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10 NYC TAXI AND LIMOUSINE COMMISSION
11 PUBLIC MEETING
12 held on Thursday, December 18, 2008
13 40 Rector Street
14 5th Floor
15 New York, New York
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1 Public Meeting convened at 9:35 a.m.

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P R E S E N T:

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4 MATTHEW W. DAUS, COMMISSIONER/CHAIR

5 ELIAS AROUT, COMMISSIONER

6 HARRY GIANNOULIS, COMMISSIONER

7 IRIS WEINSHALL, COMMISSIONER

8 LAUVIENSKA POLANCO, COMMISSIONER

9 EDWARD GONZALES, COMMISSIONER

10 JEFFREY KAY, COMMISSIONER

11 CHARLES FRASER, GENERAL COUNSEL
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1 CHAIRMAN DAUS: Good morning

2 everyone.

3 Sorry we are starting a little late.

4 We are actually are going to lose one of the
5 Commissioners so I am going to skip out of order
6 on the agenda.

7 I would like to go directly to Item
8 4, For Commission Action, Medallion Transfer
9 Rules. I will turn it over to Chuck Fraser.

10 MR. FRASER: These proposed rules
11 would govern the transfer of Taxicab Medallions.
12 The proposed rules would comprehensively specify
13 the requirements of each type of Medallion
14 transfer, including the requirements for a buyer
15 or the transferee of a Medallion to become
16 licensed by the TLC to own a Medallion.

17 The proposed rules were published for
18 comment on October 24, 2007 and a public hearing
19 was held on January 10, 2008. At the public
20 hearing it was announced that based on a written
21 comment received, the staff was proposing a
22 revision that would provide notice of a transfer
23 to taxi technology vendor in a new paragraph of
24 Section 1-80.1.

25 As a result of further consideration
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1 of comments received to this proposed revision,
2 the staff recommends a further revision to the
3 new paragraph. Staff recommends expanding the
4 new paragraph in Section 1-80.1 to provide (1)
5 notice of transfer must be given to the taxi
6 technology vendor at least 30 days prior to the
7 date of the transfer; (2) the seller or
8 transferor must provide at the closing a
9 statement of intent to either cancel the
10 existing contract and return the equipment to
11 the vendor or assign the existing contract to
12 the Medallion buyer; and (3) the buyer must
13 provide at the closing either a statement of
14 intent to assume the seller's taxi technology
15 contract or identification of the approved
16 taxicab technology vendor with which the buyer
17 will contract.

18 Finally, as a result of the passage
19 of time, the staff is recommending changing the
20 effective date of a provision in the proposed
21 rules for a new requirement for tort plaintiffs
22 to file claim letters. Staff recommends that
23 the effective date be changed to February 1,
24 2009. Copies of these revisions have been
25 distributed to the Commissioners and are

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1 available to the public at the back of the room.

2 CHAIRMAN DAUS: This is a process
3 that has been going on for over a year. We had
4 a public hearing back in January earlier this
5 year. There have been extensive memos, a lot of
6 discussion. If you recall, I had tabled this
7 matter in January to sit down and listen to some
8 additional concerns raised by the industry. We

9 did that. Obviously, we are not going to meet
10 eye-to-eye on every single item, but will I will
11 say is that it is very, very important, in my
12 view, that we actually pass these rules and get
13 them codified so that we have an operating
14 system in place so that there is clarity and
15 stability in the industry that they know what
16 the rules are with these transfers.

17 However, we are open to looking at
18 specific issues moving forward, not only as part
19 of the rules project, but also if certain things
20 and issues that were claimed by the industry end
21 up happening, such as not being able to appoint
22 an administrator within a certain number of
23 days, I am certainly open to fixing that if we
24 need to. Obviously, there is the trust issue,
25 which there were some valid arguments on both

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1 sides which I think we should further explore.
2 And there is also the Ad Code issue. I think it
3 is important.

4 OATH was here last time, if you
5 remember, and the Chief Judge had testified that
6 they are ready, willing and able to handle these
7 cases. I believe that they are. That's the
8 only real major change from what we have been
9 doing for the last 10, 20 years, as far as I
10 know, that the hearings to evaluate the tort
11 claims will be going instead of to one our
12 judges, to OATH. However, as we stated to the
13 Committee for Taxi Safety and some other
14 industry groups that were interested, we are
15 open to exploring an even better solution, if
16 there is one, to protecting the rights of
17 injured plaintiffs. However, we are constrained
18 by the Administrative Code, so that will require
19 Council legislation. But we are open to looking
20 at whatever comes out of it.

21 That is basically how I feel. I am
22 otherwise okay with the rules. I don't know if
23 any other Commissioners have any questions,
24 comments or concerns?

25 (No response.)

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1 CHAIRMAN DAUS: No, okay.

2 COMM. AROUT: I make a motion to
3 accept them.

4 CHAIRMAN DAUS: We have a motion on
5 the floor. Do we have a second?

6 COMM. KAY: Second.

7 CHAIRMAN DAUS: All in favor?

8 (Chorus of "Ayes.")

9 CHAIRMAN DAUS: It's unanimous.

10 Okay, thank you.

11 I would like to now go to Item 5, the
12 Mac-Box System Pilot Program Proposal. If you
13 recall, for those of you who here at the last

14 meeting, there was some, I think, valid concerns
15 raised by Commissioner Giannoulis and seconded
16 by Commissioner Polanco that maybe we could be a
17 little more clear in exactly what we are
18 approving. And also which I agree with, we
19 should have the practice of whenever we vote on
20 matters, we should have not just a PowerPoint
21 presentation, we should have a resolution. I
22 think it is good practice.

23 And as a result, David is going to
24 update us very briefly with some pictures and
25 photos so we know exactly what is involved with

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1 this Pilot, and also we have a resolution that
2 has been forwarded to the Commissioners.

3 MR. KLAHR: Good morning,
4 Commissioners. As was just stated, this is a
5 revision from the presentation we did at the
6 last meeting that was tabled to this meeting.

7 The proposal is for interior mounted
8 cameras for data collection, and the concept
9 that we are discussing are vehicle-mounted
10 cameras that can record images that can be used
11 by either owners, the Commission itself, or
12 other industry partners to improve safety and
13 encourage responsible driving.

14 So what can be recorded? And there
15 are a lot of different options out there in the
16 marketplace right now: Continuous images, video
17 images, triggered video clips and they triggered
18 by certain events and would not necessarily be
19 recording continuously. It can also record
20 emissions data and other types of data such as
21 speedy acceleration, deceleration, G Forces,
22 things like that.

