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CITY OF NEW YORK TAXI AND LIMOUSINE COMMISSION

PUBLIC HEARING

Held on Thursday, March 18, 2010

40 Rector Street

New York, New York.

Time: 1:45 p.m.

1 A P P E A R A N C E S :

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MATTHEW DAUS, Chairman  
5 HARRY GIANNOULIS, Commissioner  
LAUVIENSKA POLANCO, Commissioner  
6 ED GONZALES, Commissioner  
IRIS WEINSHALL, Commissioner  
7 CHARLES FRASER, General Counsel  
ELIAS AROUT, Commissioner  
8 JEFFREY KAY, Commissioner

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SPEAKERS:

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Ethan Gerber, Gerber & Gerber  
14 Mr. Singh  
David Pollack, Taxi Safety Committee  
15 Bhairavi Desai  
Beresford Simmons  
16 Biju Matthew  
Victor Salazar  
17 Bill Landauer  
Richard Thaler  
18 Tariq Baig  
Osman Chowdhury  
19 Michael Woloz (for Ron Sherman)  
Steve Seltzer  
20 Patrick K.

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2 MR. DAUS: Good afternoon, everyone.

3 Sorry to keep you waiting.

4 Going to Item 1 on the agenda, the  
5 Chair's report. What I will say is, I want  
6 to address outright the matters that have  
7 been reported on for the last week or so, the  
8 rate for the overcharging scam, I just want  
9 to reiterate my prior comments to everybody  
10 so they are all in one place on this. First  
11 of all, it is very unfortunate that this  
12 whole situation involving the overcharging  
13 has created a cloud over the taxi industry at  
14 this point, and it is very disturbing on a  
15 lot of levels, very disappointing to me  
16 personally and I'm sure my fellow colleagues  
17 here, and to all New Yorkers quite frankly.

18 First of all, TLC wishes we would have  
19 caught this problem earlier, there is no  
20 question about that -- and I take  
21 responsibility for that. But I want to say  
22 that it is important to recognize that as  
23 soon as I and we knew about this problem that  
24 we took action immediately.

25 If it wasn't for the Global Positioning

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1  
2 Systems and the tracking technology system  
3 that we have, it would have impossible to  
4 learn of and stop this widespread scam or  
5 determine its scope. And I'm very, very  
6 pleased that the system we have which the  
7 Mayor set up, it's one system, and our  
8 complaint system at TLC led passengers to  
9 doing their due diligence to help us out  
10 here, and we greatly appreciate that.

11 I want to say, for those of you, because  
12 I have been around for a while, I think it's  
13 like sixteen years ago and fourteen years  
14 here, first as its general counsel, going  
15 back, this isn't the first time that  
16 something like this has happened in the  
17 industry. For those of you who have been  
18 around, you know what I'm talking about. We  
19 had in the late 90s something involving meter  
20 tampering which was widespread and actually  
21 could have been even more widespread than  
22 this, but unlike today where we have GPS to  
23 quantify exactly what happened and how many  
24 did it, in the past we didn't have that, and  
25 we had a situation where it was even more

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1  
2 nefarious or there were chop shops and people  
3 putting together meter accelerating devices  
4 to splice the wires on the cars and  
5 overcharge by advancing the meter faster than  
6 it should be going. People were arrested.  
7 Tens and thousands of dollars in fines were  
8 set against medallion owner drivers. People  
9 had their licenses revoked. And somewhat  
10 similar to today, and how we are addressing  
11 this problem, there were a combination of  
12 three things that we did that eradicated the  
13 problem when I was first general counsel and  
14 we finished it up when I became chair in  
15 2001: We passed criminal law which made it a  
16 crime to possess a meter accelerating  
17 device.

18           Number 2, we also relied on and remanded  
19 to the meter manufactures a fix which they  
20 also got approval from Weights and Measures  
21 Division to make the meter be tamperproof and  
22 not capable of being accelerated with an  
23 external power source.

24           So, the technology, we had a tough  
25 criminal law, and we also had civil and

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2 administrative penalties, much of the same of  
3 what we're thinking about doing here.

4 I want to just take a step back --  
5 because I know a there's a lot of discussion,  
6 a lot of different stories -- and just look  
7 at the real victims that are here and the  
8 real perpetrators. The victims are the  
9 passengers and all New Yorkers. And really,  
10 the industry, a black eye it's gotten  
11 unfortunately. And the perpetrators are not  
12 all the drivers, but there are drivers that  
13 did this repeatedly.

14 When I tell you, when I saw the case I  
15 got from Albany that started this whole  
16 thing, I was shocked. There is no other way  
17 to describe it. It is stealing. The people  
18 that did this numerous, numerous, times, it  
19 is clear from the number of times, the  
20 evidence points to intent, and in my view, I  
21 think these people are criminals that need to  
22 be taken off the road. And it is very  
23 unfortunate that these people have really  
24 cast a cloud on our industry. There is  
25 really no other way to sugarcoat it. They

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2 are a disgrace and they basically stole money  
3 from all of us.

4 I'm going to give you estimates on the  
5 numbers. I think we've said this to the  
6 public already, what we've given to the media  
7 are simply the universe of numbers. The  
8 investigation will determine who did what and  
9 why, and that is going to continue. We  
10 referred it to DOI immediately, the second  
11 this came to our attention, and they are  
12 working with law enforcement as I understand  
13 it, and there will be no further comments on  
14 how many investigations we are doing with  
15 criminal or civil, but at the right time, I'm  
16 sure that will be put out there.

17 In thinking of who is truly guilty, it  
18 is more disturbing to me and to the  
19 Commission and to the Administration, but to  
20 my fellow commissioners sitting here with me,  
21 that we all I think say that we believe in  
22 and helped the drivers. If any  
23 administration helped the drivers, it was the  
24 Bloomberg Administration. We gave them a  
25 living wage. The credit cards -- in times in

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2 the economy when everyone was losing money,  
3 they were making it because of us and what we  
4 did. And for the few drivers who did this,  
5 this is really a slap in everyone's face, and  
6 it's just greed, dishonesty, and they are  
7 going to be held accountable. I think all of  
8 us can assure you of that.

9 I want to commend the New York State  
10 Federation of Taxi Drivers, and Fernando  
11 Meteo for actually stepping up to the plate  
12 and taking responsibility to apologize on  
13 behalf of those drivers. It takes a lot for  
14 people to own up to responsibility. You  
15 know, the people who were responsible for  
16 this, the real people, are those drivers.  
17 And you know what, Fernando, you did the  
18 right thing by apologizing on behalf of the  
19 industry instead of thinking up all sorts of  
20 excuses for why it was other things that  
21 caused this to happen.

22 And on a positive note -- I think I have  
23 to say that it is very unfortunate that right  
24 now, New Yorkers, and I don't blame them, and  
25 everyone watching us is painting the industry

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2 of the drivers with the broad brush, but they  
3 shouldn't be. The majority of the drivers  
4 are good, hardworking people that have their  
5 thing, that don't deserve to be taken down  
6 like this. The investigation will bare this  
7 as time goes on.

8 I just want to say that we are still the  
9 biggest fans of the drivers. But for those  
10 drivers who let us down, there is going to be  
11 repercussions. We are going to do  
12 everything -- the Administration and the  
13 TLC -- within our legal authority or power to  
14 stop this scam and tell passengers. However  
15 that ends up, it will be announced over the  
16 next couple of months and weeks. So far, I  
17 believe we put a really big dent in solving  
18 this problem almost instantaneously; Number  
19 1, by announcing it obviously and getting it  
20 out there, which was the intent of  
21 immediately bringing it to the public's  
22 attention, that creates awareness about it,  
23 and it creates a significant effect from  
24 anybody doing this moving forward.

25 Number 2, we now have a passenger alert

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1  
2 system. I want to thank the Taxi Technology  
3 Affairs, VeriFone, CMT, DDS for working with  
4 us instantaneously to put together these  
5 passenger alerts, and they are already in  
6 5,000 cabs, and within the next few days to a  
7 week, we should see them in every cab  
8 basically alerting people to when a forward  
9 is being charged, and you would have to press  
10 the screen to turn it off from what I  
11 understand. So, we are doing everything en  
12 our power to fix this.

13         And there's a long term technological  
14 fix that I think we need to look at as well  
15 and I recommend moving forward. First, I  
16 think we need to ask the meter manufacturers  
17 who manufacture these meters -- not TLC, we  
18 don't manufacture them, we don't govern  
19 them. The meter manufacturers need to look  
20 at a fix, and we make some recommendations to  
21 them and to the technology vendors to work  
22 together to get State approval because we  
23 can't do anything. We don't have  
24 jurisdiction over the meters. It's the State  
25 Division of Weights and Measures which is

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part of the Department of Agriculture that says what meters can and can't do -- not us. We can give recommendations.

So, I encourage everybody to put their minds together; our technology vendor, the meter manufacturers, because this is a broader problem. These meters are not just in New York City, they are around the world. All of the companies that we have approved and what the State has approved and we allow on the road are all over everywhere else. This is not just a New York City issue.

So, we want to make sure that this doesn't happen again ever here or anywhere, and I think it is important to realize that there are other players involved and that we need to work together to make it a good fix.

The last thing I would say is, you know, this isn't the first time we've had problems and issues in the industry and I'm very optimistic about it. We've worked together in the past to make this the best taxi industry in the world. We have had some good days, we have had some bad days, but right

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2 now, there's a cloud above it, but I'm sure  
3 by continuing to work together, all of us,  
4 the industry, the drivers, the TLC, and the  
5 private industry that supports the taxi  
6 industry, the technology companies can  
7 collectively quickly restore the public's  
8 confidence and turn the cloud into a sunny  
9 day. We've seen it before.

10 And let's not forget, despite what  
11 happened, we are still the world's leader in  
12 transportation, and the systems that we put  
13 into place which helped us to catch this scam  
14 are being replicated in many major cities  
15 around the U.S. and possibly in the next ten  
16 years around the world, and it all started  
17 here. So, I want to just get that off my  
18 chest. I think it's important to get this  
19 out there because I think it really was not  
20 reported that way in the press.

21 On a more positive note, we have a few  
22 drivers here today. We talked about the  
23 drivers being what makes this industry work,  
24 and from basically what makes or breaks this  
25 industry. There are so many good drivers out

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2 there. So, I want to take this opportunity  
3 for three drivers to join us to give them  
4 awards which we promised them we would do  
5 several months ago, but this I think is a  
6 good time for that, and to join us. As I  
7 call your name, please stand up, I'll talk a  
8 little bit about what you did, and if you  
9 would come up here and join us in the back  
10 for a photo with our commissioners.

