



NEW YORK CITY TAXI & LIMOUSINE COMMISSION

- Home
- About TLC
- Taxi of Tomorrow
- TLC Rules and Local Laws
- Court Administration
- Passenger Information
- Licensing
- Safety & Emissions
- Industry Information
- Commission Meetings
- TLC News**
  - Proposed Rules
  - Newly-Passed Rules
  - TLC Regulatory Agenda - Fiscal Year 2011
  - Average Medallion Prices
  - Photo Gallery
  - Industry Notices
  - Press Releases
  - Public Notices
  - Informational Presentations
  - Testimony
  - Newsletters
  - Sign up for official e-mail updates, news and Industry Notices from the TLC
- Current Licensees
- Employment Opportunities
- FAQ
- Contact / Visit TLC
- TLC Site Map

**TLC NEWS | TESTIMONY**

**Testimony Before the City Council Transportation Committee  
Re: Intros. 734 & 735  
November 14, 2005**

**Matthew W. Daus  
Commissioner/Chair  
New York City Taxi and Limousine Commission**

Good morning Chairman Liu, Council Member Yassky and members of the Transportation Committee. My name is Matthew Daus and I am the Commissioner and Chair of the New York City Taxi and Limousine Commission. Thank you for the opportunity to appear before you today to present testimony regarding Intros. 734 and 735.

First, the TLC stands strongly in support of the use of alternative fuel vehicles, including hybrid-electric vehicles, in ALL of our licensed industries. The legislation we worked with the Council on earlier this summer helped open the door for allowing hybrid-electric vehicles to be used as taxicabs and we are proud to have been part of that process.

But opening the door to allow for choice is very different than pushing people through it - and Intro. 734 does exactly that. The bill proposes to cut in half the time that vehicle owners are allowed to keep a taxicab on the road if it does not meet a Council-defined standard. For fleets, that means their vehicles would only be on the road for 1 1/2 years as opposed to today's 3-year limit. Also, individual vehicle owners, who make up the majority of taxicab owners, would be permitted to keep their cars for only 2 1/2 years, a drastic cut from today's 5-year limit.

Intro. 734 purports to offer options to individual and fleet taxicab owners - but the reality is that the penalties imposed for owning anything but a qualified alternative fuel vehicle leave very little choice for taxicab owners.

In addition, Intro. 734 offers Compressed Natural Gas (CNG) vehicles as a viable and preferred option for taxicab owners. In the past, these vehicles appeared to be a promising alternative fuel source, however, the infrastructure has repeatedly failed to prove its value and usefulness for New York City taxicabs. Until there is a significant increase in the number of CNG fueling stations in New York City, this technology does not represent a reasonable option.

Hybrid-electric technology though, seems to be a much more promising route. I am proud to say that the first 6 hybrid-electric taxicabs were placed into service within the last two weeks. The TLC is very excited about the possibility of having a cleaner, greener fleet of vehicles. But we believe there are some questions that need to be addressed before hybrid-electric vehicles are virtually mandated for use.

Those questions can best be categorized as follows:

1. Questions about vehicle durability and safety;
2. Questions about accessibility for all passengers;
3. Questions about the availability of hybrid-electric vehicles for taxicab owners; and
4. Questions about the insurability and costs of these vehicles.

On durability and safety - today, the TLC inspects every yellow taxicab at our Central Inspection Facility at least 3 times per year. We see firsthand the tremendous impact that driving virtually non-stop in New York City has on a car. The average yellow taxicab travels approximately 175 miles each day, or nearly 65,000 miles per year. There are several vehicles that have been tested and demonstrated to withstand the rigorous environment that New York City taxicabs must operate in. Over many years, the ability of such vehicles to perform has been analyzed by both TLC staff and automobile manufacturers, yielding improvements and vehicle development which has evolved over time. However, hybrid-electric taxicabs have only been on the road for less than 2 weeks, and it is much too early to tell how these vehicles will perform.

