



## NEW YORK CITY TAXI & LIMOUSINE COMMISSION

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### TLC NEWS | TESTIMONY

#### TESTIMONY OF NEW YORK CITY TAXI AND LIMOUSINE COMMISSION BEFORE THE CITY COUNCIL COMMITTEE ON RULES, PRIVILEGES AND ELECTIONS

**Delivered July 23, 2003** Good morning, Speaker Miller, Chairman Comrie and members of the Committee. My name is Matthew Daus and I am honored to appear before you today to testify about my qualifications, accomplishments and plans for the future of the New York City Taxi and Limousine Commission (TLC). I would also like to thank Mayor Bloomberg for the confidence he has expressed by nominating me for reappointment as TLC Commissioner and Chair.

It has been my privilege to serve the City of New York for almost a decade. I joined City government from the private practice of law in 1994. My career in public service began as a Prosecutor for the New York City Commission on Human Rights, where I represented the agency in the enforcement and mediation of discrimination complaints involving employment, housing and public accommodation. These discrimination complaints were based upon race, religion, ethnicity, disability and sexual orientation. This cause is very important to me, and I have continued my work in this area as President of a not-for-profit organization known as C.U.R.E. - Community Understanding for Racial and Ethnic Equality. C.U.R.E. is a group that seeks to eradicate discrimination through enhancing communication and education among diverse groups.

After serving at the Human Rights Commission, I was appointed General Counsel of the New York City Community Development Agency (CDA). At CDA, my responsibilities included the supervision of all procurement activities involving government funding of anti-poverty programs through social service contracts awarded to community organizations. I was actively involved in successfully merging CDA and the former Department of Youth Services into the agency now known as the Department of Youth and Community Development (DYCD).

I was then appointed Special Counsel to the New York City Trade Waste Commission (now known as the New York City Business Integrity Commission). In this position, I was responsible for assisting in the formation and organization of this newly created regulatory agency designed to eliminate corruption within the private sanitation industry.

I began my work at the TLC in 1996 as Special Counsel to the former TLC Chairperson. In early 1998, I was promoted to the position of General Counsel and Deputy Commissioner for Legal Affairs. During my first five years at the TLC, I helped to conceive, draft and implement reforms that enhanced public safety and customer service, increased industry accountability and streamlined agency operations. On August 22, 2001, I was confirmed by the City Council as TLC Commissioner and Chair, and I have since served in this capacity.

I am proud of my public service with the City of New York, whether it was the pursuit of justice and equality at the Human Rights Commission, helping the economically disadvantaged through my work at CDA, protecting business owners from the influence of organized crime through my work at the Trade Waste Commission, or enhancing service and safety for the riding public, drivers and business owners at the TLC. I would welcome the opportunity to continue to serve the public by completing the work I have undertaken at the TLC.

When I last testified before this Committee two years ago, I set forth a vision for the TLC that included enforcement, customer service and outreach as our primary goals. I am now pleased to report that we have accomplished many of these objectives and are well on our way toward further achievements.

First, we set out to achieve the goal of preserving the high licensing standards implemented by the TLC and the Council over the years by curtailing illegal for-hire vehicle activity. Doing so not only protects the riding public, but it also helps those licensed TLC owners and drivers who operate in accordance with the law. To this end, the TLC went to a source of the problem by focusing its enforcement efforts on closing many unlicensed car service bases. In late 2001, the TLC also started an undercover operation known as Operation Street Hail, geared toward the eradication of unlicensed activity by vehicle owners and drivers. More recently, an emphasis is being placed on holding licensed for-hire vehicle bases more accountable by instituting proceedings that may include the imposition of fines, suspension and even revocation for dispatching unlicensed or suspended drivers, uninsured or underinsured vehicles, or for operating with a suspended base license.

Second, we set out to improve customer service - both for the riding public and the TLC's licensees. I am pleased to report significant progress in both areas.

With respect to enhancing service for the riding public, in late 2001, the TLC passed regulations that guarantee every taxicab will eventually be larger and more comfortable than ever before, and paved the way for more minivans to be used as taxicabs. Also, taxicabs are cleaner and safer than ever before in that over the past few years more vehicles have passed TLC inspections than ever before.