11 The first driver is Moku Assad du Jaman  
12 (ph.) I apologize if I got that wrong -- I  
13 really butchered that, didn't I? Over the  
14 Christmas holiday, Moku took Felicia Latereri  
15 (ph) who is seventy-two years old to Nassau  
16 County for a family visit, and Felicia left  
17 approximately \$21,000 in cash in the trunk of  
18 the cab, and Moku went out of his way to  
19 return Ms. Latereri's belongings to her. So,  
20 I want to thank you for doing that.

21 (Applause)

22 MR. DAUS: The second driver, who I met  
23 before, is Patrick Omayhe (ph.) Would you  
24 stand up, Patrick?

25 (Applause)

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2 MR. DAUS: On February 16th, Patrick  
3 assisted the police department and police  
4 officers in apprehending Mr. Robert Craig,  
5 42, and John Greg, 32 for allegedly robbing a  
6 Banco Popular on East 25th Street and Second  
7 Avenue. We commend you for your heroism and  
8 like you to ask you to join us.

9 (Applause)

10 MR. DAUS: And the last driver is Khalid  
11 Abid (ph.)

12 (Applause)

13 MR. DAUS: Hi Khalid. You represent  
14 what drivers do day in and day out, and don't  
15 get credit for. What you did was return a  
16 cell phone. You not only returned a cell  
17 phone to just anybody, but to a Deputy Mayor,  
18 who felt that you should be honored and  
19 recognized, who shall remain nameless. But  
20 we thought it important to recognize that  
21 every day the drivers are out there returning  
22 phones, going out of their way. Even our  
23 chief of staff went out of his way to return  
24 stuff on a Sunday, and our staff have done  
25 things like that over the years, but at the

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2 end of the day, it's the drivers who  
3 basically day in and day out, we never hear  
4 about until someone writes a nice letter.  
5 So, congratulations, why don't you join us as  
6 well.

7 (Applause)

8 MR. DAUS: You are our unsung heroes.

9 (Whereupon, there was a pause in the  
10 proceeding for photographs.)

11 MR. DAUS: Thank you, and  
12 congratulations to all of you.

13 The accessible dispatcher report, we  
14 have 4,147 dispatchers to date. We have had  
15 518 cancellations. The average wait time  
16 remains at 35 minutes, and the average daily  
17 dispatchers were 9.4 in February and 9.5 in  
18 March.

19 I would like to talk a little about  
20 livery stands. The Livery Stand Pileup  
21 Program, unfortunately we did not get many  
22 participants that signed up. We did an  
23 outreach, we went to BIDs, we went -- you  
24 name it, everywhere. We only received one  
25 potential application. So, I have also

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1  
2 spoken to the new chair of the Transportation  
3 Committee, I think what we want to do since  
4 there may be some others that might want to  
5 participate, our goal is to get at least two  
6 stands on private property in each borough.  
7 So, it's our hope that if we extend it one  
8 more time, that with the new Transportation  
9 Committee chair, he's very confident he can  
10 get some additional folks interested on the  
11 Council side and getting their communities to  
12 understand this better and to apply. So, we  
13 are going to extend it within the next day or  
14 two to sometime in May. We want to give it a  
15 little more time.

16 I am proud and pleased that we announced  
17 a project that has been talked and  
18 spearheaded by Commissioner Elias Aroust for  
19 years at the Staten Island Ferry Terminal, As  
20 you know, Commissioner Weinshall, we had  
21 problems on the Staten Island Ferry Terminal  
22 where illegal liveries were picking up for  
23 years at Ramp C and F. It was literally a  
24 cat-and-mouse game with our inspectors going  
25 there chasing them away, and coming back.

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2 So, finally we are able to announce, with EDC  
3 and DOT the other day at the terminal, a  
4 project that Elias has been trying to get  
5 done for a while along with a lot of other  
6 elected officials including Congressman  
7 McMahan and Council Members Oddo and  
8 Ignizio. A solution to the problem is -- it  
9 is really something that is innovative, it's  
10 part of the Livery Stand Pileup Program, and  
11 the difference being is that there is a stand  
12 that's on the property. So, as part of the  
13 renovations and construction that is being  
14 done there, the stand is now going to be part  
15 of the parking lot when you first get off the  
16 terminal and go to the right, you'll follow  
17 the signage, there will be dispatchers there,  
18 and the hope that for peak hours you will be  
19 able to be served within five minutes by one  
20 or more bases that have an exclusive contract  
21 with EDC, the Economic Development  
22 Corporation. And in addition to that, in  
23 off-peak hours there will be a twenty-four  
24 hour courtesy phone where you will be  
25 guaranteed service within ten minutes from

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2 when you get there.

3 The point of this is to get -- now with  
4 reforms, all the cars now have the Passenger  
5 Bill of Rights, they have the markings, they  
6 have the licenses displayed, we are trying to  
7 get them with our license logos and get the  
8 public in the frame of mind of what's legal  
9 and what's not. Certainly this would solve  
10 the problem, because this is a neighborhood  
11 where only bases that have the winning  
12 contract will allow their vehicles only to  
13 this area, and if you want another car  
14 service base, you are going to have to go out  
15 to the street, not to Ramp C and F.

16 We are greatly pleased to get this off  
17 the ground. We are sending this out to all  
18 the bases. It's not just a Staten Island  
19 thing; any base can, or bases together if  
20 they want to can join together for this RFP.  
21 I can't give you too much detail out of it  
22 because it's an RFP process that has begun,  
23 and you know, for any further questions,  
24 consult the document and the following events  
25 we're going to announce. We released it on

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2 March 15th. There is going to be on March  
3 24th a pre-proposal meeting that will be held  
4 at twelve noon at the ferry terminal, I think  
5 in front of the fish tanks. I think that is  
6 where it is going to be, from what I was  
7 told. People are going to meet there.

8 March 26th is the final day to submit  
9 questions on the RFP, and on April 2nd, the  
10 addendum or the answers to the RFP questions  
11 will be posted and all the responses are due,  
12 and these proposals are required to be  
13 submitted on or before 4:00 p.m. on April  
14 14th, right before tax day.

15 On group rides, I just want to say a few  
16 words. You know, we have launched group  
17 rides that are on the upper east and west  
18 sides of Manhattan, got off to a very slow  
19 start. I think the intention when we passed  
20 these stands, we all thought it was a pilot  
21 in experiment. I am a little bit optimistic  
22 that the other stands that we're going to  
23 launch and that you approved will have more  
24 people using them. And I have been up there  
25 myself a lot and the staff has been up there

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1  
2 every day. There is no question that we did  
3 every possible outreach that we can. There  
4 is either two things going on: Either Number  
5 1, passengers don't want a fare in that area,  
6 which I've seen with my own eyes.

7 Number 2, it's really challenging to get  
8 the drivers and the passengers there at the  
9 same time. But this is something the  
10 Bloomberg Administration and the TLC is  
11 committed to, to making it work, it can. And  
12 if it doesn't, re tweaking it, maybe finding  
13 different locations. Stands may work in  
14 certain areas and not in others. So, the  
15 next series of stands that will be rolled out  
16 in the near future will be Penn Station, the  
17 Port Authority Bus Terminal and Grand  
18 Central, probably the Port Authority Bus  
19 Terminal first. What makes that more likely  
20 for success is you have people there already  
21 who are looking for cabs, and at the bus  
22 terminal they are going to have two lines.  
23 And they are going to be doing this at  
24 Laguardia Airport. So, it will be announced  
25 in the Commission, and it's something that

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2 will be voted on to have group rides at  
3 Laguardia at U.S. Airways terminal. The TLC  
4 will be working on some rates of fare and a  
5 logistics plan. So, while we got out to a  
6 slow and rough start, it is a pilot program,  
7 it is supposed to continue for about a year  
8 which this Commission approved, and I'm still  
9 confident that some way, somehow, that this  
10 is going to work.

11 MS. WEINSHALL: The one at the airport,  
12 will that just be a group ride to Manhattan,  
13 or Brooklyn as well?

14 MR. DAUS: This is going to be only to  
15 Manhattan. That's what we voted on, because  
16 of the GPS data for that, what we had spoken  
17 of, and we urged that we would have a future  
18 meeting to come back with the data, is the  
19 possibility that a group ride stand can go  
20 from either J.F.K. or Laguardia to a place  
21 outside of Manhattan, especially at J.F.K.,  
22 and I think we need to see whether the data  
23 supports going to those locations. But we  
24 will get that information before I go.

25 Backseat Driver, I want to thank

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2 Commissioner Catherine Oliver and the City  
3 agency for supporting us on this project.  
4 This is if you get in the back of a cab for  
5 the last month or two starting in late  
6 January, there is like a petition or contest  
7 for what the next screen shot that you will  
8 see when you get in the back of a cab. There  
9 are three different options and people are  
10 urged to vote on those ads, and they way you  
11 vote: NYC.gov/backseatdriver. Voting is  
12 scheduled to end on March 31st 2009. But we  
13 got a positive feedback with the competition,  
14 and I think this is the first step in further  
15 extension of how interactive the technology  
16 screens are to be in the future. There's so  
17 many things that we can do building on the  
18 technology, and this is one example of the  
19 interaction that we can have with passengers,  
20 surveys and possibly one day immediately  
21 filing complaints or compliments in the back  
22 of a cab.

23 Distracted Driver Enforcement. We have  
24 issued a total of 977 cell phone summonses,  
25 631 of them were issued to medallion drivers,

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2 and 346 to for-hire vehicle drivers.  
3 Enforcement is continuing, the numbers are  
4 coming down slightly, but the month is not  
5 over yet. So, we'll see where that goes,  
6 whether it remains going down in that  
7 direction, but if it does go down, it will be  
8 slightly down.

9 MS. POLANCO: I'm sorry to interrupt  
10 you. Those summonses, are they strictly for  
11 cell phone use? Because I know within the  
12 law there is other equipment included. So,  
13 do you know if they're strictly for cell  
14 phone use so far, the summonses?

15 MR. DAUS: Well, I don't have a  
16 breakdown of that with me. But in terms of  
17 whether it's a pure summons for a Bluetooth  
18 or talking --

19 MS. POLANCO: Or the radio.

20 MR. DAUS: We don't have those stats,  
21 but these are any violations issued under  
22 those rules which include all other activity.  
23 So, whether you were talking hands-free or  
24 whether you are talking with a hand-held or  
25 wearing a Bluetooth, that's what these

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2 numbers are. It's a combination of all  
3 three. We will try to get the breakdown  
4 email to you today. I know I saw it  
5 somewhere.

6 MS. POLANCO: Thank you.

7 MR. DAUS: The Taxi of Tomorrow RFP, if  
8 you haven't heard already, the deadline for  
9 submission of the proposal has been extended  
10 to May 14th. We still anticipate that the  
11 contract start date will be at this time in  
12 November 2010 unless you hear from us sooner.

