hire world and how we got here to date.

Sara is going to give a little bit of a history as to how we got here as part
of this presentation, but I have had personally
several conversations, very impassioned
conversations with individuals on this
Commission, both privately and publicly, and the
same concern comes up over and over again: How
do we make the bases more accountable and the
for-hire vehicle more accountable to make sure
that a lot of the things that are happening
don't happen?

The biggest one that was on the
plate is vehicles that are being dispatched with
suspended drivers or unlicensed drivers.
The deeper and deeper we looked,
we found there are issues beyond some of the
bases' control, and there might be other
creative ways that we can tackle this problem
once and for all.

The Commission has been very
diligent, has been very, very concerned and very
discriminating in looking at each and every one
of these bases and their record, and basically
expressing their concerns and making sure the
business plans that were put into place are
going to remedy the situation.

Recently Commissioner Gonzales
asked for and actually analyzed some of the base operating plans that have been submitted to Gary and Sara in Licensing as part of our process so they vary, and they are given the individual autonomy to basically choose how they are going to make their base run more efficiently and solve the problem.

At the end of the day, it has been a couple of years now, and we are still seeing some of these convictions so it leads us to be concerned that there might be something else we can do.

I know the staff had proposed some aspects of reforms that have been tabled to date, which we would like to take another look at at some point, but they have come up with some new ideas and are really working hard since the last two meetings.

I just want to make sure you knew this is something that has not been forgotten, and they have been working very hard on that, and Gary, Andy, Sara and the entire staff in Licensing.

Welcome and thank you for all your hard work.
MS. MEYERS: Good morning.

Over the past two-and-a-half years, tremendous changes have taken place in regards to livery-based licensing process.

Beginning in January 2005, the Commission, the First Steps Office and Licensing began a journey to change the application and approval process.

While many positive outcomes have resulted from the changes, it is clear that there is a need for additional changes that most likely will have to happen through rule making.

The Commissioners have spent many Commission meetings debating the problems within the industry, and these are problems that cannot be easily fixed by a new application.

A few months ago I briefly spoke to the Commission about the agency's plan for making substantial rule and policy changes.

Today I am here to give you a formal update on our progress and present some ideas to you.

Please note that these are just ideas and not formal rule proposals. Please feel free to stop and ask me questions, or I am happy
to answer questions at the end of the presentation.

The presentation is going to be a brief review of changes that have already happened, and some items about what we have learned about the industry in the past two years, and then a presentation of our ideas for policy and rule changes for not just livery bases but also for livery vehicles and livery drivers.

Just a little background. As I am sure you are aware, but just to reiterate, when this started in January 2005, we were focusing solely on the livery bases, which are part of the for-hire vehicle industry. There are about 1,000 for-hire vehicle bases, but the livery industry is only about 500, and those are the community car services.

What was happening is that many bases have not submitted their renewal applications over several years, and thus the requirements were not being continually reviewed so we implemented two major initiatives. One was an administrative overhaul of the internal review process, and then, significantly, all the base applications for livery bases were coming in front
of the Commission for review and for a vote before they were sent to City Council.

There has been a lot of success. We have modified our applications, and we have a very close working relationship with Enforcement, who visits every base during the renewal cycle, and now all the bases have caught up and they are reviewing regularly and on time. If they don't, they are closed down.

But what we have learned in the past two years is that the industry is not perfect, and that we have been exposed to many law abiding and well-functioning bases, but we have overwhelmingly learned that within the industry there is a clear disregard for our rules, a lack of connection between the base, the vehicles and the drivers, and this results in an industry that does not always operate with the public's best interest at heart.

It would be simple to only hold the bases accountable for the problems in the industry. There are a mere 500 livery bases, which is a small and easy number for us to manage.

Clearly the base owners must be held to a high standard, and we will be presenting
many rule ideas about holding them to an even
gerather standard; however, with that said, we also
note that the vehicle owners must also be held to
a higher standard.

It is apparent that the vehicle has
the ability to find a loophole within the industry
to act in a renegade fashion, and this behavior
should not bring the base down.

In most cases it is the vehicle
owner that chooses the driver that drives his or
her car.

This is why we think the vehicle
owner rules really need to be enhanced to hold the
vehicle owner more accountable for their role in
problems in the industry.

So we have learned that there is a
lack of accountability to our rules, but there is
also a weak relationship between the base, the
vehicle and the driver, and this presents some
public safety concerns.

How are we proposing to fix the
industry? We would like to implement rule and
policy changes that get at the very things that we
have learned: Increasing base owner, vehicle
owner and driver accountability, strengthening the
relationship between base, vehicle and driver,
which hopefully will increase public safety and
increase communication from the industry to the
riding public.

So first I am going to speak to
accountability rules, and we are going to start
about the bases.

We would like to analyze and
consider the business plan more seriously as we
have talked about the business plan is extremely
serious, and we want to make sure that it is very
clear within the rules that the business plan
speaks to what is important in the industry.

As well we want to strengthen the
rules regarding multiple dispatches of TLC
licensed drivers. Obviously that is the one thing
that the Commissioners have brought to our
attention continually, but we are also going to
speak about how that plays a role with the
vehicles.

Finally, we want to talk about we
want rules about operating while on suspension.

There are many bases that
continually operate while on suspension.
Unfortunately, we haven't been able to have rules
that sufficiently attack that problem.

Not all bases are operating -- the suspensions that we have, some are administrative in nature so it is until the base is in compliance, but we want to separate out an administrative suspension for a clear disregard of our rules, which would be a suspension having to do with failure to show up for your hearing or failure to show up to pay your fine.

But now onto vehicles. It is evident that there is a loophole that exists within our rules. Bases, while not without responsibility, are scrutinized for 6-12K1 and 6-12K2 violations much more than the vehicle owner.