23 The Pilot proposal we have on the
24 table is from DriveQuest Technologies for their
25 Mac-Box Dual System. This is a camera and an

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1 integrated computer that would be installed in
2 the vehicle. It can store short video clips
3 generated by either triggered events which
4 would, for instance, an accident or a crash,
5 excess G forces, and also there will be a button
6 available for the driver so if there is an
7 incident occurring they want to record, they can
8 just hit the button and record that.

9 It is an exterior facing and an
10 interior facing camera. And it has one other
11 interesting feature which is that it can
12 transmit the data via Wifii, so, for instance,
13 if you are a garage owner you can have a video
14 monitor and have the data transmitted to you
15 that way. It doesn't just rely on the vehicle
16 coming back to the base and then downloading it.

17 DriveQuest is not the only
18 manufacturer of recorders out there, although

19 they are the one with the proposal on the table.
20 VerifEye, DriveCam Corporation, Bosh
21 Diagnostics, Delta Solutions, there are a lot of
22 firms out there that do this.

23 CHAIRMAN DAUS: By the way, David, I
24 just received a fax, which I distributed to the
25 Commissioners, from VerifEye. They have also

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1 requested a Pilot proposal as well. So there is
2 interest out there and the word is apparently
3 getting out. That is another company.

4 MR. KLAHR: Okay, so it looks like
5 there is already an interest in this.

6 So why would we want to do this?
7 What we would like to test is to see if it can
8 improve safety in the industries that we
9 regulate. We think it might be a possible
10 deterrent to poor driving for drivers to see the
11 unit in the car. We think that it might provide
12 more accurate accident information to have an
13 actual recording of an incident on the road,
14 rather than to rely on just people's memories,
15 which can sometimes can be inaccurate. And it
16 is possible that it might provide a better
17 assessment of risk, for example, for insurance
18 companies to see what people are actually doing
19 out there on the road.

20 So, again, the proposal that is on
21 the table if for a Pilot lasting up to 13 months
22 for the Mac-Box III. And, of course, since we
23 are approving a concept, other firms that are
24 interested can get in on this. It is for
25 vehicle-mounted cameras that record vehicle

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1 activity or driver behavior. It would allow up
2 to 20 vehicles per manufacturer and it would
3 require data sharing with TLC, so we can
4 actually see what is going on and see what
5 interesting information is developed from this.

6 So I thank you very much for your
7 time, and, yes, there was a resolution appended
8 to the statement of outline which should be in
9 your books.

10 CHAIRMAN DAUS: Any questions?
11 (No response.)

12 CHAIRMAN DAUS: Do I have a motion
13 to approve the resolution?

14 COMM. WEINSHALL: So moved.

15 CHAIRMAN DAUS: Is there a second?

16 COMM. AROUT: Second.

17 CHAIRMAN DAUS: All in favor?
18 (Chorus of "Ayes.")

19 CHAIRMAN DAUS: Thanks, it's
20 unanimous. Now we are going to jump to Item 3,
21 the Base Licensing Review.

22 Thank you very much, David, good job.

23 MS. STEELE-RADWAY: Good morning.

24 Licensing would like to present before the
25 Commission 13 bases with a recommendation for
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1 approval.

2 CHAIRMAN DAUS: Do I have a motion
3 to approve?

4 COMM. GONZALES: Motion to approve.

5 CHAIRMAN DAUS: A second?

6 COMM. WEINSHALL: Second.

7 CHAIRMAN DAUS: All in favor?

8 (Chorus of "Ayes.")

9 CHAIRMAN DAUS: Thank you.

10 No denials today, right?

11 MS. STEELE-RADWAY: No.

12 CHAIRMAN DAUS: Great. Now we are
13 jumping to Item 2, Adoption of the Minutes of
14 the November 20, 2008 Commission Meeting.

15 Any questions, concerns, comments or
16 changes to the minutes?

17 COMM. AROUT: Motion to accept the
18 minutes as read.

19 CHAIRMAN DAUS: There is a motion to
20 accept on the floor. Is there a second?

21 COMM. KAY: Second.

22 CHAIRMAN DAUS: All in favor?

23 (Chorus of "Ayes.")

24 CHAIRMAN DAUS: Okay, it's
25 unanimous. Now we are back to where we are

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1 supposed to start, The Chair's Report.

2 First, I want to just let the
3 industry know if you don't know already, there
4 is a holiday enforcement initiatives that is
5 done every year in conjunction with the NYPD of
6 which the TLC participates. It's a primarily
7 geared towards safety traffic infractions,
8 including making sure that cabs as well as other
9 motorists do not block the box, abuse the bus
10 lanes or talk on cell phones.

11 So in addition to enforcing those
12 laws, our uniformed inspectors are also in zero
13 tolerance gear as well for enforcing the rules
14 against the illegal street hails. So we are out
15 there on the streets and this will continue
16 throughout the holidays,.

17 Item 2, Vehicle Retirement
18 Extensions. There will be more details in an
19 industry notice that will follow, but I just
20 want to announce that with respect to the 25
21 miles per gallon rules that were involved with
22 the lawsuit and that we had passed, there is an
23 ancillary issue of inspections and extensions of
24 vehicle retirement. And I just want to announce
25 that any owners of Medallion cabs that are still

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1 in service but were scheduled to be replaced
2 from October 1, 2008 through January 19 of 2009,

3 may remain in service until January 20th.

4 Now each one of these vehicles will
5 need to undergo an inspection, a visual, so we
6 would need for you to come in at your scheduled
7 inspection time and we will be noticing you of
8 when you can and should do that. There will be
9 an industry notice that will probably go out
10 today at the latest and we will make sure we get
11 in touch with each of you on the details of when
12 particular cabs need to come in for their
13 inspections.

14 We also announced since the last
15 meeting that in light of the economy, economic
16 downturn as well as the financing well drying up
17 with respect to the black car 25 MPG program,
18 that it would be a prudent thing for us to defer
19 the implementation of that program until January
20 1, 2010. That includes not just the requirement
21 that all black cars need to be 25 MPG or better,
22 but also the vehicle retirement provisions of
23 the rules. And there will be more details to
24 follow on that and we will monitor that closely
25 over the coming year.

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1 Also just an update on the rules
2 review project. In the coming year, in the new
3 year we will be spending a lot of time on the
4 rules project in a public setting. Possibly
5 voting and discussing the rules. Right now we
6 have started the public hearing process, which
7 the first hearing was held on I think December
8 5th, Chaired by Chuck Fraser. We are not
9 expecting a lot of comment because this is not
10 the part of the Rules Revision Project that
11 involves many, many substantive changes. It is
12 really just reorganizing, renumbering, putting
13 things in the right places.