13 The next thing is something that has  
14 been in the works for over seven years. When  
15 I was re-appointed at the Council seven years  
16 ago, I had promised the Council members that  
17 we would have a Driver Handbook, that we  
18 actually used our TATC consultants and all of  
19 our rules revisions to do something friendly  
20 for the drivers. We actually have a draft on  
21 the website, and I want to distribute it to  
22 the industry to get the feedback before we  
23 actually finalize it. If you are a driver,  
24 what the main thing you need to do, the main  
25 laws in plain language -- not citations to

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2 numbers -- but, "this is what it means to be  
3 a driver."

4 This is some helpful information for  
5 you, a potential list of rest stops or  
6 stands, livery relief stands, or taxi stands,  
7 or places to go to the bathroom, information  
8 about what you need to do before your license  
9 renewal, real barebone facts that every  
10 driver should keep with them and use as their  
11 bible as they do their jobs, almost like an  
12 employee handbook.

13 In the past, we had something that they  
14 carried around, but it was just a reiteration  
15 of some complicated complex rules that it  
16 takes many attorneys to be able to figure out  
17 and still then some. Our priority was  
18 basically geared toward putting our rules in  
19 plain language -- this is different. This is  
20 an actual book that just describes the  
21 rules. There is a draft on our website and  
22 we'll distribute it to all of our industry  
23 stakeholders if it hasn't been done already.

24 If there is something that's not there  
25 that you'd like to see, let us know so that

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2 the changes could be made.

3 MR. GONZALES: On the subject of the  
4 handbook, is it only in English, or do we  
5 intend to publish it in other languages as  
6 well?

7 MR. DAUS: Well, for now it's in  
8 English, but we think we're definitely going  
9 to put it in every other language. In fact,  
10 I think we are working on putting the draft  
11 in Spanish if it's not already up there. It  
12 is just going to take some time. We want to  
13 get it up quickly. It's in English for now.  
14 When it is finally distributed, it will be in  
15 different languages. And we have the money  
16 to pay for that and that will end up being  
17 the third phase of the rule making project.

18 Now I would like to address the elephant  
19 in the room, a major personnel announcement  
20 that you probably already know about  
21 already. I'm leaving and we got a new chair  
22 coming in. This is my last Commission  
23 meeting in all likelihood. I will as of  
24 today have had a perfect attendance record.  
25 I have not missed a Commission meeting for

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2 the last fourteen years. So, it has really  
3 been quite a run -- and I look forward to  
4 watching the next meeting potentially on TV  
5 late at night with my feet up eating a  
6 cupcake and drinking some soda.

7 But we have been privileged to have  
8 somebody join us today who I can't think of a  
9 better person to take my job. My friend  
10 David Yassky is here, a former Council Member  
11 from Brooklyn, our hometown. We were both  
12 from the same borough. David has not only  
13 worked with the Bloomberg Administration, but  
14 also has worked with me personally. We're  
15 friends. We have known each other for many,  
16 many years. Sometimes we disagreed on  
17 things, but most of the time we agreed  
18 philosophically. I can't think of a better  
19 smarter person to take my job, and I am so  
20 thankful that the Mayor picked you.  
21 Congratulations.

22 (Applause)

23 MR. DAUS: I think you are scheduled to  
24 go before the City Council next Thursday.  
25 So, it is possible that if all goes well, I

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2 should be out of here within a week or so, so  
3 my last day will probably be shortly  
4 thereafter that. We have already started  
5 some transition planning, and so David is  
6 getting used to some of what goes on here.  
7 I'm very, very confident that David is going  
8 to take this place to the next level. I  
9 couldn't be more pleased with David.  
10 Congratulations and welcome.

11 If I could just have one minute or two  
12 minutes of personal privilege -- I mean this  
13 has been a long time of government. I just  
14 want to try and say a few words to try and  
15 recap everything that has happened over the  
16 last fourteen to sixteen years. I basically  
17 came to government as an employment lawyer  
18 looking to get some experience helping people  
19 at the Human Rights Commission as a  
20 prosecutor, and then through a long series of  
21 promotions and working hard, I somehow ended  
22 up here, and I don't regret a minute of it.  
23 I feel that I'm not totally leaving public  
24 service, but I truly feel that while it has  
25 had its ups and downs, it has been a very

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2 difficult long road, it has been fantastic.  
3 I can't think of a better job than working  
4 for the government at this level and getting  
5 things done. So I really had a great run,  
6 and we did everything, and a lot of  
7 colleagues here on the Commission, you know,  
8 some of you have been on board since I have  
9 been here, others before me. And I look  
10 around at the faces around the room, and  
11 we've become colleagues and friends -- even  
12 if we were fighting with each other and  
13 disagreeing.

14 There has been a lot that's happened  
15 since I've been here. We had a taxi strike  
16 in '98, a real taxi strike. We had 9-11  
17 which was really devastating to this agency  
18 being two to three blocks from Ground Zero.  
19 It was two weeks after I was appointed, if  
20 you remember, that 9-11 happened, and we  
21 recovered more quickly than any other  
22 industry out there.

23 We had blackouts. We had transit  
24 strikes and threatened transit strikes. We  
25 had private bus franchise strikes that we

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1  
2 helped the City in the time of need. We have  
3 had recessions, more than one. We have had  
4 fair increases, more than one. Lease cap  
5 increases, never a decrease but increases.

6 We have had border wars. When I took  
7 over, the agency was at war with Westchester,  
8 Nassau, and New Jersey. We solved the  
9 problem, passed the law, and there has never  
10 been an issue since. And it's actually been  
11 replicated around the country.

12 And for those of you who are TLC  
13 aficionados, we have had March Madness  
14 eliminated, I'm proud to announce at the end  
15 of March. Thousands of people used to line  
16 up around the corner at 4:00 in the morning  
17 in freezing temperatures, and that was the  
18 first problem that I had faced and we were  
19 working on, not only in the management  
20 capacity but when I became chair, we really  
21 started tackling and finishing it up.

22 So, all of these things are some  
23 examples of things we have seen over the  
24 years. But also I just want to talk about  
25 the two or three or four major

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1  
2 accomplishments to put a perspective on  
3 things, especially because I've been hearing  
4 in the press lately, some people think we're  
5 villains and we don't really do our job here,  
6 but that is nonsense. The entire world  
7 recognizes us as the world leader in what we  
8 do. Any commissioner and any city agency  
9 from around the world, even London, they come  
10 to us for advice and continue to do so. The  
11 taxi technology system that we started here  
12 and dreamed up here is basically being  
13 replicated in every major city and then some.

14 The medallion system and virtually  
15 everything that we've done, starting with the  
16 point system, the driver standards, have been  
17 replicated in every city. In fact, they  
18 don't do anything until we do it here.  
19 They're probably waiting to see what happens  
20 with group rides. They basically wait until  
21 we do something and then they replicate it.

22 Right now, there are medallion systems  
23 being developed like ours that have led to  
24 better lives for people where there are  
25 auctions and increases in value. Around the

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1  
2 country, medallions are increasing in value  
3 after they implemented the things we have  
4 done here. So, that is another thing that we  
5 should be proud of, that we basically set the  
6 standard for the world.

7           Number 3, Mayor Bloomberg, who had  
8 gumption to allow us to use 311 to service  
9 the Community Dispatch Project, basically  
10 that is being looked at as a model out there  
11 too, while it's not perfect, we've actually  
12 created services for people where there was  
13 none before. And you know what, no matter  
14 which way you look at it, that's got to be  
15 considered an accomplishment over the years.

16           And last but not least, something that  
17 is really near and dear to my heart, because  
18 I thought that this was something that saved  
19 lives, is the Distracted Driver Program. The  
20 various entities around the country, now that  
21 we have the strictest Distracted Driving  
22 Program that will save lives, has been looked  
23 at nationally and internationally as a model  
24 for a safe program that will help save lives  
25 and lead to a better system for people.

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2 So, here's a couple of things, and you  
3 know, the agency improvements, we can go on  
4 and on. Waiting times have been reduced.  
5 Our agency has become more transparent than  
6 before.

7 For incoming Chairman Yassky, I can say  
8 we have a road map that the Administration  
9 has worked on with J.F.K., Deputy Mayor Ed  
10 Skyler, and also let's not forget the Deputy  
11 Mayors that were before them, Dan Doctoroff,  
12 and Iris was very involved with a lot of  
13 stuff. We have a road map that the Mayor has  
14 which includes taking our technology systems  
15 to the next level, making sure the Livery  
16 Stand Project works if it can, maybe  
17 experimenting with all types of livery stands  
18 similar to the ferry, the Ferry Program I  
19 discussed, the Taxi of Tomorrow Program which  
20 is the first of it's kind and hasn't been  
21 done anywhere before. I'm sure you're going  
22 to make that an outstanding success, because  
23 that will be something that becomes world  
24 known, and we'll have, I'm confident, the  
25 best cabs anywhere when this is all over and

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2 done with.

3 Of course the Mayor announced what's  
4 called the Taxi Voucher Problem, but we're  
5 working with the MTA on a solution to help  
6 Access-A-Ride and the MTA provide a service  
7 and use our technology system and apply them  
8 in different areas.

9 My next step, at some point after I  
10 leave, I will announce some of the things I'm  
11 doing of a private nature, but I am going to  
12 stay involved in public service. For those  
13 of you who haven't been following it, I'm  
14 going to be actually working hopefully --  
15 which I discussed with David -- with TLC.  
16 Despite a one-year ban, I got approval. I'm  
17 going to be at the University Transportation  
18 Research Center. For those of you who don't  
19 know much about it, it is a center that is  
20 funded by Federal DOT, the State and City  
21 DOTs for a variety of grants in both New  
22 York, New Jersey, Puerto Rico. I viewed it  
23 as a unique opportunity to do something about  
24 the things we've done here, which really in  
25 the transportation world, there is billions

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1  
2 of federal transportation dollars being spent  
3 and taxis. With the innovative things that  
4 we have done with this Administration, it can  
5 be part of the broader public transportation  
6 solution. Whether it's group rides,  
7 technology, we are going to be doing studies  
8 that focus on my work that I've done here  
9 with taxis, and I'm bringing that to the  
10 Board of the Transportation Committee.

11 I'm very excited about that because I  
12 feel that I can use the expertise I gained  
13 here to give back, not only to the TLC, but  
14 to the transportation departments in our  
15 region to use the GPS data and some of the  
16 lessons that we have learned to have targeted  
17 the independent studies by people who are  
18 really good researchers and know what they  
19 are doing to figure out ways in which we can  
20 improve all transportation in our region --  
21 not just taxi transportation, but that too.

22 And my hope is that by me being the  
23 first expert of this nature going into that  
24 type of facility that this will start a trend  
25 around the country that the people who give

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2 out the DOT funds and look at transportation  
3 will include taxies and not let them be a  
4 side of it, but being part of the bigger  
5 picture and bigger equation.

