



NEW YORK CITY TAXI & LIMOUSINE COMMISSION

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TLC NEWS | TESTIMONY

TESTIMONY OF TAXI AND LIMOUSINE COMMISSION SPECIFIC TO THE FISCAL 2005 PRELIMINARY BUDGET

*Delivered by TLC Commissioner/Chair Matthew W. Daus
Thursday, March 18, 2004*

Good afternoon, Chairman Liu, Chairman Weprin, and members of the City Council Transportation and Finance Committees. My name is Matthew Daus, and I am the Commissioner/Chair of the New York City Taxi and Limousine Commission (TLC). Thank you for the opportunity to appear before you today to present testimony specific to the Fiscal Year 2005 Preliminary Budget for the Taxi and Limousine Commission.

The TLC continues to achieve its mission of ensuring a pleasant and safe travel environment for the riding public and its licensees through its effective and innovative policies of licensing, regulating and enforcing rules pertinent to the taxicab, for-hire vehicle, paratransit and commuter van industries. The agency's actions and achievements are consistent with its goal of ensuring superior customer service through the licensing and mandate of secure and comfortable vehicles, and competent and courteous drivers.

The TLC's operations will be conducted within a Preliminary Budget for Fiscal Year 2005 of \$23,378,626. Of that amount, \$18,242,724 is for Personal Service (PS) and \$5,135,902 is for Other Than Personal Service (OTPS). This Preliminary Budget provides for an authorized headcount of 422 full-time employees. These employees are responsible for licensing and regulating 12,187 taxicabs, nearly 41,000 for-hire vehicles, 373 commuter vans and 2,398 paratransit vehicles. In addition, the TLC licenses and regulates nearly 100,000 drivers and over 700 for-hire vehicle bases, in addition to paratransit bases, medallion brokers and agents, taximeter shops and commuter van authorities.

In addition to budgetary matters, at the request of Chairman Liu, today I will report on the agency's role in several citywide issues and some of the TLC's recent technological initiatives.

At present, the TLC is working toward providing additional taxicab service to meet the growing public desire for demand-responsive street-hail transportation in New York City. The TLC has completed the environmental review process by which it is anticipated that up to 900 additional taxicab medallions would be issued over the next three fiscal years. Such action would increase the total number of taxicabs by approximately 7.4%, to 13,087. Taxicab ridership has been increasing in recent years, totaling in excess of 240 million passengers in 2003, and additional taxicabs will better enable the industry to attempt to meet the public demand for service. Furthermore, the sale of additional taxicab licenses would afford opportunities for both investors and individual owner-operators to enter the taxicab business.

To gauge the effect of the sale of additional taxicab medallions, the TLC was required to conduct an environmental review. An environmental and transportation consultant, Urbitran Associates, Inc., prepared this analysis and issued a Draft Environmental Impact Statement on December 26, 2003. This report found no significant adverse traffic, noise, air or other environmental impact would occur from the issuance of up to 900 additional medallions. After the required public hearings and Urbitran Associates' review of the written comments as received at the Commission's public meetings, the TLC published a Notice of Completion of the Final Environmental Impact Statement, or FEIS, on February 25, 2004 and issued its Statement of Findings on March 8, 2004. As the FEIS confirmed the draft report's findings, the stage is now set to sell up to 300 new medallions prior to the end of Fiscal 2004; similar sales of up to 300 medallions are anticipated to follow in Fiscal 2005 and 2006. The FEIS is available to the public on the TLC website at www.nyc.gov/taxi.

To generate public interest in the medallion sale, the TLC also developed a comprehensive business, outreach and marketing plan. To this end, the TLC is targeting both industry insiders, including businesses that already own taxicab medallions, as well as prospective newcomers to the industry who are either looking for new career opportunities or a solid investment. Earlier this month, TLC staff conducted free medallion outreach seminars in each borough to introduce the medallion auction and purchase process to potential buyers. As a follow-up, the TLC will also be conducting technical workshops to walk potential buyers through the intricacies of the bidding process. The first of 300 medallions will be sold, via closed bid auction, during this fiscal year; while all bidder commitments to purchase the new taxicab medallions will be made during the current fiscal year, some sales may actually be closed during the early part of Fiscal 2005. The TLC will accept bids on 174 minifleet medallions from April 12 through 15, 2004, with bids to be opened on April 16, 2004. Bids on 126 individual medallions will be accepted from April 19 through 22, 2004, and opened on April 23, 2004.