14 So we only had, I think, two comments
15 and there was an agency record of a public
16 hearing that listed less than five minutes. We
17 have provided the entire transcript of the
18 hearing to the Commissioners. We are not voting
19 on it, but we are going to have a second public
20 hearing on January 23rd, regarding the Taxi
21 Business Rules Chapter 14. The hearing that was
22 held December 5th concerned industry
23 representatives and Medallion sales.

24 So in the coming year we will
25 probably be voting on some of these changes on a

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1 month-to-month basis and you will be learning
2 more about it. But, again, if you want to
3 provide your comments, you can do so at any
4 time. There is a link on our website where you
5 can do that at your leisure. If you would like
6 to come to one of these hearings, you are
7 welcome to do that as well. And all of these

8 comments will be summarized for the
9 Commissioners and we will vote on them publicly.

10 As promised our monthly accessible
11 dispatch report, there are 236 accessible
12 vehicles on the road as of now. There have been
13 800 dispatches, almost 800 dispatches. About 74
14 cancellations, 308 drivers have been trained,
15 and 143 vehicles and drivers have been equipped
16 with their Blackberries. An average of 20 to 30
17 vehicles are logged on at any time receiving
18 calls from persons who use wheelchairs.

19 Our next tentative, very tentative
20 date for a Commission meeting, is January 8,
21 2009. And last but not least, I certainly would
22 like to welcome some new Administrative Law
23 Judges who were not able to make our swearing in
24 last month. So the rest of the class is here.

25 I am very, very pleased, as we all

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1 should be, with the quality of their
2 backgrounds. We have many Judges with private
3 sector experience, but also with public sector
4 experience including the Environmental Control
5 Board, the Probation Department, DEP, Finance,
6 Buildings, FDNY, Sanitation, Parks, Health, DOT,
7 Department of Consumer Affairs, the DA's office,
8 NYPD, New York State Attorney General's office
9 and the Board of Ed. So very, very impressive
10 resumes. And welcome and best of luck to you.

11 I would now like to introduce our
12 Chief Administrative Law Judge Carmena Schweke,
13 who will administer the oath of office and swear
14 you in.

15 JUDGE SCHWECKE: Good morning,
16 Commissioners. I present to you eight ALJs to
17 be sworn in.

18 When I call your name, please stand
19 up: James Drury, Roxanne Wild, Tom Flynn -- I'm
20 sorry, that's Joseph Flynn, Igor Oberman, George
21 Hindy, Naomi Sheiner, Greg Lehner and James
22 Plotkin.

23 Would you each raise your right hand
24 and repeat after me.

25 (Whereupon, the Administrative Law

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1 Judges were sworn in.)

2 JUDGE SCHWECKE: Congratulations.
3 (Applause.)

4 CHAIRMAN DAUS: Congratulations, and
5 congratulations to the staff of Judge Schweke,
6 Deputy Chief ALJ Sherry Cohen as well as, of
7 course, Pita Minelli. We will have a new Deputy
8 Commissioner in charge of that department that
9 will be starting in January. His name is Ray
10 Scanlon and he comes to us from the
11 Environmental Control Board. We will be meeting
12 him in person.

13 And basically I know you have been
14 through a lot of training and now is the time to
15 hit the bench and start making decisions. I am
16 very sorry that all the rules that you have
17 learned, thousands and thousands, the numbers
18 will be changed and reorganized, but it is
19 probably for the better. It will probably make
20 your lives and your jobs easier and better in
21 the coming year. So congratulations, Godspeed.
22 That concludes my report. Any
23 questions?
24 COMM. WEINSHALL: Mr. Chairman, can
25 I ask a question?

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1 CHAIRMAN DAUS: Sure.
2 COMM. WEINSHALL: I read in the
3 newspaper yesterday regarding the Governor's
4 budget about a 4 percent tax on taxi rides and I
5 was wondering if either the Administration or
6 your office have gotten any guidelines from the
7 Governor's office?
8 CHAIRMAN DAUS: We have not other
9 than what was in the budget, so we haven't
10 formulated a response to it yet, but it is very,
11 very fresh.
12 COMM. WEINSHALL: Thank you.
13 CHAIRMAN DAUS: We will obviously be
14 guided by the Mayor's budget office with respect
15 to the implications on the city and reports on
16 our regulated industries.
17 COMM. WEINSHALL: And we would have
18 to regulate rules, I guess. Jeff, do you know?
19 COMM. KAY: I don't know.
20 CHAIRMAN DAUS: I apologize for
21 jumping out of order but that was very quick.
22 We are now going to Item 5B, the Lease Cap Rule
23 Revisions.
24 As you know, Mayor Bloomberg had
25 announced some suggested changes for the

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1 Commission to consider with respect to the Lease
2 Cap involving clean air vehicles. As promised,
3 although this is not a public hearing, we won't
4 be voting today, as we traditionally do at our
5 public meetings, we are going to have a
6 presentation to remind the Commissioners of what
7 our rules say, some of the rationale and some of
8 our research behind why they were passed, and
9 also to go over in detail what the Mayor and the
10 Mayor's office has proposed, along with the TLC
11 staff to the Commission.
12 So I would like to turn it over to
13 David Klahr who is going to walk us through this
14 presentation.
15 MR. KLAHR: Good morning again.
16 Just to give a brief run over of what
17 I am going to cover here, I will talk a little

18 about where we stand now on cleaner vehicles a
19 and leases, we will talk about possible Lease
20 Cap changes, the vehicle purchase cost, as well
21 as incentives that we feel are misaligned. I
22 will talk a little about the City Council's
23 efforts in this regard and their incentive and
24 disincentive plans. And, finally, kind of
25 generically about leasing language and some

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1 suggestions for clearer terms for that and some
2 general principles that staff thinks will be
3 very helpful when thinking about leases.

4 So where are we now? As you are
5 already aware, the TLC did not prevail in the
6 lawsuit and Judge Crotty ruled that we are
7 preempted from mandating minimum mileage
8 standards for taxicabs. So we will propose
9 rules to repeal the earlier mandate, but the
10 City and the Commission are still committed to a
11 cleaner city and a more efficient fleet.

12 We had a lease hearing earlier this
13 year that was attended by many people in the
14 industry, and the Mayor has asked us to develop
15 incentives and disincentives to induce people to
16 invest in these cleaner vehicles. The City
17 Council is also thinking along the same lines
18 and they also discussed incentives and
19 disincentives. You will hear a lot about
20 incentives and disincentives in this
21 presentation.

22 We are thinking about all different
23 options to improve the fleet to include these
24 cleaner vehicles and it looks like this might be
25 the way to go. Just so you know, there are

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1 1,683 hybrids out of the 13,0237 Medallions.
2 That is a pretty large jump in the last couple
3 of years.