6 And I'm also going to either next  
7 Thursday or the next dated meeting be going  
8 before the Council as well. I though I was  
9 getting out of filling out all the forms as  
10 David had to, but nevertheless, I had a  
11 fifteen-page questionnaire from DOI that I  
12 had to fill out to become a commissioner on  
13 the Civil Service Commission. As a former  
14 Human Rights prosecutor, I'm very excited  
15 about making sure -- having represented sides  
16 of defense, both people who are suing City  
17 agencies and also defending it as general  
18 counsel for two agencies -- to be fair and  
19 impartial on rendering decisions on people  
20 who were fired and terminated and give them a  
21 fair shake and be in a quasi-judicial  
22 capacity. So, that is my next gig.

23 Finally, I would like to thank each and  
24 every one of you. It has been a long road.  
25 I have my colleagues here on the

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2 Commission -- what can I say -- but they have  
3 been coming to these meetings, and unlike  
4 decades past, you guys and gals have really  
5 been working hard. While we don't agree on  
6 things all the time, I can't think of a time  
7 that our Commission has been more thoughtful,  
8 more collegial, and more effective. I think  
9 we really are a model for how our Commission  
10 should be run. We are not a rubber stamp,  
11 you all know that. I consider you all  
12 friends. I am hoping to continue to talk to  
13 you before my year is up, figure out if it is  
14 possible. I'm going to talk to Iris because  
15 I'm going to be joining CUNY. We both  
16 graduated from Brooklyn College, so we're  
17 both with the community system, so, it will  
18 be nice to return home there.

19 I want to thank not only the  
20 commissioners, but the staff. Couldn't have  
21 done it without the staff. The staff is one  
22 of the best staffs if not the best staff in  
23 City government in my opinion. They are  
24 really the unsung heroes. This is a  
25 difficult agency. It has it's moments. It

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2 has a lot of politics. There is a lot of  
3 different interests that stakeholders have  
4 that you have to balance. I believe that  
5 we've done that but couldn't do it without  
6 the staff. The staff has really stepped up.  
7 I have asked so much of them, and we all  
8 have, and I just want to give you and my  
9 board a round of applause. Thank you for  
10 doing what you do for all of us.

11 (Applause)

12 MR. DAUS: That is basically what it's  
13 all about. You guys have become friends, and  
14 you really have despite all our  
15 disagreements.

16 I can say that truly, consistent with my  
17 hands-on management program and also with my  
18 open-door policy which I was assured by David  
19 will continue, that we have listened and we  
20 have learned and we have made regulation for  
21 the better. I have seen other systems and  
22 how it works and how things get screwed up  
23 when you don't listen. Distracted driving is  
24 a perfect case point, the most recent thing  
25 we have done. I was assured that that will

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2 continue and that basically I want to thank  
3 you, because all of the things we got done,  
4 we couldn't do it without you. Basically all  
5 of the things ended up being compromises and  
6 you folks committing to work with us one way  
7 or another, and I thank you for that and I  
8 hope to stay in touch with you now that I'm  
9 on the outside.

10 I will at some point announce a date  
11 for -- I think they are planning some type of  
12 party for me or something like that -- we'll  
13 make sure everybody is invited, and I hope to  
14 see you there.

15 It has been a true privilege to serve  
16 the people of the City of New York. Thank  
17 you.

18 (Applause)

19 MR. GONZALES: I would like to say one  
20 quick thing. Matthew, overall you have been  
21 here for quite a few years now. I just want  
22 to personally thank you for, you know,  
23 helping me out while sitting here on the  
24 Board.

25 More specifically, I would like to thank

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2 you in partnership with myself and  
3 Commissioner Arout for revamping the for-hire  
4 vehicle rules. I really appreciate in our  
5 sponsorship and dedication both yourself and  
6 the staff on getting that up and going. Wish  
7 you good luck in your new role.

8 If it's not premature, I would like to  
9 welcome David Yassky on board here. Take  
10 care.

11 MR. DAUS: Thank you very much.

12 MR. AROUT: Matthew, it is a great  
13 privilege for me to be with you here today.  
14 How many years have I been here? Twenty  
15 years ago, or something like that. But when  
16 you came on board, you did a tremendous job  
17 throughout this agency, and your staff is  
18 outstanding. Any time I had a problem, they  
19 were right there.

20 We wish you luck and I'm sure you will  
21 do good wherever you are. Thank you so much  
22 for being chairman. Thank you.

23 MR. DAUS: Thank you.

24 MS. WEINSHALL: Matthew, we worked  
25 together in government.

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2 MR. DAUS: We're back.

3 MS. WEINSHALL: We're back. We keep  
4 following each other. Anyway, I just want to  
5 say it was a pleasure working with you here  
6 at the Taxi and Limousine Commission, and  
7 that you highlighted a lot of the challenges  
8 that we had to go through, the transit strike  
9 and blackouts and all the work that we've  
10 done here at the TLC, and you are going to do  
11 a great job at CUNY there, very eager for you  
12 to join the faculty there, and you'll pass on  
13 to students all that you learned in  
14 government here. So, I wish you all the  
15 best.

16 MR. KAY: Thank you. I guess everyone  
17 is compelled to say something now. This  
18 certainly is a matter to speak from the  
19 Administration, besides the Mayor himself who  
20 has said on a number of occasions thank you  
21 for your service, but on behalf of myself as  
22 well as the rest of the Administration, we  
23 have had a number of projects together over  
24 the last several years, and you should be  
25 proud of what you accomplished here at the

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2 TLC. Good luck.

3 MR. DAUS: Thank you, Jeff.

4 MS. POLANCO: Well, Matt, although I  
5 spoke with you before, I really want to thank  
6 you. Although I have been here two years or  
7 so, I want to thank you for guiding me, for  
8 listening to my concerns, and also for your  
9 advice as well. I wish you all the best, and  
10 we'll continue seeing each other.

11 MR. DAUS: Well, I'm in your  
12 neighborhood.

13 MS. POLANCO: Yes. I wish you the best.  
14 And I really appreciate everything.

15 MR. GIANNOULIS: Congratulations. You  
16 have done a wonderful job with the staff  
17 here, and a lot of good stuff has happened.  
18 I think for me, the most important thing is,  
19 no matter what we had in terms of policy  
20 disagreements or dealing with a very tough  
21 audience, you always showed up to every  
22 meeting with a smile, with your hand out, you  
23 know, willing to work with people. In  
24 government, that is important because a lot  
25 of times that doesn't happen. So, you

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2 deserve a lot of credit for that.

3 And just because I won't to be able to  
4 talk about the new Chairperson once he's  
5 there; I have worked with David Yassky, he is  
6 a very fair person, he is a very good  
7 person. I think he's going to be a good  
8 chairman of the agency. We have disagreed;  
9 you are perfect because we have already  
10 disagreed on stuff, stuff relating to the  
11 TLC. We have had private discussions about  
12 it more than once.

13 David is always very polite, very  
14 focused, and I welcome him on board and I  
15 think he is going to do a good job just like  
16 Matt did.

17 MR. DAUS: Thank you. I want to thank  
18 all of you. Last but not least, as Jeff  
19 mentioned, I want to thank Mayor Bloomberg  
20 for giving me the chance. He re-appointed me  
21 to serving another term, and I have served  
22 like I promised to the end, as well as for  
23 Mayor Giuliani for quite frankly giving me  
24 the chance. I didn't think I would be here  
25 for this long. I thought I was in government

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2 and out in two years -- and what do you know,  
3 sixteen years later.

4 But thank you, everybody. I'm sure  
5 we'll remain in touch in one capacity or  
6 another, and I thank you.

7 So you, now on to the business. Now  
8 that all the emotional stuff is out of the  
9 way. I would like to also announce one more  
10 thing. We are going to have a lease cap  
11 hearing today, but I also want to just, ahead  
12 of time, for people who are here and may be  
13 leaving, we are going to extend the written  
14 comments to the end of April, and it is going  
15 to be an ongoing process; we need to have  
16 follow-up questions and information, you  
17 know. There is going to be a second hearing  
18 with the Chair that will be held at some  
19 point I was told in April. So, this is not  
20 the end, it is the beginning of the process,  
21 and it is going to take some time. So I  
22 think the testimony here is really the  
23 starting point.

24 So that was probably the longest  
25 chairman's report in TLC history -- but we

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2 are about making history here right?

3 The next item on the agenda is the  
4 adoption of the minutes is from December 17th  
5 2009 Commission meeting.

6 MR. AROUT: Make a motion we adopt.

7 MR. KAY: Second.

8 MR. DAUS: All in favor?

9 THE BOARD: (I unison) Aye.

10 MR. DAUS: It's unanimous. Thank you.

11 Base applications. Licensing would like  
12 to present before the Commission two new  
13 bases for approval.

14 Any issues with the bases?

15 (No response)

16 MR. DAUS: Do we have a motion to  
17 approve?

18 MR. AROUT: Motion to approve.

19 MS. WEINSHALL: Second.

20 MR. DAUS: All in favor?

21 THE BOARD: (In unison) Aye.

22 MR. DAUS: Thank you.

23 Also there are three bases that  
24 licensing is recommending for denial. They  
25 request that the Commission grant them an

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2 additional thirty days so that they may  
3 present the outstanding items.

4 MR. AROUT: So move.

5 MR. KAY: Second.

6 MR. DAUS: All in favor?

7 THE BOARD: (In unison) Aye.

8 MR. DAUS: Thank you. I have four staff  
9 presentations. David Klahr, do you want to  
10 join us?

11 This is on the Commuter Van Passenger  
12 Bill of Rights which was pursuant to a law  
13 which was signed by the Mayor and passed by  
14 the Council, and we're going to talk a little  
15 bit about what this is recommending moving  
16 forward after this as well.

17 MR. KLAHR: Thank you, and good  
18 afternoon. I'll try to be as brief as  
19 possible. Recently the Council passed a bill  
20 mandating Bill of Rights for livery vehicles,  
21 commuter vans, and taxicabs. There has  
22 already been a Taxicab Bill of Rights in  
23 medallion cabs since at least the 1990s, and  
24 this agency really took the lead in the  
25 general Bills of Rights for the City. So I

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2 just want to kind of go through quickly what  
3 is in these required bills of rights and kind  
4 of what the obligation of the agency would be  
5 due to legislation.

6 I do want to note also that black car  
7 and Paratransit industries have consumer  
8 protections, but we're not talking new  
9 consumer protections now, we're just kind of  
10 codifying them in a way that makes it easier  
11 for passengers to understand, but these  
12 industries are not covered by this bill, and  
13 so, therefore, they do not have an official  
14 Bill of Rights.

15 So, why do we do we have bills of rights  
16 in the first place? The simple answer is  
17 that we're taking rules and obligations and  
18 rights that are found in different places in  
19 the rules and we put them in one place for  
20 easy access. We find that it could be  
21 written in plainer language in the rules  
22 themselves, again we are hoping to change  
23 that later this year.