The time has come where vehicle owners' disregard for our rules has a severe penalty. After all, it is the vehicle owner that puts the driver in the car.

We also know the vehicles work for multiple bases at multiple times, which is another loophole in our rules.

We wanted the rules to be clear that multiple violations will result in a fitness hearing for all licenses held by the vehicle
owner. The end result could be revocation of all licenses held by the vehicle owner.

An extremely important note is that the driver's TLC license and a DMV license are easily monitored by a vehicle owner, or a base for that matter if they so desire.

The point I am trying to make is the vehicles can check the licenses of the drivers that are in their car. They can check our website to see if the TLC license is valid, and they can also get a contract with the DMV to monitor the driver's DMV license.

It can't be stressed enough that we want the vehicle owner to be held responsible for what happens when his or her car is operating as vehicle for hire.

Whether the vehicle owner is the driver or leases out the vehicles, the actions that take place by the vehicle need to affect the owner.

Our idea is that a few serious violations will lead towards revocation proceedings. We then believe that the vehicle owner's previous revocation should be considered when he or she applies for a new license.
This is similar to the reapplicant fitness hearing that exists for our TLC licensed drivers.

Additionally, we believe that the vehicle owners need to be held responsible when involved in a street hail. We think fitness hearings and revocation proceedings should be commenced in these situations.

We will need input and advise from the Commissioners as to the number of convictions which would lead to such hearings.

Drivers must also be held accountable for blatantly breaking TLC rules and putting the public at risk. As such, we are proposing to strengthen the penalty for driving without a valid DMV license and for doing street hails.

The rules must be clear that this activity is prohibited, and multiple offenses could lead to fitness hearings and, as such, revocation proceedings.

So I have been speaking a lot about accountability, but we also believe very strongly in about strengthening the relationship between the bases and the vehicle owners and the drivers.
We do believe that if that relationship is strengthened, there could be a substantial change in the industry so we have talked a lot within Licensing and with Andrew in how to strengthen the relationships between the base, the vehicle and the driver.

I am just going to talk briefly about some things that happened in the industry, and it may be a little confusing, because we haven't brought these terms up so feel free to interrupt and ask me to clarify.

While making our rules clear and stronger will hopefully bring increased accountability, we also want to add rules that strengthen the relationship between base owners and vehicles.

As I said, after all, we are hoping a better relationship will result in increased accountability.

I am going to speak a little bit about the affiliation process in the vehicle industry.

As you are aware, every vehicle must be affiliated to a base to obtain a license. Please note that although the vehicle is
affiliated to one base, we are aware that most
vehicles work for several bases. This presents
several problems for Enforcement, which I know
that Deputy Commissioner Mullings can speak to;
however, from Licensing's perspective, there are
two changes to the affiliation process that we
would believe -- that we believe would help to
strengthen the relationship between the bases and
the vehicles.

Just as quickly as a vehicle is
affiliated to a base, the base can unaffiliate the
vehicle. All they have to do is send Licensing an
e-mail or a fax and say the vehicle doesn't work
for them anymore.

So we know this happens for many
different reasons. We know it is possible the
vehicle has left the industry, there could have
been a falling out, or the vehicle just decides to
go work for another base, but it happens with such
frequency, and often the vehicle doesn't even know
they are unaffiliated.

We would like to add a fee to the
unaffiliation process. Although we know that that
is not simply something the TLC could do, it is
just an idea we have to maybe make it more
difficult for the bases to unaffiliate, and maybe
they won't be affiliating -- unaffiliating as much
a they do.

In addition, we would like the
vehicle to participate in the unaffiliation
process so currently the vehicle doesn't have to
sign-off on being unaffiliated. They have to get
the base's signature to get affiliation, but the
base then doesn't have to subsequently get the
vehicle to sign-off to be unaffiliated.

It is true that if the vehicle left
the industry, the base could fine the vehicle.
This could potentially present some problems, but
these are just some ideas we have been tossing
around.

Transfer, similarly, vehicles are
allowed to transfer from one base to another and
so they come in. It is just an administrative
function. They get a new license with their new
base on it, but they do this all the time and with
frequency, and our suggestion is to limit the
number of transfers allowed in a given time frame.

We also are going to stress that
the markings rule, which has been brought up for a
vote here before and wasn't successful, we are
hoping that it could come back, because we
adamantly believe that the markings rule, where
the bases would have their name and information on
the vehicles --

CHAIRMAN DAUS: Actually, just to
clarify that, I don't believe we actually voted
on it. It was tabled. It is still under
consideration.

MS. MEYERS: Right. Licensing is
just reiterating its support for the markings
rule, hoping that it would bridge a good
relationship between the vehicles and the bases
if the vehicle was working for fewer bases.

We are not saying it would only
work for one, but it would work for fewer bases
be.

We also want to increase the
communication to the public and the public
safety, because the public safety is paramount.
It is our ultimate goal in all that we do.

It is clear the public safety is
not necessarily the priority of the livery
industry. We want you to consider these rule
and policy proposals as we believe the
increasing accountability in strengthening
relationships can only better the industry which increases public safety.

Additionally, it must be reiterated that we do believe the markings rule for FHVs will also greatly increase the public's safety and enhance the communication between the TLC, the industry and the public.

Finally, we are also in strong support of the rule, which was also tabled, that has been proposed, namely the inspections of FHV vehicles at the TLC S&E site. These inspections would be of great benefit to the public.

In conclusion, to reiterate, the rules we have outlined today we would like to call phase 1. Based on the Commissioner's feedback, they will be worked on and hopefully completed in a relatively shortened time line.

What we are calling phase 2 will be an analysis of phase 1 rules when implemented, when passed and implemented.