4 Just to review for a minute what the
5 current Lease Caps are, your daily rate is going
6 to range from about \$105 to \$129, and that is
7 the maximum per shift. And the weekly average
8 is going to be \$113 per shift. So if you are
9 running the car for every shift at the maximum
10 amount of money that you can get for it, you are
11 grossing a little less than \$83,000 per year.
12 And we have a chart with the current Lease Caps.

13 There is also weekly Lease Cap and
14 for the weekly cap for a Medallion with a
15 vehicle, it is \$666 for seven shifts a week so
16 sometimes people lease it out for the morning
17 shift and then do a different lease for the
18 afternoon shift. And that brings in about
19 69,000 gross per year. And then there is
20 Medallion only weekly Lease Caps, and that is
21 \$800 for just the Medallion. The car is a
22 separate deal, so that's a little less than

23 \$42,000 per year.

24 So if you are asking people to
25 purchase cleaner cars, they do cost a little bit
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1 more, and we know, thanks to the recent court
2 case, that people pay about \$5,000 more for a
3 hybrid car than they would for a Crown Victoria,
4 and it costs about a \$1,000 more to hack it up
5 than it does a Crown Victoria. So the number we
6 are working with here is it costs about \$6,000
7 more than to purchase one of these cars than
8 your other choice.

9 So that works out to be \$3.00 per
10 shift over the course of three years. And how
11 we came to this number is you take the \$6,000,
12 you divide it by the three years, you get \$2,000
13 a year, and there are 728 shifts for owners a
14 year. So there are 14 shifts a week, 52 weeks a
15 year, and our rules do require that
16 double-shifted cars are out for every shift.

17 So if we are going to do this, if we
18 are going to make this change, the Lease Cap
19 should be altered to reflect the higher cost and
20 we should do it fairly quickly because the
21 number of hybrids and the number of cleaner cars
22 is increasing very rapidly. And this would
23 also, in theory, affect the weekly lease. So if
24 you are adding the money along the same rate,
25 the average would increase to 116 per shift or

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1 \$42 per vehicle, so that brings the gross up
2 84,700 per year. And that is a gain of about
3 \$2,100. And the same thing for a weekly
4 Medallion with vehicle.

5 So what are the misaligned incentives
6 that I mentioned earlier. And this has to do
7 with the way that leases are structured and how
8 the industry is working right now. We have
9 three types of drivers out there. We have the
10 owner drivers, and they pay for the gas but they
11 also pick what vehicle they drive. We have
12 DOVs, and they pay for their gas and they also
13 in general pick what vehicle they drive. If you
14 are a fleet driver, though, you pay for the gas
15 in almost every case, but the Medallion owner is
16 the one who chooses the vehicle, so there is a
17 disconnect there between the person who is
18 purchasing the fuel and the person who is
19 purchasing the vehicle.

20 And what this means is that they are
21 price insensitive when it comes to gas, and this
22 chart illustrates that. Gas prices have changed
23 a lot in the last year, year and a half. I am
24 sure I don't have to tell you that. So if gas
25 prices are relatively low, like they are now,

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1 the average price we have for December for the

2 New York area is about 2.18 a gallon. So if you
3 are Crown Victoria driver, you are paying about
4 \$20 to fill up your tank for your shift. And if
5 you are a hybrid driver, you are paying a little
6 less than \$9. So there is a differential there.

7 If you go back to earlier this year
8 when gas prices were very, very high, more than
9 \$4 per gallon, the price difference is even more
10 dramatic. You see that a Crown Victoria driver
11 is paying almost \$40 to fill their tank and the
12 hybrid driver is paying less than \$17. But at
13 the same time, if you are not paying for gas,
14 none of this matters. You are still paying
15 zero. So sometimes prices go up, sometimes
16 prices go down. But at the same time, if you
17 are not connected to the gas price in any
18 meaningful way, you are indifferent to this.

19 And we have seen evidence of this in
20 vehicle purchases. And so, what we have noticed
21 is, going through the data, if you have to pay
22 for the gas it strongly influences what car you
23 choose if you are able to choose what car you
24 want to purchase. And you can see that what we
25 did was we compared the first half of 2007 to

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1 the first half of 2008. And the reason we did
2 that is because something really important
3 happened with gas prices in early 2008. They
4 went up to record, record levels. And also this
5 before the mandate to purchase the hybrid cars
6 came into effect. So we took two situations
7 where people had free choice as to what car they
8 bought.

9 So we examined if you have an
10 unrestricted Medallion. We put aside the
11 Medallions where you are required to buy an
12 accessible vehicle, where you can't buy a
13 hybrid, and we put aside the Medallions where
14 you have to buy a hybrid vehicle because
15 obviously you don't have a choice there. And we
16 noticed that if you are an owner driver or a
17 DOV, when gas prices go up, your interest in
18 buying a hybrid goes up a lot as well. But if
19 you are a fleet owner, your interest doesn't go
20 up as much. It went up, we also noticed that a
21 small number of fleets accounted for almost all
22 the growth in the hybrid purchases. And there
23 are fleets out there that specialize in
24 accessible vehicles, in hybrid vehicles, and so
25 on.

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1 So what we are proposing is that we
2 make that connection between the person who buys
3 the gas and the person who buys the car for
4 everyone. And if you go by the average price
5 over the last two years for gas in the New York
6 area, it is \$3.05. So if you work from that

7 number and you assume that there is about 135
8 miles driven per shift, and we got this from
9 actual data from the T-PEP system. We figured
10 out what is the average number of miles that a
11 driver is driving.

12 And we know that the Ford Escape
13 Hybrid gets about 34 miles per gallon and the
14 Crown Victoria gets about 15 miles per gallon.
15 So working from these numbers, you find out
16 there is a difference in the amount of gas you
17 have to buy per shift of about \$15. And that's
18 every shift that you are driving. And so, if we
19 are thinking about making an adjustment for
20 owners who have to spend more money and it works
21 out to about \$3 per shift for them to buy the
22 cars, but at the same time, it is more expensive
23 for the driver to go to the alternative, to the
24 Crown Victoria, if you take the \$15 shift
25 difference and take out the \$3 we are mentioning

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1 for the increased cost, you work out a \$12
2 adjustment per shift. And that's what we are
3 asking you to think about. That if you reduce
4 the Cap for the Crown Victoria or any other
5 non-clean vehicle by \$12 a shift, what you do is
6 you are equalizing the purchasing economics for
7 the owner. They have to buy a more expensive
8 car, but they are getting an extra \$3.00 a shift
9 for that. You are covering the driver for the
10 extra burdens of paying for the gas and it kind
11 of equalizes the fairness a little bit.