24 And you can actually put it in the  
25 vehicle so the passenger can interact with it

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1  
2 right there while they are having their ride  
3 to see what should be happening. So, the  
4 Administrative Code has been amended, Section  
5 19537 creates again Passenger Bill of Rights  
6 for medallion taxis, for-hire vehicles and  
7 commuter vans. It specified elements that  
8 need to be included in the Bill of Rights.  
9 It took effect last month.

10 The good news is that medallion cabs and  
11 liveries already have decals with bills of  
12 rights that match with the text already in  
13 them; for commuter vans, not. So, there will  
14 need to be some agency act in that regard.

15 I wanted to quickly go through what  
16 rights are covered, and there are universal  
17 passenger rights.

18 And these are the rights: You get the  
19 right to a vehicle that's in good condition  
20 that passed all required inspections. It is  
21 clean. It comes with a properly licensed  
22 driver with their credentials displayed; a  
23 courteous driver who obeys all the traffic  
24 laws; air conditioning or heat; seat belts that  
25 work; and at the passenger's request a quiet

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1  
2 trip without radio music or excessive  
3 honking; clean air; no smoking; no incense at  
4 passenger's request. The driver does not use  
5 a cell phone. You have the right not to tip  
6 for poor service. You have the right to be  
7 accompanied by a service animal if you have  
8 one. And also it has a statement on when and  
9 how to file complaints or compliments, and  
10 that's usually taken care of by instructing  
11 passengers to call 311.

12 Now, certain industries have certain  
13 rights that are added that are specific to  
14 that industry. Medallion passengers, they  
15 have the right to pay via credit or debit  
16 card. They have the right to go to any  
17 destination in the City, Nassau, Westchester  
18 or to Newark Airport. The passenger can  
19 direct the route taken, and have a driver who  
20 speaks English and is familiar with city  
21 geography.

22 Livery passengers have slightly  
23 different rights. They have the generic  
24 passenger rights, not rights that are  
25 included in the medallion component. But you

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2 do have the right to pay a fare that's  
3 provided by the dispatcher in advance.

4 Then for commuter van passengers: The  
5 right to have a knowledgeable driver that is  
6 familiar with the areas the van is authorized  
7 to provide service in.

8 And that covers all the rights enjoyed  
9 by passengers under this bill.

10 Staff hopes to have for you at your next  
11 meeting relevant rules, to update the  
12 rules -- not necessarily anything in the  
13 Administrative Code, we want to make sure the  
14 rules are harmonized. We hope the Council  
15 has support for us. We also hope to have the  
16 actual sticker to have for the commuter van.  
17 We'll have a description on how we plan to  
18 distribute the Bill of Rights to commuter  
19 vans, it will probably emulate what we did  
20 with the for-hire vehicles.

21 The staff would also like you to perhaps  
22 consider expansion of the Bill of Rights  
23 concept to the remaining industries. It does  
24 not necessarily have to be in the form of a  
25 decal that goes in the vehicle. For example,

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2 in the lux limo world, transactions are  
3 handled by a business negotiation or  
4 contract. You could require a rider in a  
5 contract or require a handout. You could  
6 require a decal in the vehicle, but I suspect  
7 the industry might not be interested in  
8 that.

9 Are there any questions?

10 (No response)

11 MR. KLAHR: Thank you very much.

12 MR. DAUS: Thank you, David. One thing  
13 I recommend we look into is making sure --  
14 David Yassky too -- we may want to recommend  
15 we try to do Bill of Rights in every single  
16 licensed vehicle. There is no reason in my  
17 mind why we should have Paratransits and the  
18 commuter vans situated differently and  
19 separately from others. They all have rights  
20 and they all should be in some way shape or  
21 matter enforced at some point.

22 We have Chris Wilson here for items 4-B,  
23 the Livery Drivers' Workers' Compensation  
24 Benefit Fund, and we decided that we should  
25 do this presentation, there is a lot of

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2 concern in the livery industry about how this  
3 is going to work, and I think it is very  
4 important for the industry commissioners to  
5 understand the new laws and rules and how  
6 they are going to impact industries.

7 Chris has become guru in this area, and  
8 I would like to thank you for having a  
9 presentation put together, you and Chuck  
10 Fraser.

11 MR. WILSON: Good afternoon,  
12 Commissioners. I'm Chris Wilson and I'm an  
13 assistant general counsel at the TLC, and I'm  
14 here to talk about some provisions of State  
15 Workers' Compensation laws which recently  
16 became effective and affect the livery  
17 drivers.

18 We worked with the Workers' Compensation  
19 Board in terms of both of the legislation and  
20 implementing the legislation, and we actually  
21 think that adding livery drivers represents  
22 our step forward in terms of the coverage and  
23 work conditions available to them.

24 Workers' Compensation generally is a  
25 statutory scheme that provides that workers

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2 who are injured on the job can recover for  
3 those injuries. Most of the drivers we  
4 regulate today are already covered by  
5 Workers' Compensation Insurance; taxi drivers  
6 are, Paratransit drivers are, commuter van  
7 drivers are.

8 Luxury limo drivers and black car  
9 drivers have a slightly different  
10 arrangement. The State has set up by  
11 legislation a Black Car Fund which covers  
12 these drivers. The Black Car Fund is funded  
13 by a surcharge on black car and lux limo  
14 rides, and that in turn is what pays for  
15 coverage to drivers who file claims.

16 The livery drivers have always been a  
17 special case in terms of the Workers'  
18 Compensation world. Although the law appears  
19 to mandate coverage for livery drivers by the  
20 owners of vehicles, in fact, our experience  
21 has been that livery drivers are not covered  
22 because most decisional authority is  
23 determined that most drivers are independent  
24 contractors and therefore, not entitled to  
25 coverage. As a result, they have had

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2 difficult times getting covered for their  
3 injuries incurred while they are on the job.

4 MR. GIANNOULIS: Are yellow cab drivers  
5 considered something opposite or something  
6 different?

7 MR. WILSON: Yellow cab drivers have  
8 typically -- there has been little problem  
9 concerning the employees covered by the  
10 policies covered by medallion owners.

11 MR. FRASER: Taxi drivers are described  
12 in the definition of employees in the  
13 Workers' Comp current law. Livery drivers  
14 are not, so, livery drivers are subjected to  
15 the fact-specific analysis to determine  
16 whether they are employees or not.

17 If taxi drivers were submitted that same  
18 analysis, they would be found to be  
19 independent contractors, but they are just  
20 specified as such.

21 MS. WEINSHALL: So, people who own their  
22 own medallions are not considered independent  
23 contractors? They are covered under  
24 Workmans' Comp?

25 MR. WILSON: People who own their own

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2 medallions don't have to have Workers' Comp  
3 coverage unless they rent their medallion  
4 out.

5 MS. WEINSHALL: But let's assume they  
6 drive the cab themselves, they never rent the  
7 medallion out; they have no Workmans' Comp  
8 coverage?

9 MR. WILSON: I believe that is  
10 correct.

11 MR. DAUS: There is a certain number of  
12 professions, I think either in the position  
13 of employer/employee, even though some of  
14 these professions, actually if you apply the  
15 independent contractor analysis, actually  
16 they would be independent contractors, but  
17 they specified yellow taxicab drivers in  
18 there.

19 MR. WILSON: They also specify racehorse  
20 jockeys and people working in theater as  
21 employees.

22 MR. DAUS: Someone had a good lobbyist.

23 MR. WILSON: So, the way the structure  
24 was intended to work but never did work for  
25 livery drivers was that the vehicle owner was

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to be the employer of the driver for purposes of Workers' Compensation Insurance.

And the idea was that the coverage would provide for work-related injuries including medical costs, loss of earnings, death benefit, and also disability component for non work-related injuries.

But, as noted, we have had trouble assuring that people do get compensated for their injuries; first, because many people who attempt to procure regular coverage find it expensive or unavailable; secondly, it is noted when people have made claims they have been held to be independent contractors and not entitled to coverage.

So, the State and we decided on a new approach. New York State has passed a new law that will create a statutory scheme. The law creates something called the Livery Drivers Benefit Fund, and under the new law, it clears the dispatching base, the employer, for Workers' Comp purposes of drivers. Under the new law that is what the coverage provides.

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2           If the base is not a member of the Fund,  
3 the base is the employer and has to provide  
4 Workers' Comp coverage.

5           The Fund provides somewhat more limited  
6 coverage than traditional Workers' Comp  
7 coverage. It provides coverage from injury  
8 resulting from a crime; for serious injuries  
9 which is loss of limbs, hand, finger,  
10 multiple toes; paraplegia or quadriplegia;  
11 total or permanent deafness and blindness.

12           It does not provide coverage for less  
13 serious injuries such as, let's say whiplash.

14           Coverage by the Fund does include  
15 medical coverage, medical costs for those  
16 covered injuries. It includes loss of  
17 earnings for people who have a covered  
18 injury, and it provides a death benefit if  
19 you are killed on the job which will be  
20 determined by the Fund itself.

21           It does not provide a disability  
22 component.

23           And finally, the statute provides: For  
24 those injuries incurred on the job which the  
25 Fund doesn't cover, drivers can make claims

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2 against the No-fault Insurance coverage of  
3 the vehicle owner. And those claims can  
4 include medical costs and lost income.

5 So, the way the structure works is, the  
6 Fund will provide limited statutory coverage  
7 to drivers of covered bases. Coverage will  
8 be paid for by the bases. Each base will pay  
9 and is assessed based on the number of  
10 affiliated vehicles.

11 And under the statute, livery bases not  
12 becoming members of the Fund must provide  
13 classic Workers' Compensation Insurance.

14 MR. GIANNOULIS: How different is the  
15 coverage of the Fund from classic Workers'  
16 Compensation? I know it's very complicated,  
17 I assume, given insurance stuff.

18 MR. WILSON: The big difference is that  
19 the Fund will not cover simpler injuries. It  
20 will only cover severe injuries; that is  
21 blindness, loss of a limb, paraplegia or  
22 quadriplegia.

23 It wouldn't cover, for example, just a  
24 tissue wound in a fender bender, or if a hand  
25 gets slammed in a car door but otherwise

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functional.

But, what the statute provides is for those types of injuries, you can make a claim against the Uninsured Motorist Coverage. So, the Fund itself won't provide that coverage, but in theory, there will be somebody to whom the driver can look to recover at least medical costs for those injuries.

MR. GIANNOULIS: And why would somebody join one or the other, if there is a quick answer? Why would a base choose one or the other? Is it in terms of declaring whether somebody is employed; what is the reason?

MR. WILSON: I think the reason the bases will probably choose to join the fund is, we believe that the coverage provided by the basic -- the cost of the coverage is cheaper.

So, the law went into effect on January 1st. And beginning on January 1st, every livery base as a condition of licensure must provide proof that you are a member of the Fund or that it has full Workers' Comp coverage for the drivers it dispatches.