We want to see how the rules that are passed based on today's presentation will change the industry. We are hopeful and believe they will have a dramatic impact.

Upon that analysis, it is
certainly possible we will commence with rules that will address some larger, more systemic changes in the industry, although the phase 1 rules have that potential too.

At this point I just wanted to say thank you to the Commissioners for all their ideas and concerns they have put forth regarding the livery industry.

We certainly have taken your ideas and insights into consideration in the crafting of these ideas, and we welcome your continued feedback and participation in the process.

CHAIRMAN DAUS: Thank you. Well done.

Commissioner Arout?

COMM. AROUT: I want to say, Sara, you did a very, very good job. It is a long time coming, and I think we will really go after for-hire vehicles this year as Noach and I understand each other.

I think we did a great job on medallions. Now is the time to go after for-hire vehicles. They are way overdue, and I hope that this Commission will work very hard to
get it back into operation.

Thank you very much.

CHAIRMAN DAUS: Commissioner Gonzales and then Commissioner Dear.

COMM. GONZALES: I also would like to reiterate my appreciation for you guys, staff in particular, taking the time and effort and coming up and making progress on this issue.

Instead of -- two quick questions. One, with respect to this one particular violation that is the focus on dispatching unlicensed drivers and vehicles, what would you characterize percentage-wise what we should be able to resolve via an administrative solution versus a not-administrative solution; an administrative solution being, again, just cross-referencing -- defined as something where we cross-reference a list of a vehicle versus a list that the TLC puts out?

And also, can you expand on just a general example of this affiliation, unaffiliation?

MS. MEYERS: Sure. Well, I am not quite sure I know what you mean by
administrative.

The vehicles currently are affiliated to one base. We have talked about that. There is one base's license number on a license -- on a vehicle's license, on their diamond.

Now, those vehicles, they work for several bases so that is one of the problems, because while, let's say, a car is affiliated to Gonzales base, they can work for Gonzales base Mondays and Tuesdays, but say they don't get dispatches from Gonzales base. They could easily go and have a contract with another base and be dispatched.

Any time the driver is sanctioned for being unlicensed, it is the Gonzales base that is always going to pay the penalty for that.

So that is where some of the trickiness comes into the industry.

We mandate one affiliation, but we know there are several affiliations going on.

COMM. GONZALES: We mandate one affiliation, but in actual practice there is multiple affiliations?
MS. MEYERS: Multiple affiliations, but there is one base on the license that will always get penalized, which is also why we want to stress, the vehicle owner, they always should know what is going on, whether or not they are being dispatched by Gonzales base or any other base.

We are hoping to, you know, put the scrutiny on the vehicle owner, because whether it is the vehicle owner who is driving him or herself, or they are leasing their vehicle out, they should always know that the driver in their vehicle has a valid TLC license as well as a valid DMV license.

Is that clear?

COMM. GONZALES: Yes.

MS. MEYERS: As far as the transfers, is that what you are asking about?

COMM. GONZALES: No. I guess a split between -- just percentage-wise, a dimension what the scope is of what we are trying to tackle here; something that is administrative, at least in my opinion, should be relatively quick to implement, and I am defining "administrative" as just, again, a
cross-reference of a list.

In your general opinion, what do you think the percentages are; is it like 60/40?

MS. MEYERS: Gary Weiss, Deputy Commissioner of Licensing, Andrew Salkin and myself met, and we came up with a lot of administrative things that we want to do which is cross-referencing lists and trying to compare -- and I think that is very manageable so there is a lot of administrative things that we are hoping to implement that will -- on the Licensing end that we can monitor the behavior of the industry.

MR. SALKIN: One comment I would like to make. A lot of this is just adding teeth to items that we already do.

It is one thing for a vehicle to have a driver that is unlicensed without a DMV license, but the penalty for that vehicle, for it being driven around by somebody without a license, is not that severe.

What we are proposing today is making the penalty much more severe and just adding some more teeth to language that is already in the rules, but because it is not
there, the severity, that it continues to
happen, we think, at a greater level.

I don't know if that ends up
being administrative. We don't have to change
what we are doing; we are just changing how the
industry will be penalized for doing something
everybody here has decided is inappropriate.

CHAIRMAN DAUS: Commissioner

Dear?

COMM. DEAR: At the present time,
if an unlicensed vehicle is dispatched, because
I know when you do the undercover work, when you
ask people to come, you call a base and get a
car, you can seize that vehicle, right?

MS. MEYERS: Yes.

COMM. DEAR: Are we doing that?

MS. MULLINGS: Yes, we are. In
fact, at the renewal process, licensing sends us
a list of all the bases up for renewal, and
every base we do what we call a bait, fish and
hook where we call up, and if they send an
unlicensed vehicle, we seize the vehicle.

COMM. DEAR: What happens then?

What is the next step in order for them to get
the vehicle back?
MS. MULLINGS: They have to go to adjudication and either take care of -- pay the fine -- either have the hearing, which is scheduled within ten days, or they can post a bond and take the vehicle.

COMM. DEAR: What is the normal fine that usually --

MS. MULLINGS: I believe -- I am not positive -- I believe generally it is 750. I think it can be up to 1,500, but part of the confusion is if a base dispatches an unaffiliated licensed TLC vehicle, and the driver is unlicensed, either by TLC or by DMV, there is no summons that can be written to the base under our current rules.

COMM. DEAR: Only to the driver?

MS. MULLINGS: Only to the driver.

COMM. DEAR: So who has to change that; we as the Commission?

MS. MULLINGS: Yes. That is part what of what we are talking about.

COMM. DEAR: I understand that.

COMM. GIANNOULIS: Can I just jump in on that point?
In other words, a driver who is in multiple bases -- a vehicle who is in multiple bases inevitably is unaffiliated with some of them?

MS. MEYERS: Yes.