In response to an increased demand for taxicab service, the TLC spearheaded efforts to recruit more drivers and proposed a medallion sale to explore the addition of more vehicles to the fleet. Since 2001, the TLC has implemented a variety of licensing programs and administrative reforms, and has participated in job fairs that have helped add more taxicab drivers - and consequently more service - for the riding public.

By combining vigorous enforcement of the TLC rules with positive reinforcement, we are experiencing a trend of fewer service complaints and license revocations as well as an increase in the number of compliments. This trend is primarily attributed to the TLC's customer service-oriented continuing education program for taxicab drivers and the continued enforcement of its progressive penalty point systems - which has led to greater compliance with the law. Whether a driver goes out of his or her way to return lost property, has maintained an exemplary driving record, or is simply extra-courteous, we believe it is important to reward good behavior, as well. To this end, the TLC has developed a Driver Recognition Program that includes holding an annual Driver Awards Ceremony and positively noting their license records.

The TLC has made tremendous strides over the last few years in enhancing customer service for its licensees. First, a series of administrative reforms at the TLC's Tribunal have dramatically reduced average waiting times at our facilities. For example, the average waiting time for a hearing was reduced from over three hours to less than thirty minutes, and transactions that were formerly required in-person are now processed through the TLC's internet applications. Also, utilizing an appointment system and internet applications, the TLC was able to end a decades-old problem known as March Madness, where thousands of licensees would converge on its facilities at the beginning of March. These overcrowding conditions were caused because almost every for-hire vehicle registration with the New York State Department of Motor Vehicles expired on the same day.

Over the past two years, a series of licensing programs were designed to meet the needs of those seeking to enter the profession quickly, with less expense and in less time, and without sacrificing our high licensing standards. For example, the TLC has implemented the following programs: (1) the Expedited Licensing program for drivers who have job offers from owners; (2) the Welcome Back program for former experienced drivers who wish to return to driving; (3) the EZ-License program for those who already possess a working knowledge of City geography or who wish to add classifications to their operator's license; and (4) the Livescan electronic fingerprinting system - which is faster and cleaner than the former ink and paper method.

The third promised goal was to reach out and communicate with all levels of the TLC's regulated industries, and to the communities of the City where these industries provide service. I am pleased to report that the TLC is more accessible than ever before to both the riding public and its regulated industries. The number of hits on the TLC's website has increased from 76,000 during Fiscal Year (FY) 1999 to 1.3 million during FY 2003. Among other things, the public can use our website to learn about passenger fare information, to find licensed TLC businesses in their area, or to file compliments or service complaints. Now, our licensed industries can use our website to transact agency business on-line instead of in-person - thereby helping to reduce foot traffic for certain transactions at TLC facilities and allowing us to serve more people, with less resources, and in less time.

In order to respond to the increased number of e-mails sent to our website and improve our responsiveness to the public, we created a TLC Correspondence Unit, which has been successful in enhancing our response time to all agency correspondence. For example, since the creation of this unit, an average of 98% of all correspondence is answered within ten (10) business days. In addition, we expanded the use of our 212-NYC-TAXI Customer Service hotline to handle not only complaints from the public, but also inquiries from licensees to answer questions about TLC agency business. We are now in the process of integrating this function with the Citywide 3-1-1 hotline - for all calls from both licensees and the general public.

The pledge of outreach has led to the evolution of a unique program at the TLC entitled H.O.M.E. - Hands-On Management Experience. The H.O.M.E. program is designed to engage all TLC managers in a greater understanding of the functions of the agency as well as the industries we license. To this end, all managers are trained to learn and perform the work of TLC employees. Outside the agency, the TLC has increased its attendance at Community Board, Civic and Town Hall meetings to hear and respond to community concerns about its licensees. In order to remain in touch with all aspects of the businesses that we regulate, the TLC now holds periodic Driver Focus Group meetings and has actively utilized its industry-specific Advisory Boards to keep abreast of and address industry issues and problems. This outreach has already led to numerous improvements at the agency and in the industries that we regulate while providing for a more informed and effective management team at the TLC.