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2           And the TLC in turn is also providing to  
3 the Fund information regarding vehicle  
4 affiliations reported to us by livery bases.  
5 The statute contains strict penalties for  
6 matters such as failure of a base to pay  
7 assessments to the Fund, misrepresentation of  
8 owners of affiliated vehicles to reduce  
9 assessments. The penalties include fines,  
10 suspension, and revocation including  
11 revocation of either or both of the base's  
12 license or the base's membership in the Fund  
13 itself.

14           The statute requires the TLC to do a  
15 couple of things: First, we are required to  
16 deny base licenses to applicants who appear  
17 before us who do not demonstrate to us either  
18 membership of the Fund or that they have  
19 Workers' Comp coverage for their drivers, and  
20 we have already begun doing that as of  
21 January 1st.

22           In addition, we have noted that we also  
23 have to provide to the Fund -- which we are  
24 doing -- information regarding vehicles  
25 affiliated with bases.

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The statute permits us to do several things at our option. We can enforce the Workers' Comp Board or along with the Workers' Comp Board certain aspects of the Fund including, we can work with the Workers' Comp Board for bases that fail to pay their assessments; for bases that have misrepresented the numbers of affiliated vehicles; for bases that have tried to coerce drivers and vehicle owners to misrepresent whether or not they are affiliated with a particular base.

The staff is recommending that the rules that we present will implement both the mandatory and optional components because we believe the coverage of livery drivers is important and we think that our assistance to the WCB in enforcing provisions of the statute advances the goal of providing coverage to livery drivers.

The way the we anticipate this will work is that the Fund and the Workers' Comp Board will seek our assistance if they desire and provide us with the information we need to

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2 take enforcement action against a base if  
3 they don't do it themselves.

4 We anticipate that we will probably have  
5 the proposed rules before you at our next  
6 hearing or probably in May actually.

7 Licensing, as I mentioned, is already  
8 requiring livery bases applying for renewal  
9 licenses to demonstrate compliance, and the  
10 Fund and the Workers' Comp Board have served  
11 several notices on livery bases which have  
12 not joined the Fund to date. As of Tuesday,  
13 17 bases have been with "stop work orders,"  
14 which is down from about 36 a month ago, so,  
15 they seemed to have been successful in their  
16 efforts to encourage compliance.

17 MR. DAUS: Great presentation.

18 MS. POLANCO: Thank you for your  
19 presentation, very informative.

20 So, does the TLC have any discretion;  
21 basically it is a State mandate?

22 MR. WILSON: Correct.

23 MS. POLANCO: So, the TLC has to comply  
24 with the State?

25 MR. WILSON: That's correct. Under the

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2 statute, we are not permitted to give a  
3 license to a base which does not demonstrate  
4 compliance.

5 MS. POLANCO: When you say "optional  
6 components," which optional components are  
7 you referring to?

8 MR. WILSON: Under the statute we maybe  
9 are not required to assist WCB and the Fund  
10 in enforcing certain duties of the bases  
11 regarding coverage. So, if a base has failed  
12 to pay its premium, we can write a summons,  
13 we can, but we are not required to write a  
14 summons to the base in addition to the action  
15 the WCB may take.

16 Likewise, if a base misrepresented the  
17 number of cars that they have affiliated, we  
18 can but are not required to also write a  
19 summons to them for having misrepresented  
20 themselves to the WCB and the Fund. So, we  
21 are recommending that we take those actions  
22 as well in addition to simply requiring  
23 people to be members.

24 MR. DAUS: Although we're no voting on  
25 this, I would strongly recommend that you

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1  
2 consider having some teeth in the law,  
3 because we have the option to put some teeth  
4 into it. We did it with the Black Car Fund,  
5 and it worked. I think you are going to have  
6 some difficulty getting a lot of these livery  
7 bases signed up. I think as awareness gets  
8 out there, that's great, but there has to be  
9 some teeth for people who don't, otherwise  
10 the Fund is not going to work and people  
11 can't be served.

12 I see the whole Board has a second role  
13 over here. Good luck on your endeavors.

14 MR. GIANNOULIS: Do you have any sense  
15 of costs? Because Workers' Comp insurance is  
16 actually not that expensive at end of the  
17 day.

18 MR. WILSON: At one point, I heard the  
19 number, but I don't know that it's still  
20 accurate. They were talking about an  
21 assessment of about \$1,000 a vehicle.

22 MR. GIANNOULIS: That seems high.

23 MR. WILSON: Is it \$250, \$260 per  
24 vehicle per year? He would know better than  
25 I.

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2 MR. DAUS: Would you consider it more or  
3 less than the centered Workers' Compensation  
4 policy in terms of the actual injuries  
5 covered; is it different or the same?

6 MR. WILSON: In terms of the whole  
7 scheme including the ability to make claims  
8 against the Unemployment Insurance, I think  
9 it covers mostly the same stuff -- but the  
10 Fund itself has a narrower mandate, and that  
11 is serious injuries as opposed to not-so-  
12 serious injuries.

13 MR. DAUS: What happens to surplus of  
14 funds? Like there was an ongoing issue with  
15 the black cars.

16 MR. WILSON: There is not. A statute  
17 creates a board of directors for the Fund,  
18 and I think the idea is, if there is a  
19 surplus of funds, it collects interest; that  
20 is if they are collecting more than they  
21 need, reducing the amount that they are  
22 collecting.

23 MR. DAUS: Any other questions?

24 (No response)

25 MR. DAUS: It's a good thing for the

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2 Fund. Good thing for the industry.

3 Item 5-A, the Commission action for  
4 Rules Revision Project, Chapter 8, Taxi  
5 Owners, I would like to turn it over to Chuck  
6 Fraser, our counsel.

7 MR. FRASER: The first chapter for  
8 consideration today is Chapter 8, which is  
9 Taxi Owners. This replaces Chapter 1 in the  
10 existing rules. We published this for  
11 comment, and had a public hearing, and we  
12 received three written comments. We had one  
13 witness testify at the hearing. Those  
14 comments have been circulated to the  
15 commissioners.

16 The staff is recommending three changes  
17 to the proposed rules based on those  
18 comments. Those have also been circulated to  
19 the commissioners, and I think copies may be  
20 available in the back of the room.

21 MR. DAUS: Anybody have any issues with  
22 it?

23 (No response)

24 MR. DAUS: Do we have a motion to accept  
25 the rules?

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2 MR. AROUT: I make a motion.

3 MR. GONZALES: Second.

4 MR. DAUS: All in favor?

5 MR. GIANNOULIS: There is no testimony,  
6 right?

7 MR. FRASER: These rules revisions, we  
8 are doing the public hearings in front of the  
9 staff, and then you have a transcript. There  
10 was a witness who was Mr. Mazer, and you have  
11 the transcript of his comments.

12 MR. DAUS: Item 5-B, Chapter 20,  
13 Transition Provision.

14 MR. FRASER: This is a chapter that  
15 provides for transition from the existing  
16 rules to the new rules. The intention is  
17 essentially to keep every valid act that is  
18 undertaken under the existing rules to remain  
19 valid when the new rules are passed. So, if  
20 we write a violation under Section 220 when  
21 the new rules are implemented that new rule  
22 becomes 326, and the action is still valid if  
23 that summons was written under a rule that  
24 has been replaced by another rule, and the  
25 licenses remain valid, critical driver points

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2 remain valid, all that sort of things.

3 We received no written comments. We had  
4 testimony from one witness -- and  
5 mysteriously the same witness -- and as a  
6 result, staff is recommending one change, not  
7 to the rules themselves, but in addition to  
8 the statement, an explanatory addition to the  
9 statement and purpose based on that comment.

10 Again, the staff is recommending  
11 conditional approval of these rules  
12 conditioned on a further vote when the last  
13 of the chapters is approved -- which, by the  
14 way, we have four chapters to go; two will be  
15 available at the April meeting and two at the  
16 May meeting. At that point, we'll be ready  
17 to do the final approval I guess I'm  
18 expecting in July.

19 MR. DAUS: Do we have a motion to  
20 approve?

21 MR. GONZALES: Motion to approve.

22 MR. AROUT: Second.

23 MR. DAUS: All in favor?

24 THE BOARD: (In unison) Aye.

25 MR. DAUS: I just recognized

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2 Commissioner Polanco wasn't present for those  
3 two votes. It was otherwise unanimous.

4 This isn't for Commission action: This  
5 really should be for public hearing, we are  
6 definitely not taking any action today on  
7 Item 6, the Lease Cap Public Hearing. This  
8 is something that we are required to do every  
9 two years.

10 Chuck, do you want to elaborate a little  
11 bit further on what we're going to be  
12 analyzing today?

13 MR. FRASER: The rules require a public  
14 hearing law on lease caps every two years,  
15 every other March; March of each even-  
16 numbered year. This being March of an even-  
17 numbered year, we have a lease cap hearing.

18 The Chairman already mentioned that  
19 we'll be accepting written comments through  
20 the end of April, and I would just point out  
21 there is an extensive questionnaire that has  
22 parts from different industry complaints,  
23 drivers, owners and so on. It is on our  
24 website. Please go to that questionnaire and  
25 fill it out, give us as much information as

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2 you can, and we'll be using that to -- the  
3 staff will formulate a recommendation to the  
4 Commission. And I think the Chairman also  
5 referred to a second hearing at some later  
6 point.

7 So, other than that, we'll just hear  
8 testimony today.

9 MR. DAUS: Thank you, and they have  
10 three minutes to speak.

11 The first speaker registered is  
12 Mr. Ethan Gerber from Gerber & Gerber.

13 MR. GERBER: Good afternoon,  
14 Commissioners and to the new chairman. My  
15 name is Ethan Gerber from Gerber and Gerber  
16 and the Greater New York Taxi Association.

17 Before I begin my three minutes, on a  
18 personal note, I would like to say what a  
19 great pleasure and honor it has been to have  
20 worked with Matt Daus. I first met Matt when  
21 he was general counsel. I was instantly  
22 impressed with his means to get at the heart  
23 of issues and to resolve problems.

24 Through the years as Chairman, I knew  
25 that many problems could be solved if Matt

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2 became aware of them. He approached his job  
3 with dedication and intelligence, and always  
4 put the interest of the City first. New York  
5 is a better place for having Matt as Chairman  
6 and as a commissioner. Thank you, Matt.

7 MR. DAUS: Thank you, Ethan. I  
8 appreciate those kind words.

9 MR. GERBER: Also, GNYTA is also very  
10 close to the counsel, particularly in his  
11 Green Initiative, and we look forward to many  
12 years working with him in the future.

13 Rule 1781(a) mandates that during March  
14 in even-numbered years that TLC shall hold  
15 public hearings on lease caps. The rules  
16 explicitly state that the TLC must consider  
17 operating expenses, driver earnings, and  
18 retention of experienced drivers, as well as  
19 other matters. Each of the expressed reasons  
20 demands an increase in lease caps.