12 So this is what the realigned Lease
13 Cap would look like with the numbers. And I
14 won't necessarily go into every number, we have
15 a lot of material to cover. You can see that it
16 is the current Lease Cap minus \$12 for each
17 shift. So what does this mean if we actually do
18 this?

19 Well, if you are fleet owner and you
20 buy a hybrid, you are getting an extra \$2,184
21 per year, per car. And that is over the
22 lifetime of the car. If you are leasing a Crown
23 Victoria on a daily basis, you are having your
24 cost reduced by \$12 per shift. And we assume
25 people will go and spend that on gas or they can

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1 do whatever they want with it. But if you are a
2 hybrid driver, you are going to pay \$3 more per
3 shift. So how does this align with the
4 incentives and the disincentives that the City
5 Council is talking about.

6 What they have is Intro 876. These
7 are the disincentives that they are proposing.
8 They are proposing that dirty cars, the
9 non-hybrid, non clean diesel cars be off the
10 road much more quickly than they are now. And
11 that is a very strong disincentive to how things

12 are done right now, because the Crown Victoria
13 would no longer be the cheapest option out
14 there.

15 It wouldn't be the default option
16 anymore because if you look at the price of the
17 vehicle and you amortize over the three years of
18 the life of the vehicle, it is about \$10,000 a
19 year now. And then if you reduce the term that
20 you retire it by about half, it goes to \$20,000
21 per year. And that is a very strong
22 disincentive. And it is anticipated that this
23 would change the purchase behavior of someone
24 who has a free choice of which car they want to
25 buy.

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1 There is also some incentives
2 included for vehicle retirement which is that it
3 would allow the cleaner cars to be on the road a
4 third longer and the acknowledgment that we
5 really want to induce people to buy these
6 vehicles so we will give them something in
7 return. We've know from our experience from the
8 Safety and Emissions Division that we have seen
9 enough hybrid vehicles now to know we think they
10 are performing as well, even better in some
11 cases, than the standard fleet. In many cases
12 they passed their first inspections at a higher
13 rate.

14 And so there is a real thing to think
15 about whether we want to think about having that
16 be the new standard, that you have the hybrid
17 vehicle, it has its term, and not offer specific
18 incentives for specific things. So this
19 actually ties into the lease hearings that we
20 held earlier this year. And I will illustrate a
21 couple of examples and talk about leasing
22 language and how leasing in general works in the
23 industry.

24 One thing that we noticed when we
25 were preparing for the lease hearing and were

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1 doing some research into leasing was that leases
2 were in many cases very ambiguous, difficult to
3 understand, and had provisions in them that
4 looked unusual. If you indulge me a minute, I
5 would like to read you some samples from some
6 leases that we pulled to give you a real
7 illustration of what we are talking about. I am
8 not going to mention any names. I will just
9 read a couple of clauses so I won't bore you to
10 tears reading the entire leases.

11 In this particular lease, this is
12 clause number 10, it says, and I quote, "If this
13 agreement is broken before the car is paid," and
14 then in all caps, "all money paid by the lessee
15 will be forfeited." This is a DOV agreement.
16 This is an agreement allegedly for the purchase

17 of a car. So if you have been making your
18 payments for two years and you miss one payment,
19 you are out all the money.

20 In this particular lease, we have an
21 example, clause number 10, where the lessee
22 acknowledges, and I am quoting, "That lessor may
23 at any time replace the Medallion used in this
24 agreement." Sometimes, as we know, agents lose
25 the right to a particular Medallion. We don't

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1 think there is anything strange or unfair about
2 that. It is a separate business agreement.
3 However, this lease goes on to say that, "In the
4 event of such occurrence, the lessee will be
5 responsible to perform all tasks, duties and pay
6 all fees required by the TLC to hack up another
7 Medallion." So in other words, if you lose the
8 Medallion as a driver, through no fault of your
9 own, you now have additional expenses to hack up
10 the car when you are given the next Medallion.

11 Just a couple of other leases. This
12 one had an interesting clause in it. Under
13 "Driver's Responsibilities," the very first
14 responsibility listed for the driver is, and I
15 am quoting, "The driver shall receive the
16 vehicle with a full tank of gas and the driver
17 must return the vehicle with a full tank of
18 gas." Sounds reasonable so far. Then it goes
19 on to say, "The gas must be filled up at," and
20 then it names two specific gas stations at two
21 specific addresses. I am not sure how you would
22 enforce such a clause or how you can tell which
23 gas they are putting in the car, but, remember,
24 that the driver is paying for the gas.

25 Just a couple of other quick examples

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1 of ambiguous or unusual language. One lease
2 that I have here offers a price sheet, and it
3 lists that the Lease Cap for a Monday day shift
4 is \$105. And that's correct, that is the Lease
5 Cap. Then it goes on and says, "Plus \$3 New
6 York sales tax must be added to every shift
7 price." So they are basically advertising we
8 will charge you more than the Lease Cap.

9 Then within the contract it states
10 that drivers are independent contractors.
11 Sounds great. Then later on in the contract it
12 notifies that if the driver wants to take a day
13 off, one week written notice must be given. As
14 well as the fact that if the driver is not going
15 to work a holiday they must also give written
16 notice. It doesn't seem consistent to us with
17 independent contractor.

18 One more contract. This one is a
19 two-and-a-half years DOV contract. The term of
20 the contract is for two-and-a-half years and it
21 includes purchase of a vehicle. Then states,

22 clause number 3 under the terms of the contract,
23 I quote, "Driver must complete a detailed time
24 sheet for each trip he or she makes with said
25 vehicle. Lunch breaks and personal use must

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1 also be entered in the time sheet. Driver must
2 submit the weekly time sheet every week together
3 with his or her weekly payment to management."
4 Again, this is for a DOV contract where
5 allegedly they own the car but they are required
6 to report all use of the car to the manager's
7 liking.

8 And just one more that I would like
9 to highlight one individual clause. This is a
10 contract where there is to expiration date and
11 no length of the contract. It also doesn't
12 state whether it is for a daily lease, weekly
13 lease or a DOV contract. Clause number 8, and I
14 am quoting, and this is italicized to highlight
15 it for anyone looking at it, "A fare increase
16 will result in an increase in lease payment "
17 I am assuming that when the Commission passes
18 fare increases sometimes they might want to give
19 to certain parties. And also, it doesn't
20 mention anything about the Lease Caps.

21 So, as you can see, it is very
22 unclear from a lot contracts that are in effect
23 in the field right now what the exact terms are,
24 what the definition of the Lease Cap is, and
25 what it covers and other items like that. So we

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1 feel that leases should have very clearly
2 defined terms and definitions for all of this.
3 And that leases should follow a standard, clear
4 format, so that everyone who is involved in the
5 process understands what is going on.