COMM. GIANNOULIS: So if you are an unlicensed driver --

MS. MULLINGS: You can go --

COMM. GIANNOULIS: It is certainly in the base's interest to be involved in multiple bases at that point?

MS. MULLINGS: The vehicle owners, yes.

COMM. GIANNOULIS: That is really bizarre.

MR. SALKIN: It is not that you are not allowed to be affiliated with multiple bases, it is that you are officially declaring -- the way the term, the practice is is you are officially declaring an affiliation with one base. It is that base always gets the summons.

COMM. GIANNOULIS: Is that like high level poker?

MR. SALKIN: It basically ends up
playing itself out like that. It is a trump base, and that trump base always gets a summons even if you are working for another base.

    MR. FRASER: If I may, on the rules point, the rules are clearly written with the intent that one vehicle will be affiliated with one base, not multiple bases. I assume the rule was written at a time when the industry actually worked that way.

    The rules don't therefore ever explicitly say you can't be affiliated with two bases, and here is the penalty for doing trying to do that so the rules assumes something that probably was true at the time and has become not true, but there is no penalty provided for that in the rules.

   COMM. GIANNOLIS: We use the word "affiliation," and that simply means there is some registration done with the TLC that says "I am affiliating," right?

    MS. MULLINGS: Right.

   COMM. GIANNOLIS: And then we are using the term loosely to describe other affiliations mean whenever somebody is getting a call from that base to do a pickup; is that
correct?

COMM. DEAR:  Let me go back to my issue again, and this is probably the biggest issue that we have, that the dispatcher -- and we know it.  I guarantee you now, I take you to any base you want anywhere in Brooklyn, and I will show you half the cars are legal and the others illegal, and they told me openly "We can't work, we can't work any other way because of insurance issues and everything else."

COMM. GIANNOUNIS:  What do you mean by legal and illegal cars?

COMM. DEAR:  Straight plate cars.  So brazen they are, they even have now out-of-town plates: Florida, North Carolina, New Hampshire. I think it is a good idea to affiliate there maybe.

It is right in front of your eyes.  They don't care.  They tell you, "We have no choice otherwise we have to close down."

So I think -- and that is the big issue Commissioner Arout and I have, and others have as well, is that those who are totally illegal, we don't need any more laws.  We have the laws already.
You take away their cars enough times, they are not going to have any money anymore, and we fine them up to $1,500, and if you want to increase the fine, increase it to $2,500, but the idea is that is what is necessary, that enforcement, and I guarantee you, once you do enforcement, you will see a change in attitude.

You know, I am looking at the people in the yellow industry. There was a time everybody said "you can't do" -- nothing happens. "You can't do anything."

There were times many years ago when the yellow cabs went amok, and what happened? It was easy to go after them, because you gave everybody authority.

So I watched how cops and our people, they don't give one summons, they give 20 summonses. I mean, they really go after them so they are an easy target.

Instead of focusing again on -- and the yellows have improved drastically. We know it. We are proud of it.

I think we have to do the same effort, get the Police Department involved too.
I asked you for the law because I
spoke to the Chief of Transportation myself. I
know him very well. He used to be my precinct
commander.

He said, "You give me the law,
and we can work together, we will do enforcement
too."

CHAIRMAN DAUS: And also, I know
the Chief of Transportation very well and he is
very committed to this.

COMM. DEAR: Let's do it.

CHAIRMAN DAUS: With all due
respect, we are doing that with the Police
Department. We attend the traffic stat
meetings. We work hand in hand on them on a
variety of issues, but I do agree with you that
there is still a lot more work to be done.

I believe at this point a lot of
the issues are systemic, and it involves action
by us coupled with the enforcement efforts that
Pansy and the Police Department are doing.

It is as simple as this. In my
personal viewpoint, I believe that the free
market should prevail and the free market is
best.
I can see a variety of different reasons why it would make sense for both bases, vehicles and drivers to affiliate with several bases, and for us not under ordinary circumstances to get involved with such a free market.

Perfect example, you have a shortage of drivers; supply and demand. It is in the best interest of the bases to have as many drivers affiliated with them so when the calls come in at peak hours, they want to leverage their resources to make sure that they basically have the drivers that are there with the vehicles to serve them when they need them.

And then, unfortunately, there are some base owners that don't care what these vehicles and drivers do, and they kind of turn their head to it, unfortunately, and that is where the accountability piece comes in; "let them do what they want to do."

"I only care about four, 5:00 o'clock I have calls coming in. I want to make sure my drivers are there."

You know, the flip side of that is vehicle owners and drivers, who are we to be
telling them that they can't work part-time for
one, two, three or four bases? Who are we to do
that when we want to encourage an industry to
thrive and have them basically support
themselves?

In a perfect world I would say
that is fine, but, unfortunately, it seems clear
to me at this point, based on the information we
have amassed, that that loophole or that lack of
oversight on the free market aspect of it is
perpetuating an illegal practice.

Perfect example, a little bit
different from what came up. You have a base,
base ABC, has a driver, like most of the
industry, unlike Staten Island and some other of
the fleet operations. Like 90 percent of the
livery and black car industry, the driver also
owns the vehicle.

They affiliate with ABC Car
Service. ABC Car Service has arranged with them
that between certain hours they are going to be
on call to take calls.

The driver and owner of that
vehicle, after 5:00 p.m., decides that they are
going to give the car to make some extra money
to their cousin who doesn't have a license, who
takes the car and starts picking up street
hails.

With all due respect to the base,
can we or should we really be holding them
accountable for determining when they are not
scheduled to be on call for that base, what
their cousin is doing with the car picking up
street hails at midnight, and how can you
reasonably as a base owner prevent that?

That is where I think the staff
started turning towards how was the vehicle
owner able to escape all these regulations when
they were first drafted many years ago?