21 As to operating expenses, everything has  
22 gone up -- and not just because of  
23 inflation. The cost of vehicles has gone  
24 up. Hybrids and accessible taxis are more  
25 expensive and cost more to maintain. The

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2 mechanics are much more specialized and cost  
3 more to train; the cost of support personnel,  
4 the cost of the professionals, the  
5 accountants and the attorneys, the cost of  
6 liability insurance, self-insurance and  
7 Workers' Compensation premiums.

8 In addition, the new rules state that  
9 any of the costs formally incurred by the  
10 driver must now be included in the lease  
11 caps.

12 Driver earnings are up. All analyses  
13 shows that credit card tips average just over  
14 20 percent.

15 (Laughter)

16 MR. GERBER: I anticipated those  
17 comments and laughs. What I have is actual  
18 data analyses which shows that the average  
19 tip -- that's in my fleets in the GNYTA --  
20 average about 19 percent, they go from 19 to  
21 19.6 percent on credit cards. We don't have  
22 records of cash receipts obviously, but on  
23 the system, according to the data that we  
24 have amassed, comes out to just over 19  
25 percent. And I have that information

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available and I will be making it available for all the Commissioners.

As to the retention of drivers, we have more drivers now than ever before in the taxi industry. TLC lists 46,687 active licensed drivers. In a free market, there is no doubt that it would cost more to lease a vehicle. The fact that so many people choose to drive cabs, shows that it remains viable and profitable to thousands of New Yorkers.

As to policy, let me make two points: First, this is not an issue between owners and drivers. No one disputes driving a cab is a hard job. At GNYTA, we are owner/members, either a former cab driver, or the son of a cab driver. I myself am the grandson of a cab driver. We value this work and we all know the labor involved. The lease cap doesn't just go to the owners, it goes to the thousands of other workers in the cab industry; the mechanics, the dispatchers, the receptionists, the secretaries, the gas pump attendants, the car painters, the car washers, the maintenance garages, and dozens

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2 of hard working people in one of New York's  
3 most important indispensable industries. A  
4 frozen lease cap means that these salaries  
5 are frozen as well.

6 Second, historically, the lease cap was  
7 enacted to avoid the rare abuse -- the lease  
8 cap was well above market demands, for that  
9 reason, it was first enacted, it was well  
10 above that of which -- may I have two more  
11 minutes?

12 MR. DAUS: You spent some time saying  
13 nice things about us, so, that was not part  
14 of your allotment.

15 MR. GERBER: Today, virtually all  
16 garages are trudging at that low rate. They  
17 literally can't afford to stay in business at  
18 lower prices. This also creates  
19 consequential damage to good garages with  
20 outstanding service with no incentive to  
21 compete at that service level.

22 The current lease cap is said to be  
23 unfair to the owners. If the TLC believes  
24 that an upward adjustment is unfair to  
25 drivers, it means the rate of fares are

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2 officially low and needs adjustment to  
3 reflect reality of industry.

4 MR. DAUS: Thank you, Ethan. Are you  
5 able to, somehow, for benefit of the  
6 Commission and the new chairman, I would  
7 recommend maybe if there is a way you could  
8 actually go through that economic impact  
9 analysis on the employees of the fleets and  
10 agents? Because that's something we never  
11 looked at, and I think that would be helpful  
12 to see if these other working people are also  
13 effected by that.

14 MR. GERBER: Absolutely.

15 MR. DAUS: Something we never really  
16 discussed, and I think that would be  
17 something that is very important to the  
18 Commissioners in my opinion. Thank you.

19 Mr. Singh?

20 MR. SINGH: Good afternoon, everyone. I  
21 have some concerns about the brokers charging  
22 \$50 dollars additional fees for the drivers,  
23 I have never heard that before. There has  
24 always been two shifts and two drivers. I  
25 don't know where that it is coming from, that

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2 is issue Number 1.

3 Number 2, we have to pay 5 percent of  
4 the tolls and 5 percent of the surcharges.  
5 That takes away from us, and plus we pay  
6 another 10 percent to make that even.

7 And the third thing is, what happens if  
8 the credit card breaks down at Newark Airport  
9 and they have no cash? What should we do?  
10 We have no idea what to do with it. Credit  
11 card doesn't work.

12 MR. DAUS: A meter breaks down -- credit  
13 card swipe; the same rules would apply  
14 there. Why would they not?

15 MR. SINGH: We have no way to accept the  
16 payment.

17 MR. DAUS: The same "store forward" on  
18 the meter would apply. So, why would that be  
19 an issue if it was in Newark?

20 MR. SINGH: I always thought we had to  
21 print from the credit card. I don't know if  
22 that is the rules.

23 MR. DAUS: Why don't we have some of the  
24 technology folks sit down with you now and  
25 explain that to you -- thank you, Allen.

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2 MR. SINGH: The other issue we have is  
3 the brokers charging back to drivers and  
4 asking for receipts. What should we do about  
5 that? Let's say a charge is \$60 and the  
6 driver cannot provide the receipt, and they  
7 charge him on the credit card?

8 MR. DAUS: They can help you with that.  
9 I don't know the answer to that question.  
10 So, Allen will take care of you, Mr. Singh.

11 The next speaker is David Pollack from  
12 Taxi Safety.

13 MR. POLLACK: Mr. Chairman, it has been  
14 a pleasure working with you and the  
15 Administration. Thank you for your service  
16 to the passengers of the City of New York, to  
17 the drivers of the City of New York, and to  
18 the taxi industry. We appreciate all your  
19 efforts.

20 MR. DAUS: Your welcome.

21 MR. POLLACK: Good afternoon,  
22 Commissioners and Mr. Chairman. My name is  
23 David Pollack, executive director on the  
24 Committee for Taxi Safety. I am here today  
25 to testify concerning the lease cap.

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2 The Lease Cap Rule 1-78 of the TLC  
3 Regulations limit the amount an owner may  
4 charge by leasing the medallion.

5 Section 1-78 provides that during March  
6 of even-numbered years, the Commission is to  
7 hold a public hearing and solicit comments as  
8 to the operating expenses, the driver  
9 earnings, retention of experienced drivers in  
10 the taxi industry and other matters relevant  
11 to purposes of considering changes to the  
12 lease caps.

13 Briefly a background: An owner of any  
14 fleet medallion or pre-1990 individual  
15 medallion gives management to his or her  
16 medallion to a TLC licensed agent, the agent  
17 then leases out the medallion to a driver.  
18 There are primarily two types of leasing  
19 within our industry: There is shift leasing,  
20 and then there is long term leasing often  
21 referred to as DOVs -- that's driver owned  
22 vehicles.

23 We testify today to bring your attention  
24 to an issue of importance that if not  
25 addressed will result in permanent changes to

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2 our industry, negative to leasing, not only  
3 drivers, but the riding public, that issue  
4 simply states that a large disparity exists  
5 between the lease caps for shift operations  
6 and lease caps for driver owned vehicles  
7 which disparity allows shift operations to  
8 pay more to owners whose medallions manage  
9 the driver owned vehicle operators are able  
10 to pay to owners they manage.

11 This large disparity will -- not may,  
12 but will -- result in the end of the segment  
13 of industry which is known as the DOV  
14 segment. By allowing shift operators to pay  
15 hundreds of dollars more per month to owners  
16 for the lease of their medallions, you are to  
17 create an imbalance by which the DOV  
18 operators can no longer compete with shift  
19 operations to retain or attain management  
20 medallions for lease. Obviously if driver  
21 owned vehicle operators cannot retain  
22 management of the medallions they lease, or  
23 obtain new medallions and manage, DOV  
24 operators are faced with a choice of simply  
25 going out of business due to restriction, or

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2 changing their operations from DOVs to  
3 shifts, effectively ending DOV operations in  
4 our industry.

5 While shift or fleet operators continue  
6 to say they have more expenses than DOV  
7 operators, because as an example, they repair  
8 the vehicles they manage, while driver owned  
9 vehicles do not, the shift operators thereby  
10 attempting to justify the lease cap disparity  
11 that exists, the bottom line proves the  
12 contrary. It is easily provable and an  
13 ascertainable fact that shift operators offer  
14 owners' management fees that are often \$300  
15 to \$500 or more per month for management of  
16 the owner medallion. If the expenses of the  
17 two operations of DOVs and shifts were the  
18 same -- may I continue?

19 MR. DAUS: Yes.

20 MR. POLLACK: Or a shift's greater  
21 expense, this disparity would and could not  
22 exist. But while it is easily provable that  
23 the disparity does exist, you may ask why it  
24 is so important that DOV operators'  
25 operations continue to survive, and the

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2 answer to that question is truly quite  
3 simple. The TLC has repeatedly found that  
4 driver owned vehicles and owner drivers are  
5 the safest drivers in the industry. There is  
6 repeated statistics showing that DOV drivers  
7 have fewer accidents than other drivers in  
8 the industry and are safer drivers. The DOV  
9 driver is also the long term driver, that is  
10 the professional driver who stays in the  
11 industry and whom the TLC has repeatedly  
12 stated that it seeks. DOV operations  
13 typically have many more hybrid vehicles on  
14 the road than fleets, a benefit to the public  
15 and a savings to the drivers.

16 But not only are DOV drivers better for  
17 the public, a DOV driver can and does earn up  
18 to 40 percent more than the shift drivers.

19 DOV drivers also benefit by being their  
20 own bosses. That is driving the hours they  
21 want, being able to make time for family  
22 needs.

23 Additionally, as management contracts  
24 expire and owners seek to obtain new  
25 management contracts, the DOV leasing agents

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2 cannot compete by paying the same leasing fee  
3 offered and paid by the agents that are  
4 manage by shifts. There are two results:  
5 One, not only that the owner will take his  
6 business to another agent resulting in the  
7 loss for the current agent, most important,  
8 two, that the DOV driver whose been paying  
9 for the purchase of his vehicle will no  
10 longer have a medallion for his vehicle,  
11 rendering his vehicle useless, resulting in  
12 the driver losing the value of all the  
13 payments he or she has made to purchase the  
14 vehicle. And that said, 50 percent of driver  
15 owned vehicles have their taxi cabs paid off  
16 at any given time.

17 Please note, we are not seeking to hurt  
18 other segments of our industry by arguing  
19 there should be a decrease in the lease cap  
20 to even the playing field. Rather, we are  
21 seeking increase in the lease cap for the  
22 long term leasing segment of our industry so  
23 we can have parity with the short term  
24 leasing agents.

25 MR. DAUS: David, please try to sum up.

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2 MR. POLLACK: It should be noted that in  
3 2004, the lease cap for long term leasing  
4 agents was increased 8 percent from \$741 set  
5 in 1998 to \$800, an increase of 8 percent and  
6 a rate of fare increase of 26 percent.