6 We also feel that Lease Caps should
7 be the maximum for all fees, taxes, expenses and
8 so forth, and that drivers should always get a
9 clear, detailed receipt every time they make a
10 payment, including for declining balances, and
11 that TLC should have the ability enforce all
12 these rules on the basis of complaints and
13 inspections.

14 That is all I have for you today and
15 I am happy to answer any questions that you
16 might have about what I just covered.

17 CHAIRMAN DAUS: Good job, David.

18 Any questions?

19 COMM. POLANCO: I have a question.

20 What does the rules say about increasing or
21 decreasing Lease Cap amounts? I think there is
22 a specific rule that deals with as to when is it
23 that they can increase or decrease the amount.

24 MR. KLAHR: Chuck, you will have to
25 back me up if I am reading it wrong here. My

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1 understanding is that the rules state that the
2 Commission holds periodic hearings to look at
3 the Lease Caps. I think it's every two years;
4 is that correct?

5 MR. FRASER: Lease Cap hearings must
6 be held every two years.

7 MR. KLAHR: And a Lease Cap hearing
8 can be called if there is a substantial change
9 in the expenses in the industry.

10 MR. FRASER: If I may supplement
11 that. The rules currently require that the
12 Commission change Lease Caps based on one factor
13 and one factor only. One factor is essential
14 and only one factor, and that is Medallion
15 operation costs.

16 What we are proposing is to say that
17 other factors besides Medallion operation costs
18 may be taken account of, including driver
19 income, our policy preferences, for instance,
20 here as to what car a buyer might buy, and so
21 on. As of right now, the essential and only
22 essential criterion is owner earnings.

23 COMM. KAY: Just a couple of
24 thoughts on what we have to deal with over the
25 next months or so. One is when the Mayor

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1 announced the suggestion, and one thing we have
2 all been talking about and I think we should
3 think about is how to phase in some of these
4 Lease Caps to ensure that there are some owners,
5 there are some purchases of vehicles that, in
6 fact, follow the rules as they are on the books.
7 And we need to really understand and work with
8 the industry of how we can possibly phase this
9 in over a period of time.

10 The second thought is one where I
11 have to be honest, one I haven't wrapped my head
12 around, that you saw some numbers that David
13 pointed out about how a lot of DOVs, the numbers
14 are increasing at increasing rates. I think
15 that's a good thing. I think that explains how
16 the incentives are aligned. But there are
17 circumstances, and like I said, I don't have
18 mind wrapped around it yet, where in some cases
19 even though they are not fleets, that, in fact,
20 the incentives are not necessarily aligned due
21 to the business practices of the agents.

22 And I don't have an answer to that.
23 I don't know if TLC should or can play a role in
24 it, but I would be very interested in hearing
25 ideas of how to do that.

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1 I am also assuming that we can have
2 that conversation over the next couple of weeks
3 or so because I would like to be able to come to
4 some sort of consensus working with the TLC,
5 Commissioner Daus and everybody else so we can

6 move forward on this.

7 Lastly, on the issue of the Lease
8 Caps and what's in the Lease Cap, I guess I want
9 to point out that we do need to be careful as a
10 Commission in understanding what is the TLC's
11 role in regulating the industry and getting
12 involved. The difference between regulating an
13 industry, protecting the various constituencies
14 of the industry, while at the same time getting
15 involved in a business transaction between two
16 private parties where it is not our role, I
17 think that's a delicate balance. I think that
18 is one that as we continue to talk about
19 streamlining or defining those Lease Caps and
20 how you enforce it, that we need to be mindful
21 of. That's just sort of a last parting thought.

22 CHAIRMAN DAUS: I concur with all
23 those comments. Any other questions?

24 COMM. GIANNOULIS: The Council
25 legislation would allow hybrids to be on the

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1 road 33 percent longer. Did the TLC testify to
2 that issue?

3 CHAIRMAN DAUS: Yes, I had
4 testified, Harry, and I had said that we are
5 open to exploring these issues but we rather
6 have a discussion with our Commissioners since
7 it is something that was started by rule making.
8 I had asked the Council basically to defer
9 consideration of their Bill until we had a
10 chance to discuss it. That's why we had this
11 staff presentation. And I was curious to see
12 what your thoughts were on that.

13 Council Member Yatsky was the sponsor
14 of that Bill. I attended and testified at a
15 hearing at the Transportation Committee, chaired
16 by John Lu. And there is no further indication
17 that it is moving as of yet. Council Member
18 Yatsky indicated that he would like to come here
19 and discuss this with us and testify at our
20 public hearing in the new year.

21 Andy, do you want to add something?

22 MR. SALKIN: I want to also point out
23 that part of what the Commissioner was asking
24 about was the rule that allows hybrids to get
25 extra years. That rule passed several years ago

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1 by City Council and the Commission followed.
2 So that rule that allows for extensions is
3 already on the books.

4 MR. FRASER: To clarify, what the
5 Commissioner was referring to in the
6 presentation was that the Bill Intro 876, or
7 whatever, would repeal the provision in the
8 existing law that enables us to qualify that
9 extension on passing two out of three of your
10 first inspections in the last year of your

11 regular lifetime.

12 CHAIRMAN DAUS: Right.

13 MR. FRASER: So there is a
14 conditional extension in the existing law and
15 existing rules. The proposed Bill, the current
16 Bill proposes to eliminate that condition or
17 make extension automatic. Obviously not if you
18 fail your ultimate inspection, but not requiring
19 that you have to pass your first inspection.

20 CHAIRMAN DAUS: Right. The Council
21 passed a law a while back, Harry, that said you
22 will get extra years on your vehicle if you put
23 a clean vehicle, and the cleaner the vehicle the
24 more time you get. And it is a little
25 convoluted how it works.

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1 They passed that law. Then we passed
2 rules that mirrored those laws. Part of those
3 rules, I think, exposed an inequity which we are
4 going to be looking at and proposing a change to
5 based upon Council Member Yatsky's concerns. I
6 don't think he intended, though the Council law
7 gave us the option to take somebody's car during
8 that extension period off the road if they fail
9 an inspection, take it out of service. The
10 obvious unfairness of that in some situations,
11 it may be a perfectly viable hybrid that has
12 been performing well in its extra years of life,
13 and it fails an inspection because of a broken
14 taillight.

15 Now, is it really fair to take a car
16 off the road and put it out of service and
17 require them to buy a new vehicle? No. So we
18 are going to be proposing changes to that
19 particular nuance so that if you fail for such a
20 minor defect, we will obviously take it off the
21 road until it is fixed, but you will be able to
22 bring it back onto the road. I think that's a
23 fair thing.