The rates of fare charged by New York City medallion taxicabs were last raised by the Commission in the spring of 1996. During 2003, the TLC received two rulemaking petitions proposing a fare increase. One petition, filed by the Metropolitan Taxicab Board of Trade, or MTBOT, an organization representing taxicab fleet owners, called for a 23% increase in fares. A second petition, filed by the Taxi Workers' Alliance, an organization of drivers, called for a 44% fare increase. After extensive review and analysis of these proposals by TLC staff, a press release announcing a proposed fare increase of approximately 26% was issued on January 28, 2004. The release detailed the proposed modifications to the fare structure, including a change in the minimum fare (or "drop") from \$2 to \$2.50, and an increase from \$.30 to \$.40 per one-fifth mile; an increase from \$35 to \$45 for the JFK-Manhattan flat fare, and an increase in the Newark Airport surcharge from \$10 to \$15. The release also highlighted the \$1 peak pricing concept for 4-8 p.m. on weekdays. Along with the proposed fare increase, draft rulemaking that would mandate service improvements for the medallion taxicab industry was prepared and published on February 27th. These improvements include equipping each taxicab with a taximeter that accepts credit and debit card payments, replacing the Lexan in taxicab partitions with a clear, scratch-resistant material, equipping all taxicabs with a vehicle locator and tracking devices, and expanding the use of discounted group ride stands. Moreover, TLC staff has prepared draft rulemaking with respect to consideration of the proposed increase in taxicab rates of fare and adjustments to the maximum lease rates that may be charged drivers. A public hearing on all service improvements, the fare increase and lease cap proposals is scheduled for Tuesday, March 30th, at 9:30 a.m.

With the process of selling additional medallions underway and significant service improvements on the horizon, the state of New York City's taxicab industry is as exciting as it has ever been. With respect to this dynamic, and per Chairman Liu's request, I would like to address the issue of medallion service in all of the City's boroughs. While our for-hire vehicle industries serve a vital role in transporting millions of New Yorkers and visitors each year, it is clear that in certain of the City's busiest neighborhoods other than Manhattan's CBD, the demand for medallion taxicab service may be growing. One such area is on Main Street in Flushing, at which a taxi stand has been functioning since June 24, 2003. Conceived by Chairman John Liu and MTBOT and administered by MTBOT dispatchers, the stand operates on weekdays between the hours of 8:00 a.m. and 9:00 p.m. The TLC continues to await a formal report from MTBOT regarding statistics specific to the stand's operation and its effectiveness.

The TLC also remains dedicated to streamlining its operations through the application of advanced technology. The TLC website has continued to be invaluable to both the public and the agency's regulated industries. The number of website "hits" increased from approximately 76,000 during Fiscal 1999 to approximately 1.3 million in Fiscal 2003; during the current fiscal year, we have received 597,870 hits to date. In 2003, the TLC worked to make additional improvements to its website. With Department of Information Technology and Telecommunications staff, the TLC completed the first phase of reorganization of its website, which went "live" in late October. The new site is in a portal format with separate sections devoted to industry and passenger information, to allow for easier accessibility to information for our primary site visitors. The result of this reorganization is a website with a sleek, professional appearance and better navigability that also retains all of its previous enhancements. The TLC will continue to add content and explore ways in which more agency services can be transacted on-line.

The year 2003 also saw the (212) NYC-TAXI hotline discontinued, and its wide-ranging functions transferred to the City's new 311 hotline, of which TLC officially became part on November 5, 2003. While public questions and comments are forwarded to the TLC via the 311 Citizen Service Center, trained TLC staff can address industry-specific questions from its licensees through a new direct number for our Consumer Relations Division.

The TLC is also committed to maintaining high standards of customer service for the applicants and licensees who visit the TLC's various facilities. Building upon the reductions in waiting time in the Adjudications Division in 2002, several modifications to the way applicants are served have resulted in the significant reduction of waiting time in our Licensing Division. From a high of over 90 minutes per applicant in April/May 2003, the TLC has reduced waiting time to 21 minutes in February 2004. The changes made include better customer service training for point-of-service providers and more detailed information being distributed to applicants at the outset of the licensing process. In addition, the TLC recently completed the integration phase of the LAN/WAN capital improvements project, which links the agency's driver license photographs with both the CAMIS database and electronic fingerprints of the licensee. This accomplishment will carry benefits in improved efficiencies and integrity control.

Finally, in 2003 the TLC completed renovation of its centralized inspection facility in Woodside, Queens. Now equipped with a state-of-the-art taxicab inspection/diagnostic system, New York State of conventional tailpipe emissions testing, the TLC's facility is the first in New York State to conduct "On Board Diagnostic" emissions testing protocols, which uploads the vehicle's computer into the TLC computer, and lists emissions and related engine component failures. Additionally, the new system will have diagnostic equipment that tests a vehicle's suspension system to further enhance the passenger riding experience in a New York City taxicab.

To conclude, my testimony today is indicative of the TLC's commitment to continually challenge itself in best serving the needs of the riding public and its varied, dynamic industries. Thank you again for the opportunity to testify today. I will now be happy to address any questions you may have.