On questions of accessibility - there is no vehicle available today which could be accessible to all passengers, including those in wheelchairs, while also meeting the proposed Council definition of a qualified hybrid electric vehicle. The TLC does NOT believe that the goals of accessible service and clean cabs are conflicting - but this bill would place taxicab owners into such a conflicting position. None of the vehicles available for accessible service today - mainly converted minivans - meet the definitions proposed in this bill for alternative fuel vehicles. Very few, if any, taxicab owners, would wish to put an accessible taxicab on the road and then be required to replace it within 1 and 1/2 years, as this bill would require. Passage of Intro. 734 could sacrifice accessible taxicabs at the expense of promoting more alternative fuel taxicabs.

On questions of availability - based on discussions with manufacturers of hybrid vehicles, the TLC has concerns about whether there would be enough hybrid-electric vehicles available on the market for taxicab owners. Many of these hybrid vehicles are NOT available for bulk purchase by fleets, and dealerships have reported waits of up to several months for individual buyers to purchase them. The most popular, and therefore least available, vehicles are those which would meet the Council's definition of "qualified hybrid-electric."

Finally, on questions of insurance and costs - the largest automobile insurer for medallion taxicabs has indicated to the TLC that it will NOT write insurance for any hybrid-electric vehicles until it can file and obtain a rate increase from the State Insurance Department. The earliest that it expects to be writing policies for hybrid electric vehicles is March 2006. While some fleets are able to self-insure their vehicles, this lack of insurance presents a problem for individual taxicab owners. They will likely be subject to higher premiums for operating vehicles that generally cost more than a Crown Victoria to purchase in the first place. The Council would be asking individual taxicab owners to bear the financial burden.

For the foregoing reasons, the TLC opposes Intro. 734.

Intro. 735 proposes to eliminate the administrative processing fee that medallion owners pay to maintain a TLC license. The TLC has two specific objections to this proposal:

First, the bill waives a fee that amounts to \$550 a year for taxicab medallion licenses. \$500 is a fair sum of money - but it pales in comparison to the other costs of operating a taxi including the medallion (well over \$350,000) or the vehicle (more than \$20,000). It is unlikely that the waiver of a \$550 fee will do much to compel taxicab owners to purchase a more expensive, less-proven, and less-insurable vehicle.

Second, while the bill has a relatively small impact on individual vehicle owners, it could have a significant impact on the TLC. Intro. 735 waives the administrative processing fee charged for ALL of our licensed vehicles which meet the Council's definition of a "qualified hybrid-electric" vehicle. In addition to taxicabs, this includes for-hire-vehicles, commuter vans and others. Those fees (and they total approximately \$20 million annually) are what allow the TLC to fulfill its charter-mandated mission of ensuring that the riding public has safe, efficient and comfortable service. Without it, basic and vital functions like our vehicle inspections and field enforcement staff, our equipment and office space, and even our administrative staff could be affected.

Creating a clean fleet of taxicabs is an important goal that the City should be striving for. In fact, New York should be a national leader in this effort - along with any other goals that can improve the experiences of the riding public. With the legislation that was signed into law earlier this year, and the Rules that followed it, we took an important step by telling taxicab owners that they could use hybrid-electric vehicles. We believe the right next step is to evaluate these vehicles as they start to hit the streets. Do they hold up in taxicab service? What do passengers think of them? Are there ways to make them accessible to all passengers? Are there extra costs associated with these vehicles - and are they offset by savings in gas or tax incentives?

Incentives are necessary when existing means are not adequate to meet the policy goals set by the Council and the TLC. It is simply too early to tell whether any additional incentives are needed at this time, especially those that may not be the best way of directly achieving the result of placing more hybrid-electrics into service without sacrificing other regulatory interests.

As we start gathering answers to these questions over the next few months, the TLC's Board and TLC staff will collect, review and analyze hybrid-electric vehicle data, to determine the next steps. We invite members of the Council, representatives of our regulated industries, and most importantly, members of the riding public, to be a part of this discussion. The conversation is just beginning - and I do not believe it is time to make final decisions. But Intros. 734 and 735 essentially do so - and that is why the TLC must oppose both bills.

Thank you and I would now be happy to answer any questions about this proposed legislation.