The vehicle owners are not
necessarily also the drivers.

What we are finding, and much to
our surprise, there are corporations set up as
holding companies that own title to multiple
vehicles.

ABC Corporation is not a base,
but it is a corporation that owns title to and
has applied for and received the permit to
operate 20 vehicles that are affiliated with all
these bases.
COMM. GIANNΟULIS: What happens in the same exact situation with a medallion owner?

CHAIRMAN DAUS: There is very tight oversight over it, because we have the vehicles and drivers of record.

COMM. GIANNΟULIS: I am saying, if a medallion owner owns a vehicle, owns a medallion, they give the car to their cousin who claims he is driving somewhere, and then that person doesn't have a license, and they go and they start picking up fares, what happens?

CHAIRMAN DAUS: The medallion owner is going to be held accountable.

COMM. GIANNΟULIS: The medallion owner is going to be held accountable because he should -- what does that mean? Going to be held accountable in what way? What happens to that person?

CHAIRMAN DAUS: Penalties.

MS. MULLINGS: He allowed somebody to operate his vehicle without a license.

COMM. GIANNΟULIS: Fundamentally there is no difference between that and the
person who owns the livery car, no?

CHAIRMAN DAUS: There is a slight
difference, because --

COMM. DEAR: Not every base has
their own cars --

CHAIRMAN DAUS: Most bases do not
have their own cars.

COMM. DEAR: You are talking if
he is unlicensed, he gets his car, he gets his
car towed, and he has a penalty.

When you pick up a driver that is
unlicensed --

MS. MULLINGS: A driver who is
unlicensed --

COMM. DEAR: Right. Say
90 percent of the time it is his car, but let's
say in the instance it is not his car, he loans
it to someone -- it is someone else's car.

MS. MULLINGS: -- A non-licensed
TLC vehicle?

COMM. DEAR: Straight plate. He
took his friend's car, and now he has become a
car service for the day. Then he gets caught.
You grab the car. What happens? Who gets all
the penalties? Who do you go after; the driver?
MS. MULLINGS: The driver and owner.

COMM. DEAR: Both?

MS. MULLINGS: Yes, sir.

COMM. GIANNOULIS: I am confused by this. If somebody does a straight plate and they are just illegally -- if somebody has a straight plate, and I just decided when I leave here, I am going to go and pick up somebody and charge them 20 bucks in my own car, quite honestly, what does it have to do with the TLC?

MS. MEYERS: Nothing.

COMM. GIANNOULIS: Nothing, right?

MS. MEYERS: Nothing.

MS. MEYERS: It affects the TLC, but they are not part of the problem in the livery industry.

COMM. DEAR: Commissioner Giannoulis --

COMM. GIANNOULIS: I don't see what the TLC --

MS. MEYERS: If it is a straight plate doing a the street hail, that is a complete renegade action.
MS. MULLINGS: Straight plate you are talking?

COMM. DEAR: The bases that are supposed to have ten vehicles, five of them are legal and five you call unaffiliated, whatever you want to call them, they are straight plate, they are all illegal. They are not licensed, they are not anything. The driver is not licensed, the car is not licensed.

MS. MEYERS: We consider that act to be the same as if they were dispatching a licensed vehicle without a licensed driver. It should be scrutinized exactly the same. The vehicle owner has to pay the penalty, and the base does, but we really want to scrutinize the vehicle owner.

COMM. DEAR: Exactly.

MR. SALKIN: The reason it is so complicated, because I think as the general counsel outlined, the way the industry has changed versus when the rules were written, makes it very complicated.

What we are going to try to do, and it sounds like the encouragement is there from the Commission, is to clarify in the rules
exactly what is appropriate and what is not appropriate.

Really, what we are talking here is what is not appropriate, being clear about that, and what the penalty is for being not appropriate, and the fact when you are doing something not appropriate, the penalty is severe enough you should really think twice about even consider doing it, or of it is cost of business that your car gets impounded every now and then, it still should be -- I think your general statements all together are kind of where we are exactly.

COMM. DEAR: I would also like to make a recommendation. You have traffic stats, you have all kinds of stats. I think I would like to see if we can, for the next few months at least, because I want to be comfortable that you are really doing the enforcement and seizing vehicles, I would like to see if you could give us a report every month how many vehicles you seized, what boroughs and what bases they were, generally, so I know.

MS. MULLINGS: No problem.

COMM. DEAR: I would like we
should start to focus the next few months on
really doing this enforcement.

I will tell you what my concern
is. We are going to give you more laws? You
have enough laws on the books to do enough
enforcement.

MR. SALKIN: Hang on. I have to
disagree with you a little bit.

We do a lot of enforcement but it
can only go so far. We need a little more
teeth.

COMM. DEAR: What can't you do --
tell me one thing.

MR. SALKIN: We can't take away a
base's license for performing inappropriately or
a vehicle license for performing
inappropriately.

COMM. DEAR: For dispatching a --

MR. SALKIN: We can't give a
summons, we can't bring --

COMM. DEAR: What else? I can't
believe if you do proper enforcement, take these
cars off the streets, I can't believe these guys
are coming back for more after a $1,500 fine. I
can't believe they are coming back for more.
MR. SALKIN: You raise some good points, and we will share with you what we are doing.

I think ultimately, there are two issues that have been brought up. One is the legal activity, or those that are licensed, and then the activity they are performing that is legal and illegal, and the activity of people who are completely renegade and what they are doing.

Again, there is different enforcement abilities. In a lot of ways we have a lot less we can do for people who are completely unlicensed, and we are looking to strengthen the rules. That is why we have lobbied Albany, to strengthen the rules.

If you are driving a car without a TLC license, you could lose your DMV license, things like that we have lobbied for.