24 With respect to the general tenor of
25 the Council Member's Bill, he had also proposed

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1 shortening the vehicle retirement for non-hybrid
2 vehicles I think to 18 months. It is currently
3 three to five years. He wanted to shorten that
4 as a disincentive for people buying Crown Vics
5 to get them off the road. So that portion of
6 the Bill, I had asked to bring before you to get
7 your opinion on it. And we will see if the
8 Council will move on it or whether we deal with
9 the issue here.

10 Does anybody have any comments on
11 that concept? Do you feel it's an appropriate
12 exercise of our authority to shorten the Crown
13 Victoria's vehicle retirement time? That's the
14 question.

15 COMM. GIANNOULIS: If I can ask a

16 question before we talk about that, in the court
17 decision was there any recommendations,
18 admonitions, anything to the TLC Commission?
19 Did the judge say, "By the way, you guys
20 shouldn't have done this. You should have done
21 this," because I didn't read it.

22 MR. FRASER: He obviously said 25
23 mile per gallon mandate was notice valid. He
24 didn't go beyond that. Judges typically don't
25 go beyond the exact issue in front of them. And
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1 so, he didn't say what we should do or anything
2 further than that.

3 CHAIRMAN DAUS: It was also not a
4 final decision. It was a decision on a
5 preliminary injunction motion. So the lawsuit
6 is still technically pending and we are working
7 with the parties and discussing with the
8 parties --

9 COMM. GIANNOULIS: The parties
10 haven't withdrawn the lawsuit?

11 CHAIRMAN DAUS: No. In fact, the
12 extensions that I announced previously at the
13 beginning of the meeting with the industry
14 notice, that is part of an ongoing discussion we
15 are having, their counsel with our counsel. And
16 there is an actual court stipulation which if I
17 haven't sent it to you, I am happy to give a
18 copy.

19 COMM. GIANNOULIS: No.

20 CHAIRMAN DAUS: You don't want
21 anymore paper?

22 COMM. GIANNOULIS: No.

23 CHAIRMAN DAUS: Good environmental
24 choice.

25 COMM. GONZALES: I just want to make
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1 a comment. I do share Commissioner Kay's view
2 about trying to strike that delicate balance
3 between business and regulation. Although based
4 on what was presented to us, in particular, when
5 you read the various lease agreements, I think
6 there are certain minimum standards and
7 disclosures that I think we should be able to,
8 as a Commission, propose in these agreements.
9 Something simple like a term of contract, I
10 think, is a something that should be in every
11 lease agreement.

12 Thank you.

13 CHAIRMAN DAUS: Any other questions?

14 COMM. POLANCO: I have one other
15 question. When you mention that in terms as to
16 why -- the factor, Chuck, you mentioned the only
17 factor that is considered in order to increase
18 or decrease the Medallion is Medallion operation
19 cost.

20 MR. FRASER: No, it's the only

21 factor that is essential. There are other
22 factors. Once that threshold is met, other
23 factors can come into play.

24 COMM. POLANCO: So this proposed
25 rule basically wants to bring in other factors
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1 that are considered also as a threshold.

2 What are those factors specifically?

3 MR. FRASER: I don't know that we
4 have anything specific. I think the concept is
5 to say that the Commission may raise and lower
6 the Lease Caps when they think it is appropriate
7 to raise and lower the Lease Caps. It does not
8 have to be triggered solely by owner cost.

9 I think the reason for that is
10 obviously in 2002, or no, 1996 when they passed
11 that provision, it was not anticipated that gas
12 costs would get to \$4.11 a gallon.

13 COMM. POLANCO: But now the gas has
14 gone down.

15 MR. FRASER: Well, that is true.
16 But, nonetheless, unforeseen things happen. And
17 the Commission rules should permit the
18 Commission to act when something that they did
19 not contemplate happens.

20 I should also point out that we need
21 not elevate this rule beyond what it is. The
22 Commission passed the rule. The Commission can
23 alter its own rules, we do this all the time.
24 So we need not to imagine that this is some kind
25 of statutory or constitutional constraint. This

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1 is just a rule that the Commission passed in
2 1996 and we are proposing to amend it.

3 CHAIRMAN DAUS: Actually this is a
4 question that came up during the City Council
5 hearing, and I think the answer is, I don't
6 envision that there will be language that says
7 these are more factors that we are adding to the
8 Lease Cap Rule.

9 The best way to answer the question,
10 in my view, is to say we are not basing it on
11 what the prior rule says. We have two new
12 policy reasons for changing the rule and the
13 distribution. Number one is to promote hybrids
14 and cleaner vehicles. And, number two, to hold
15 the driver harmless when they don't have the
16 choice necessarily as to what vehicle they are
17 going to be driving and they are earning less
18 money.

19 Those are two policy reasons. You
20 always need a policy underlying a rule changes.
21 Those are two new policies that were not part of
22 the Commission's reasoning or anticipated when
23 it passed the rules in '95 or '96, whatever it
24 was. But certainly we have the authority to do
25 it, and I think it is the essence of the

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1 proposal.

2 COMM. GIANNOULIS: I have a few
3 short questions. I assume somebody should know
4 this or could be able to guess.

5 In terms of vehicles on the road,
6 driving time, what would be the percentage that
7 you would divide owner driver, DOV and fleet?
8 Not Medallion ownership because obviously fleets
9 are running more time. I mean, if we are
10 talking about we are attempting to do this to
11 create a cleaner environment, I am just trying
12 to get a sense, range, percentagewise, of time
13 that taxis are on the road. How would you divvy
14 it up between owner driver vehicles, DOV
15 vehicles, and fleet vehicles? Is it a third, a
16 third, a third?.

17 MR. SALKIN: The first question is:
18 Out of the actual Medallions on the road, how
19 are they run? Basically it is close to about a
20 third, a third, a third. The number of pure
21 fleets is a little bit less than a third and the
22 others are move. I believe DOVs are the biggest
23 at this time. I think they are about, give or
24 take, 5,000, and there is about 4,500, 5,000
25 individual operators, and then there is about

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1 4,000ish, 3,500 pure fleets. Now it varies and
2 cars change all the time.

3 In terms of the vehicles that are on
4 the road and how many miles they are actually
5 doing, typically we estimate individual
6 operators go about 60,000 miles a year, and then
7 we say DOV and fleets go between 75 and 100,000
8 miles, depending on the true form of operation
9 and type of year. Obviously, that is
10 information we are able to track more closely.

11 One thing we are looking at is when
12 someone is driving full time, in terms of what
13 hours are they actually on the road. And the
14 driver is driving more than eight hours. We
15 find they drive on average about nine and half
16 hours. That seems to be the average time of
17 cars over a 12-hour period.

