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**Testimony to City Council Regarding FY 2006 Preliminary Budget
Commissioner/Chair Matthew W. Daus
March 18, 2005 – 11:30 AM**

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, the TLC. Thank you for the opportunity to appear before you today to present testimony specific to the Fiscal Year 2006 Preliminary Budget for the TLC. Joining me are First Deputy Commissioner Andrew Salkin and Deputy Commissioner for Finance and Administration Louis Tazzi.

As you know, the Taxi and Limousine Commission (TLC) is a licensing and regulatory agency that plays an integral part in the lives of all New Yorkers. Our agency oversees the for-hire vehicle industries in New York City including yellow medallion taxis, community car service bases and vehicles, black car services, luxury limousines, commuter vans and paratransit services. Combined, TLC regulates industries that are responsible for over 500,000 daily trips, serving over 1,000,000 passengers. Our role is to ensure that each passenger's riding experience is safe, comfortable and convenient.

I will begin today by providing a brief overview of the TLC's preliminary budget for fiscal year 2006. Then I will discuss the successful October 2004 taxicab medallion sale and the future sale of medallions. Finally, at the request of Chairman Liu, I will address several broad policy issues the TLC is working on.

The TLC's operations will be conducted within a Preliminary Budget for Fiscal Year 2006 of \$25,836,230. Of that amount, \$20,431,470 is for Personal Service (PS) and \$5,404,760 is for Other Than Personal Service (OTPS). Our agency is responsible for licensing and regulating 12,760 taxicabs, more than 42,000 livery and black car vehicles, 348 commuter vans and 522 paratransit vehicles. The TLC also 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.

Last October, as many of you know, the City conducted a closed bid auction of nearly 300 taxicab medallions. I am proud to report that the sale was a tremendous win for the City, our drivers, taxicab owners and most importantly, the riding public.

The TLC's medallion sale outreach plan, which included information seminars across the City publicizing the sale, technical workshops for potential bidders, and a multimedia advertising campaign including print, TV and radio ads, proved extremely successful, resulting in the acceptance of over six hundred bids.

In addition, the TLC worked with the Mayor's Office for People with Disabilities, members of the disability community in New York, environmental advocacy groups like the Sierra Club and the taxicab industry to address the accessible and alternative fuel medallions. Based on those discussions, the City decided to conduct four separate auctions last fall: an individual medallion auction, a minifleet medallion auction, an accessible medallion auction and an alternative fuel medallion auction. Separate prices were set for each type of medallion to recognize the potential for additional costs associated with them and to encourage their sale.

130 Minifleet medallions were sold at an average of \$393,232.07, while 116 Individual Medallions were sold at an average of \$339,207.36, and all 27 accessible medallions were sold at an average of \$275,730.85. The total estimated revenue generated by the medallion sale was \$97,912,955.47. Of course, all prices are tentative until the TLC has completed closings on all medallions, which we expect to do by the end of the month. All but 3 of these 273 medallions are on the road today, providing rides for the public. Unfortunately, the agency was unable to close on alternative fuel medallions, which will subsequently be re-offered at a future sale.

As you know, in 2004, the TLC was authorized by the State and the City Council to sell up to 900 taxicab medallions. With last October's sale, the TLC has auctioned nearly 600 medallions. We anticipate the next sale of medallions, also through a closed bid auction, to occur in Fiscal Year 2006. Although planning efforts are now underway, no specific auction dates have been set at this time. We will of course keep the Council apprised of our efforts in planning the next sale.

Providing accessible service for all members of the potential riding public in New York City, including members of the disability community, is an issue of vital importance to the TLC. The sale of 27 accessible medallions represents progress towards determining what types of vehicles can actually be used to provide effective service and the real costs involved. To that end, the TLC will be working with its Disability Advisory Board to evaluate the 27 wheelchair accessible yellow taxis with the goal of creating standards that would best meet the needs of the entire riding public.

In addition, the TLC is continuing to work with the for-hire-vehicle industry to ensure that it is able to provide the same level of service to all passengers. We are enforcing our rules requiring the provision of accessible service, and educating for-hire-vehicle base owners about their obligations and how they can meet them, as well as following up on complaints about bases that are not providing service.

The TLC's enforcement efforts continue to proactively address issues for our regulated industries, such as service refusals. The TLC's Uniformed Services Bureau uses a special undercover initiative, Operation Refusal, to ensure that our licensed vehicles are providing service to all passengers. As you can see in the preliminary Mayor's Management Report (the PMMR) in FY 2005, as of this January, the TLC had conducted 1439 Operation Refusal field tests with a 95.55% compliance rate.

Overall, the TLC's enforcement efforts have become even more effective. In conjunction with the City DOT and NYPD Holiday Traffic Plan, the TLC focused on high-traffic areas such as the city's hotels and major shopping areas in all five boroughs. In September, a new class of 30 TLC inspectors completed training and they began patrols. Also, the TLC is in the process of recruiting another 25 trainees for our next enforcement officer class, which is scheduled to begin next month.

The TLC also remains dedicated to streamlining its operations and increasing overall agency efficiency through the application of advanced technology. At our taxicab inspection facility, the TLC worked with the State's Department of Motor Vehicles and Department of Environmental Conservation to implement an advanced type of emissions testing called OBD II, or On-Board Diagnostics II.

Also, the TLC has upgraded the technology at our Staten Island licensing facility to allow for electronic processing of fingerprints. This should reduce the application review time by days or even weeks for those using the Staten Island office.

And of course, the TLC's 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 1.7 million in Fiscal 2004; during the current fiscal year, we have received nearly 1.4 million hits to date. In just one example of how our website is being used to improve efficiency, for-hire-vehicle base owners are using an online form to schedule appointments with our staff for vehicle licensing applications. All required application forms for vehicle owners have also been made available on the TLC's website. These steps allow the TLC to ensure that appropriate resources are available, while maintaining a high level of customer service for our licensees.

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



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