The best place for us to be is within the legal industry doing legal service that is safe and efficient.

COMM. DEAR: We all agree.

Again, I really believe this enforcement is an important issue.
Another thing, by the way, this is something we are going to have to deal with, and I have mixed feelings. The unspoken or the way that we don't enforce the pickups of liveries picking up street hails in boroughs where there is no yellow service, you know that that is like the unspoken rule that we don't really do enforcement there, and that is something I am not so sure -- I don't know where we go with that.

MR. SALKIN: Again, in Sara's presentation we talked about street hails and penalty for street hails and what the right level of penalty should be, and that is something we can bring up for the Commission, we can have a conversation about when you are doing something the Commission has determined to be inappropriate, illegal by Commission rules, and when do you lose your license, and when does something happen to you?

That is something we can bring that up, and based on the Commission, you can weight things in different ways and have that conversation.

It is clear the way the rules
read right now, you cannot do street hails, take
passengers that are not pre-arranged.

COMM. DEAR: There are
neighborhoods in the City of New York that it is
accepted. We have accepted it, the community
has accepted it, and that is the way of life.

If we are going to change their
way of life, we can't do it all of a sudden with
a bang over the head. We may have to go through
the community, educate the community, talk to
them. We can say "It is for your protection."

There are a lot of issues here.

Then what do you do; bring up
yellow cabs up there? This is something we have
to do real discussions before we go, but before
we do that there is so much that we can do, and
that is what we have to focus on.

Part of the problem is these
illegal pickups, street hails, are going into
Manhattan, going into the hotels. There we can
do real enforcement.

I know it works because every
time there is enforcement at the hotels, for
months it is great, and now all of a sudden --

CHAIRMAN DAUS: I think you would
also agree there are systemic issues here in
addition to enforcement?

COMM. DEAR: Yes, because --

systemic -- no --

CHAIRMAN DAUS: Close some of the

loopholes as well.

COMM. DEAR: I asked for the

loopholes. One, two loopholes. The loopholes I

am not worried about.

You take away anybody's car and

make them pay $1,500. I can't believe -- he

will do it one more time maybe, but if he gets

captured again --

CHAIRMAN DAUS: They just walk

away from the car and get another used one that

is worth less than $1,500.

COMM. DEAR: It is still another

$1,500.

CHAIRMAN DAUS: It is a fair

point, and I think --

COMM. DEAR: While you were out,

I asked them to give us every month a list of

how much enforcement they did with seizing

vehicles and things like that.

COMM. AROUT: May I say
CHAIRMAN DAUS: Yes, Commissioner.

COMM. AROUT: Sara, do we have any regulations, the age of a vehicle, for-hire vehicles; is there anything in the rules and regulations?

MS. MEYERS: No.

COMM. AROUT: I think we ought to come up with some sort of regulations as far as the years of the vehicle.

CHAIRMAN DAUS: A vehicle retirement for liveries and limousines?

COMM. AROUT: Yes.

CHAIRMAN DAUS: Do we have any issues with including that in the package?

COMM. DEAR: I have said it many times. There is an issue, because if you remember, they are not yellow taxis. There is an economic issue, but, like Commissioner AROUT was talking about, I am talking about the car that looks like it came out of bombed out Baghdad.

COMM. AROUT: Every time these cars renew their license, they should be
cosmetically inspected by an inspector.

MR. SALKIN: The idea of having
the vehicles come to Woodside, get visually
inspected, DMV inspected and have our inspectors
put stickers on them I think is very important.

At least it gives one check.

Yes, maybe it is only every two years when they
get licensed, but I think it would go a long way
to --

COMM. AROUT: Because my feeling
was, and no one ever really explained this to
me, if I come down to Woodside to make --
opening bays and come down with proper
identification and dollars and cents and show
you ten vehicle registrations, you don't even
look at the cars so how do we know what kind of
shape they are in?

MR. SALKIN: That is absolutely
something that we think is critical.

CHAIRMAN DAUS: I think the
Commissioner has a great point, and it is a
great process to have Commissioner input before
the rules so I would ask in light of his point
that staff gives some consideration and analyze
the effect that a vehicle retirement policy for
the limousine, black car and livery industry
would have, and inspections, but also vehicle
retirement.

I think it has been proven the
longer a vehicle has been on the road, the more
polluting it is.

Also, I would like to personally,
consistent with what The mayor is doing with
clean air, is have that analysis include what
would happen if we mandated every single one of
those vehicles be hybrid over a period of time,
and how would that affect the environment, and
how would that parlay into whether we need a
vehicle retirement policy?

These are all questions, because
I think there are two policy reasons for vehicle
retirement, and I think safety and aesthetics of
the vehicle is one thing, and also emissions and
the harmful effect it has on the environment.

Part of Plan NYC is for us to
come up with a plan that will include decreasing
emissions not just in the yellow cab industry
where, quite frankly, the entire City of New
York and the industry has benefited from a
vehicle retirement policy that after we did it
in '96 has been replicated in every major US city, and that is one of the major reasons why this yellow cab industry has been successful.

In light of the Commissioner's comment, I would urge we throw that into the mix of issues we should analyze.

COMM. POLANCO: One question I have in terms of your report, which is excellent, is what has been the input from the industry itself? Have you met with the industry? What have been their recommendations?

MS. MEYERS: Obviously anything we would come forward with has been presented to the industry, but a lot of what we talk about in regards to the vehicles, that has come directly from speaking with the base owners.

Most of that I have learned all from the base owners talking to me about how it is not that simple to just -- the vehicles don't always act with the base's best interest at heart so most of that has come from the industry.