18 COMM. GIANNOULIS: That's good.
19 Higher powers than me are going to decide where
20 everybody will go with this, but it just seems
21 kind of obvious to me if we are talking about
22 incentives and disincentives, if these
23 statistics are true -- I mean, I know they are
24 true, but if they are consistent, incentives
25 will create massive purchases for two-thirds of

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1 the vehicles -- two-thirds of driving time have
2 already expressed enormous interest in
3 purchasing hybrid vehicles by the 404 percent
4 and the 844 percent.

5 So it seems if you have incentives in
6 the program, that will only increase. So any
7 disincentive program seems punitive. It will
8 seem punitive to anybody who is looking at it.
9 That's just my personal opinion. But it seems
10 that if the numbers are right, if you are adding
11 incentive to a group of people who already are
12 moving in this direction in massive numbers, and
13 they represent two-thirds of vehicles on the
14 road driving time, I would take that as a win
15 and I would be happy I did something for the
16 environment.

17 CHAIRMAN DAUS: I assume that you
18 would feel the same way about a disincentive for
19 vehicle retirement, reducing it?

20 COMM. GIANNOULIS: I haven't thought
21 it all out, but it just seems, again -- and I
22 have had this conversation with Councilman
23 Yatsky like 25 times. Every time I see him, we
24 talk about this, but I just think appearance
25 matters.

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1 MR. SALKIN: Can I comment on that?

2 I think one thing to be clear about,
3 the alliance proposed through the Mayor's
4 proposal is predominantly focused on the
5 relationship between the owner and the driver
6 where the driver is not the individual
7 purchasing the vehicle, which is the group we
8 have seen least likely to change their behavior
9 as other operating factors have changed.

10 What we are proposing to do is bring
11 into consideration the cost of operation for the
12 driver, the cost of operation for the vehicle
13 actually on the road, the emissions of the
14 vehicle on the road, and other factors that
15 seems to be immune to that group. And we just
16 want them to consider that.

17 And the idea is the way the leases
18 are currently structured, they don't have to.
19 And what we just want to do is just allow that
20 to be part of the equation as they think through
21 it, similar to the rest of the industry.
22 Because you would expect if one group is going
23 up 400 percent, the other group is going up more
24 than 400 percent, that the other group is likely
25 to behave that way. And they are not.

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1 COMM. GIANNOULIS: The group that is
2 not being?

3 MR. SALKIN: Pure fleets, where the
4 individuals who own the cars and don't pay for
5 gas are giving cars to people who pay for gas
6 that have to pay a lot more for gas.

7 COMM. GIANNOULIS: Again, maybe this
8 is simplistic, but Mayor Bloomberg wants to do
9 something to X amount of the pollution that is

10 being caused that is being generated by taxis.
11 We have, according to your statistics,
12 two-thirds of the people who are driving cars on
13 the street have shown immense interest in hybrid
14 purchases. I am just not sure why disincentives
15 have to be put into place. Specifically for the
16 fleets, why disincentives would have to be put
17 into place.

18 And I just looked at this, this is
19 the first time I have seen this, I didn't read
20 it earlier, quite honestly, but I am not sure
21 this kind of notion of a need to maintain
22 equality amongst -- in terms of gas prices
23 amongst drivers. I mean, there are different
24 business models. So it's an argument, I
25 understand that, but I don't know how great an

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1 argument it is at the end of the day. But
2 that's the information.

3 CHAIRMAN DAUS: I don't know what
4 all of the motives are for the lawsuit and the
5 opposition to it. But I would just assume that
6 the fleets, as well as every other industry
7 member, even though they have their reasons,
8 everybody wants to have a better environment,
9 everybody wants to help out.

10 So I think Commissioner Kay's point
11 about what we will discuss for phase-in, for
12 fairness and so forth, I think is critical. And
13 I am sure that the parties to the lawsuit will
14 be discussion those issues.

15 But here, as a Commission,
16 Commissioner Giannoulis, you said at some point
17 it will be an authority higher than you that
18 will be deciding these things. Well, not
19 really. It will be the Commission. We will be
20 discussing this. We will be deciding this.

21 The Mayor put a proposal to us. This
22 is an open debate and a process which is just
23 starting. Sometime in the new year we will be
24 having a public hearing and we will be hearing
25 from the stakeholders. There is obviously a

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1 huge world outside of the fleets that brought
2 this lawsuit. We want to hear from them as well,
3 the drivers, the DOVs, the agents, the rest of
4 the industry, and the passengers.

5 I think this is just the beginning.
6 These are the ideas, the thoughts, the concepts.
7 We wanted to get feedback from you before we
8 actually draft the rules and put them out for
9 public comment. So that's why we are here
10 today.

11 Does anybody else have any
12 suggestions other than Commissioner Giannoulis
13 and Commissioner Kay?

14 (No response.)

15 CHAIRMAN DAUS: Okay, so we heard
16 from some folks and we will take a look at, you
17 know, Commissioners Polanco and Gonzales had
18 some suggestions. I guess, in particular, we
19 have to strike that correct balance. I don't
20 know if we want to necessarily turn into a
21 regulated industry like the Insurance Department
22 where you have an insurance policy that has
23 thousands and thousands of clauses that are
24 mandated. I don't know if we want to go down
25 that road, but certainly, there should be some

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1 clarity as to what the definition of a lease is
2 at least, and maybe some consumer protection
3 issues.

4 It just seems a little troubling, you
5 are an independent contractor. If you have an
6 independent contractor coming to work on your
7 home, they usually could to you with the
8 contractor. The home owner doesn't go to the
9 independent contractor saying, "Here is my
10 contract." So it's an interesting concept.

11 Any other questions?

12 (No response.)

13 CHAIRMAN DAUS: Great. I want to
14 wish everybody a happy holiday, Happy Hanukah,
15 Merry Christmas, Happy Kwanzaa, whatever else
16 people are celebrating. Just getting some
17 downtime I hope. And a Happy New Year.

18 We will now be convening in executive
19 session, which I will not be present at, to deal
20 with the case of TLC versus Kwansa Jonathan/Hack
21 License No. 433940. That is in executive
22 session.

23 Do we have a motion to go into
24 executive session to consider that appeal.

25 COMM. AROUT: I make a motion.

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1 CHAIRMAN DAUS: Do we have a second?

2 COMM. POLANCO: Second.

3 CHAIRMAN DAUS: All in favor?

4 (Chorus of "Ayes.")

5 CHAIRMAN DAUS: Okay, thank you.

6 (Time Noted: 10:35 a.m.)

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

I, MARGARET EUSTACE, a Shorthand Reporter and a Notary Public, do hereby certify that the foregoing is a true and accurate transcription of my stenographic notes.

I further certify that I am not employed by nor related to any party to this action.

MARGARET EUSTACE,
Shorthand Reporter

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