The TLC has also demonstrated its commitment to being a proactive partner in City government. Two primary examples are: (1) the TLC's involvement in helping the City, the public and its industries after 9/11; and (2) its coordination in formulating and implementing contingency plans for the Queens private bus strike and the threatened transit strike during 2002.

A little over two weeks after my confirmation, the attacks on the World Trade Center occurred only three blocks from our headquarters. After ensuring the safety of our employees, TLC staff immediately assisted in the City's overall recovery efforts for several months. After 9/11, the TLC's regulated industries suffered a significant decline in business and were faced with several obstacles. In response, the TLC formed and implemented an industry recovery plan that helped its for-hire industries to significantly rebound more quickly than other local City businesses. This plan included job fairs, licensing reforms, hardship provisions and facilitating financial assistance.

As never before, the TLC demonstrated its commitment and effectiveness as a proactive transportation partner during the Queens private bus strike last Summer and the threatened transit strike of last Winter. Among other agencies, the TLC worked closely with the Mayor's Office of Emergency Management (OEM) and the New York City Department of Transportation (DOT) to develop contingency plans for both actions. Thankfully the threatened citywide transit strike was averted, but the Queens Bus Strike did occur, and for seven weeks the TLC coordinated and mobilized its industries to transport over 100,000 daily riders as part of the Administration's successfully implemented contingency plan.

There are many important ongoing projects that I would like to complete at the TLC. These initiatives and some new challenges are consistent with the initial vision outlined in my original confirmation testimony in 2001.

In terms of service to the riding public, we are now midway through the environmental review process for replacing the sale of additional taxicab medallions. The TLC has been designated lead agency by the Mayor's Office and the City Council, and State and Local legislation was recently passed empowering the TLC to move forward. I look forward to completing the environmental review and analyzing all relevant issues with our Board of Commissioners, the Council and the Mayor's Office. If a sale of additional medallions goes forward, the public will obtain more service, the City will receive much needed revenue and small business owners and drivers will have the opportunity to experience the American dream of owning a solid revenue producing asset.

Another priority project that would enhance service to the riding public is the TLC's effort to expand accessible for-hire vehicle service. As part of the TLC's ongoing implementation of its regulations, we are encouraging the licensure of more for-hire vehicle bases that specialize in demand-responsive accessible minivan service. Accessibility is an important issue for the TLC and we will continue our ongoing efforts.

In terms of customer service at the TLC, we are beginning the second phase of 3-1-1 implementation, where all calls from the industry and the general public will be centralized through the City's customer service hotline and directed to our call center staff for processing.

To proactively address the high cost of insurance, the TLC has developed a strategic plan to find and prosecute insurance fraud, tighten controls, offer insurance discounts to safe drivers and encourage competition by enticing other carriers to enter the voluntary market. This initiative has just begun and will hopefully yield results by next year.

In terms of helping drivers, the TLC has more work to do to educate owner/drivers. First, the TLC's Safe Driver Insurance Discount Program - a public/private partnership which is the first of its kind anywhere - seeks to reward TLC licensed drivers with exemplary records through insurance discounts. This TLC safety program also involves a driver safety course component that is a first step in advancing training in the for-hire industry. We believe more drivers qualify than have applied and more outreach needs to be done. In addition, we are proud to have facilitated the provision of health insurance for over 5,000 drivers through the TLC's Health Insurance Program. We believe that this work should be continued because more drivers may qualify and this is an important incentive for drivers to remain in the industry longer and make this job their career. Last but certainly not least on the education front, the TLC will explore publishing additional materials for TLC licensed drivers to summarize their rights and responsibilities, as well as to provide useful information so they may enhance service to the public.

The TLC has new enforcement priorities that are in the process of being addressed. We recently formulated an extensive enforcement plan with the Port Authority to address the problem of illegal solicitation of passengers by unlicensed drivers at the City's airports. We will continue to place an enforcement emphasis on illegal service refusals by taxicab drivers - especially in light of increased ridership. Finally, we will continue to hold for-hire vehicle base owners accountable by subjecting them to fines, suspension and revocation for dispatching unlicensed drivers and uninsured vehicles.

Thank you again for this opportunity to testify and be considered for reappointment. I would be happy to answer any questions.