COMM. DEAR: We did have discussions already about some of these rules, and there was some opposition, including the
inspection, I want to remind Commissioner Arout. What Artie raised, it is a very big problem, and at first I started to think yes, yes, yes, but taking a guy from Staten Island to travel with a car two hours each way, it means there is down time --

MS. MEYERS: Once every two years.

COMM. DEAR: I understand, but these are things they said how about local? They were talking about opening up something in Staten Island, not just in Queens.

Don't forget you have yellow cabs already there so there are issues before we run away with that issue.

Also, you talked about the markings. I am telling you the more and more I have learned about this, and more I understand it, I am dead set against any markings the way it should look like a Christmas tree, for a lot of different reasons.

Commissioner Giannoulis raised it about there are certain livery car services that are trying to be like black cars but they are trying to be high-end livery services. They
don't want to be markings all over the place.

There are plenty of ways we can identify cars we know who they are and the public will know where to look and everything else. We will educate them. Like everything else we educate them.

Having markings on the car doesn't necessarily help us who is affiliated with what and everything else.

We go to the enforcement part, they know who to pick up, who not to pick up. That is what we have to look at.

COMM. GIANNOULIS: On the issue of markings, it is almost like the holy grail of this industry. Something has to be done.

I have a particular issue with a particular company which I thought had a legitimate particular point of view that there were -- we talked about maybe there was this kind of different segment of the industry that was catering to corporate clients --

CHAIRMAN DAUS: Like a hybrid.

COMM. GIANNOULIS: Right, and I think that is a legitimate point. I think that is different from -- I mean, there is no real
reason that anybody else who is hailing, who is ordering a car, is attempting to not show that they are a car -- not that it is easy to figure out, but certainly, you know, when it comes to street hails, the argument had merit that if there were clearer markings, that would help in terms of enforcement, and the argument about them being private vehicles, there is things you could put on the car you could take off.

I do think that segment of the industry that was concerned about -- we have to deal with them, because the guy I talked to, president of one company, he made some legitimate points.

MR. SALKIN: I think your point and Commissioner Dear's point is well taken. I think part of the reasons for tailoring the rules is listen to the input and do some further thoughts.

What we are doing today is adding even more to that conversation beyond just public communication and public knowledge.

I think everything that has been said today is in a lot of ways pretty much similar to the conversations we have had
internally, and I think your point is well taken.

There are things that are happening in the industry that we don't think are appropriate that we don't think meet the spirit of the rules that have been written.

What we need to do is take those steps and start moving forward.

What Sara proposed today is an outline of things that we are going to start adding some details to, and then there will be conversations here, and hopefully we will be able to take some forward positive steps maybe on all of it, maybe on some of it, but I think the idea is to do that sooner than later.

COMM. GIANNOULIS: Do you have a plan?

MR. SALKIN: The first part is get the feedback. I think some of these things -- and I think Comm. Giannoulis was getting at it -- are easier to deal with and easier to write and put into rule definitions. Some of them are going to be a little bit harder. Some of them might disappear if you do some of the easier things. So some of the hard
things might disappear.

COMM. GIANNOLIS: Six months?

MR. SALKIN: I think -- we didn't necessarily talk about this, because we didn't know what your feedback would be, but I certainly think adding teeth to the vehicle piece, adding teeth to the base piece and the driver so there is the fitness piece, that if you are caught doing illegal activity or activity that has been determined to be inappropriate by the Commission, you can be brought up for fitness, and you will know you are going to brought up for fitness in front of the Commission, lose you license immediately, and not kind of have it linger, and we should put that kind of language in there, because that sends a clear message of the level of standard.

CHAIRMAN DAUS: That is a good point.

In terms of time frame, I think we have waited long enough on this, and I think we should do it as soon as possible, but bearing in mind this is complicated. We do have our hands full with things.

It is largely going to be how
quickly the counsel can work with the staff to
get it done.

I believe at this point -- we
rely greatly on the expertise of the staff and
the work they have done.

I am sure there are some
questions you are going to have answers to here
today including how many bites of the apple do
you get with the street hail.

I think we will rely on your
specific recommendations at this point in terms
of what you think is a fair penalty to do the
trick based upon your experience and other
rules.

It is a one strike you are out.

If you are caught and convicted as a vehicle
owner of giving your car to an unlicensed or
suspended driver, should you after found guilty,
should you automatically lose your vehicle
license?

I think, you know, the fines and
the penalties in terms of next step should find
their way into a specific first draft of rules
with the Commissioners' edification should
have -- there should be an executive summary
that kind of explains pretty much what is in
here adding some stuff to your final
recommendation, and try to do it as soon as
possible and get it back here so we can vote on
it, make some meaningful change.

COMM. GIANNOLIS: This is going
to be my first question, maybe last, maybe it is
a silly question. Is this going to be part of
the bigger rule change?

MR. SALKIN: If we can talk about
the greater rule change, the intent of the
greater rule change, and I want to make it
clear, because different questions have been
brought up -- is over the last 35 years,
different people have sat where you are sitting
and have made rules, and the rules have been
made. Some have been forward thinking policy,
some have been "Oh, here is what is happening,
let's make rules," some have been "Here is this
new industry coming down, let's make rules."

The idea is the rules have been
made kind of over the years.
I think the best example is, out
of the 16 chapters, eight have to do with taxis,
one has to do with FHVs, including black cars
and liveries, even though there is more liveries than black cars.

So the way the rules are structured and the way they are written, there is many different definitions for the concept of driver. Is that the right way to go, or is there one definition of driver, one definition of passengers and service, and certainly levels of same.

The idea, these rules and this exercise is to make those rules make sense, be clear, have a clear thread from beginning to end. Not necessarily change the industry --

COMM. GIANNELIS: So more consistency than policy?

CHAIRMAN DAUS: It is also housekeeping and how you structure them. A lot of it is draftsmanship.

Like Andy pointed out, I think there has been some confusion among some members of the Board about that, initially including myself at the very beginning.

I think as that process has evolved, we all came to the conclusion that important public safety rules and other issues
shouldn't be held up by what is, in effect, lawyers and policy analysts taking what we have; making them easier to understand, organizing them into different chapters.

That is the bulk of the work that is going to be done.

COMM. GIANNOULIS: There is an RFP put out for that?

CHAIRMAN DAUS: There is, and people responded to it.

MR. SALKIN: The company selected is TATC, and today is the public hearing, and assuming all goes well --

COMM. GIANNOULIS: Who is TATC?

MR. SALKIN: I don't know what the acronym stands for. They are a company based in Bethesda, and they do work with the federal government. If all goes well, they should be working by September.

COMM. GIANNOULIS: Is this public --

MR. SALKIN: It is a public hearing.

CHAIRMAN DAUS: Commissioner, do you have another comment?
COMM. DEAR: One of the things I wanted to do, a zero tolerance policy and put into the law, when they come for renewals, if they have any violations with regard to dispatching an illegal car, we do not renew them. I mean, that's --

CHAIRMAN DAUS: I would agree with that.

COMM. DEAR: Even one vehicle, because it seems to me --

MR. SALKIN: This is one of the things we are trying to make clear today, a base -- and you can talk to any of the base owners -- there could be a vehicle that was -- you are saying if the base --

COMM. DEAR: If the base dispatched.

CHAIRMAN DAUS: If we can approve that a base --

COMM. DEAR: I know --

MR. SALKIN: You are saying unlicensed vehicle, a straight plate?

MS. MEYERS: That's not the 6-12K1 and 2 rules.

COMM. DEAR: I am talking about a
switch and bait when they call and dispatch an illegal car, straight plate, whatever you want to call it.

CHAIRMAN DAUS: Zero tolerance. I think if there is even one conviction of a base that we have proven that they knowingly dispatched an unlicensed vehicle, a straight plate, that base should be automatically -- it shouldn't even come to us. The judge should have the power to revoke.

MR. SALKIN: It will be interesting to have that hearing, and you will hear from the industry.

CHAIRMAN DAUS: But in terms of drafting the rules, I think it is a better way to do it that way than to wait two years so that renegade bases that are endangering the public, because it is the beginning of their license terms, waits for this Commission to decide whether we are going to renew them.

The other thing is, I think there should be zero tolerance for vehicle owners that are basically out there that give their car to people without a license. I think that is endangering the public.
I think that if you call anybody in here, the Police Department, they would probably agree that that is a concern they would have, especially since if you drive your automobile, your own personal automobile without a DMV license, you get arrested.

We have members of a professionally licensed industry out there basically not just driving themselves without licenses, driving third parties under the public perception that they are safe in cars, and I don't know if it is everywhere as rampant as maybe some people think it is, but it is happening.

There are some good bases out there, and I don't want to take anything away from them. They are bases that have their act together, they are very careful and have their own controls in place, but there are also a heck of a lot of them that don't.

In terms of the Commission's business, I have to tell and say basically that the limousine and the black car industry and the yellow cab industry do do a decent job on this area.
The livery industry, there are some many good operators and bases, but there are in the livery industry a lot of bases that need work, and, in all fairness to the bases, there are bases that can only do so much.

That is really, I think, the revelation today; that no matter how diligent a base is, how do you really control what a vehicle owner and driver do in the middle of the night when you don't know they are working for you? I think that is a fair point.

In terms of the Commission's work, we have had a lot on our plate, but, in my mind, having been here for over ten years, this is the final frontier in terms of us raising standards for everybody.

The livery industry is the one area of all the industries, and this particular problem is an area that we need to address, and I think we could really say as a regulator, as a city, that we are one of the best if not the best in terms of what we do in terms of protecting the public.

With that, I would like to basically ask staff to move forthwith to
finalize in rule format these ideas.

In the interim, between now and the drafting, if you have concerns or ideas or want questions answered, I could always -- we could always run it by the Commissioners.

I would like for them to see maybe a first draft before we put it out to the public.

That is it.

Thank you. Congratulations.

Good work.

That concludes the public portion of the meeting.

Now I would like to have someone make a motion to adjourn to executive session.

COMM. DEAR: Before we adjourn, I want to recognize we have former Commissioner here, Commissioner -- Deputy Commissioner -- whatever the title is -- Executive -- Carter -- who is standing in the audience.

I never had a chance. You ran away on us.

I want to commend you for the work you have done in the past, for the many years you put into this agency. You did a
damned good job.

CHAIRMAN DAUS: Welcome back, Bill.

He did come to say good-bye before he left, in all fairness to him.

Welcome back.

COMM. DEAR: It is after the year.

CHAIRMAN DAUS: This is a discussion I am sure you know very well, Bill, having done this for many years, and welcome back.

A motion to adjourn to executive session without the Chair being present, in my absence, to consider the appeal item 6 on the agenda, TLC versus Mohammed Elbstamey, license number 443681. It is an appeal of a discretionary revocation decision, and it has been marked final.

Do we have a motion?

COMM. DEAR: Motion to adjourn.

CHAIRMAN DAUS: Do we have a second?

COMM. AROUT: Second.

CHAIRMAN DAUS: All in favor?
(Chorus of "ayes.")

CHAIRMAN DAUS: Have a cool remainder of July, and we will see you in August.

(Time noted: 12:23 p.m.)
CERTIFICATION

I, HELENE GRUBER, a Notary Public
within and for the State of New York, do
hereby certify:

THAT the foregoing is a true and
accurate transcript of my stenographic notes.

IN WITNESS WHEREOF, I have
hereunto set my hand this ___ day of
________, 20__ .

______________________________
Helene Gruber, CSR