7 In 2004, the long term leasing agents  
8 received the smallest of any segment in the  
9 industry. Accordingly, a lease cap increase  
10 for driver owned vehicle, a long term leasing  
11 part of industry, is not only a necessity,  
12 but long overdue.

13 Obviously, we do not have time in the  
14 making of these comments to fully explore the  
15 lease cap issue or give you the statistics  
16 that prove the facts set forth herein.

17 Accordingly, I sincerely hope that this  
18 is both the beginning -- not both the  
19 beginning and the end of the Commission's  
20 consideration of this issue, but rather just  
21 the beginning as the Chair had stated at the  
22 beginning of this meeting.

23 The Committee is available to meet with  
24 the Commission at its convenience to resolve  
25 this serious issue. Thank you.

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2 MR. DAUS: Thank you, Mr. Pollack. We  
3 can't change the rules now that we started at  
4 three minutes, maybe we might want to give  
5 some more time at the next hearing, four or  
6 five minutes, just a recommendation.

7 Bhairavi Desai.

8 MS. DESAI: Good afternoon. I would  
9 like to say for the record, I think it is  
10 astounding to me that you would rather point  
11 the brush of the entire work force of being  
12 scam artists and criminals rather than to  
13 take seriously the fact that there has been  
14 serious issues with the operations of these  
15 meters since Day 1. We have brought it up  
16 before, we've always been ignored. I cannot  
17 accept -- not only me, I think we have gotten  
18 emails and phone calls from so many ordinary  
19 New Yorkers who called in and said that they  
20 reject the notion that 31,585 drivers were  
21 scam artists and it is really disgraceful.

22 MR. DAUS: You are a little off topic  
23 here.

24 MS. DESAI: I will use my three minutes  
25 as I choose to use it, prior speakers did the

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2 same. You can cut me off at three minutes,  
3 you're more than welcome to. It will be my  
4 parting gift to you.

5 I want you to add on the time you just  
6 took up by interrupting me.

7 I want to say this for the record, I  
8 wish I did not have to. I wish this could  
9 have been discussed, you know, reasonably, by  
10 sitting down. I think it is horrible that  
11 you put out a press release, a statement that  
12 was more of a report that was just a  
13 statement with these allegations, and I look  
14 forward to the findings as this investigation  
15 is finally concluded.

16 On the lease caps, it is our major  
17 economic issue. The main things that are  
18 happening that I would like to point to, the  
19 rest of the details are in our written  
20 comments. At the garages, they have done  
21 away with weekly leasing since 2004 and have  
22 not brought it back. That means for steady  
23 weekly drivers who are operating six to seven  
24 shifts of the week, they are being charged  
25 for each separate shift individually, not at

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2 the weekly cap of 666 that the TLC  
3 regulates. This is wrong that the garages  
4 are just able to just blindly say that they  
5 decide whether it's a weekly rate or a daily  
6 rate. Well, of course, it is their material  
7 interest to charge the driver the daily rate  
8 even though that driver is actually operating  
9 at the weekly level. The TLC must address  
10 this issue.

11 MR. DAUS: Have you filed any complaints  
12 with the TLC?

13 MS. DESAI: Yeah, I think we have.

14 MR. DAUS: How many in the last year?

15 MS. DESAI: Are you serious?

16 MR. DAUS: I'm just asking. I don't  
17 think we have been apprised of it through  
18 311.

19 MS. DESAI: Wow.

20 MR. DAUS: With 311?

21 MS. DESAI: Okay. I don't think I need  
22 to talk to 311. I talked to your staff  
23 directly.

24 MR. DAUS: There is a complaint process  
25 for that.

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2 MS. DESAI: Okay. So, the process is  
3 not to talk to your staff directly, we have  
4 to do 311? I'll make a note of that.

5 MR. DAUS: You can do it either way.  
6 But did you file any official complaints is  
7 what I'm asking?

8 MS. DESAI: Yeah. Several times. We  
9 have met with the --

10 MR. DAUS: Eight and a half years and I  
11 have never used this (indicating the gavel).

12 MS. DESAI: Parting gift, go for it.

13 MR. DAUS: I'm asking you a question,  
14 which I think the Commissioners want to  
15 know.

16 MS. DESAI: And I had gave you an  
17 answer, Mr. Daus, which is yes.

18 MR. DAUS: How many?

19 MS. DESAI: How many meetings we had?

20 MR. DAUS: No. I am asking you --

21 MS. DESAI: The complaints were filed at  
22 every single fleet.

23 MR. DAUS: Your time is up.

24 MS. DESAI: This is semantics and you  
25 know it. Every other fleet has done away

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2 with weekly leasing. We have brought this to  
3 your attention when Andrew Sulkin (ph) was  
4 here at several meetings with them. We have  
5 also brought it to the attention of the  
6 Mayor's Office.

7 Please do not try to now call me a scam  
8 artists, although that seems to be what you  
9 enjoy doing the most.

10 MR. DAUS: That is not exactly what  
11 happened.

12 MS. DESAI: You are just trying to  
13 demobilize an issue.

14 MR. DAUS: Your time is expired.

15 MS. DESAI: I was just answering your  
16 question.

17 MR. DAUS: You didn't answer the  
18 question.

19 MS. DESAI: I did answer your question.

20 MR. DAUS: Your time is expired. The  
21 next speaker is Beresford Simmons.

22 MS. DESAI: Good luck to you by the way.

23 MR. DAUS: Same to you. It's been an  
24 absolute pleasure.

25 MS. DESAI: Mutual, the only thing we

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2 agree upon, mutual feeling.

3 MR. DAUS: Let's go have some lunch  
4 after I'm out of here.

5 MS. DESAI: As long as I get to add the  
6 poison in first.

7 MR. DAUS: Beresford, how are you?

8 MR. SIMMONS: Good afternoon, ladies and  
9 gentlemen and Commissioners. My name is  
10 Beresford Simmons. I'm a member of the Taxi  
11 Workers Alliance. And I congratulate you for  
12 all the things that have been done for us.

13 MR. DAUS: Thank you.

14 MR. SIMMONS: Mr. Chairman, the  
15 Wheelchair Accessible Bill is in a chaotic  
16 situation. The drivers are not getting their  
17 just due as far as compensation after they do  
18 a job.

19 You know, they are supposed to go to  
20 Kennedy Airport on a job?

21 MR. DAUS: Are you talking about the  
22 shorties?

23 MR. SIMMONS: Yes.

24 MR. DAUS: We stopped those a while  
25 ago.

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2 MR. SIMMONS: Well, most of the drivers  
3 are not getting compensated from the  
4 passengers.

5 Anyway, I'm one of the DOV drivers in  
6 the industry, sir. And about this lease cap,  
7 the maintenance of the cars is very  
8 expensive, and I partially agree with  
9 Mr. Pollack on some of the things that he  
10 said about the DOV drivers. But as far as  
11 the lease cap is concerned, sir, we can't  
12 afford it. The maintenance of the cars,  
13 summonses, 5 percent, all of these things  
14 that are coming out of our monies is totally  
15 ridiculous. We are not making more money.  
16 We are losing as a matter of fact. We are  
17 losing on tips, a lot of people walk out of  
18 the cab and don't tip.

19 As far as to blaming 35,000 cab drivers  
20 on scamming, these things are very  
21 complicated to operate. Some of the time you  
22 hit the button -- not deliberately, but you  
23 hit the forward button. Some drivers don't  
24 even know how to use the meter at this  
25 point. So, you've got to take a look at that

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2 before making an overall statement in the  
3 industry.

4 And that is my three minutes. Thank you  
5 very much.

6 MR. DAUS: Thank you.

7 MR. SIMMONS: Congratulations.

8 MR. DAUS: Thank you very much.

9 MR. SIMMONS: Mr. Yassky,  
10 congratulations, sir.

11 MR. DAUS: Thank you. Mr. Biju  
12 Matthew.

13 MR. MATTHEW: To all the Commissioners:  
14 Ever since I was a kid and report cards were  
15 issued, we normally reflected either the good  
16 or the bad so it was an honest assessment.  
17 Today, we come through a bit of a charade, of  
18 you know, praise for the last several years  
19 without acknowledging some of the major  
20 failures, and I won't go through all of  
21 them. I'll start and end with only one of  
22 them.

23 When the 2004 fair increase happened, 26  
24 percent fare increase and the 8 percent  
25 increase on lease cap, it happened on several

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2 tables inside this office complex with the  
3 clear assumption that the lease caps will be  
4 held and regulated. The one single biggest  
5 failure, for instance, a \$666 weekly lease  
6 cap. The TLC could put out a press release  
7 about a \$35,000 scam that the drivers are  
8 scamming, but it hasn't even bothered to put  
9 out a single line of garages and brokers  
10 going way above the lease cap for the last  
11 five years.

12 (Applause)

13 MR. MATTHEW: Let's talk about  
14 failures. Let's talk about it with absolute  
15 clarity. I want one scrap of paper produced  
16 in this Commission that acknowledges that the  
17 lease caps are being constantly violated.  
18 Talk about, "Oh, did you file an official  
19 complaint?"

20 If you are an agency that is doing its  
21 job regulating this industry -- one scrap of  
22 paper with that rubbed all over the press, so  
23 that people can be alerted. Thank you.

24 But several other things in response to  
25 the scenario that's been created, that it is

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2 a complete favoritism that this  
3 Administration has shown towards the garages  
4 and the brokers. For instance, David Pollack  
5 just came up here and mentioned that they are  
6 forced to yank the medallions off drivers.  
7 What do those drivers do? They are putting  
8 \$25-30,000 on a car for several years and  
9 they lose it simply because of the fact that  
10 they have no control of that contract, and  
11 this Commission has done nothing about it.

12 Brokers have put in something called  
13 "stamp fees." Brokers have put in something  
14 called "additional fees." I was at the  
15 airport all day yesterday, and I did not meet  
16 a single medallion to a fleet garage driver  
17 who was paying night shift less than \$790 on  
18 a \$676 lease cap. I did not meet a single  
19 DOV driver who was paying less than \$860 in  
20 the medallion after the car payment. It is  
21 easy to evaluate, and if this Commission and  
22 you as its chairman is not willing to address  
23 that, then I think it just points to your  
24 failure.

25 (Applause)

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2 Mr. Matthew: Thank you very much.

3 MR. DAUS: Thank you. Victor Salazar.  
4 I'm going to miss this place -- and we  
5 haven't even gotten to Bill Landauer yet.

6 MR. SALAZAR: This might sound like a  
7 joke to you, but I'm driving there twelve  
8 hours a day and all of my friends over there,  
9 they know what it's like.

10 Even the last time at a public hearing,  
11 you couldn't even say one word of thanks to  
12 the drivers. You did thank everyone else, of  
13 course, brokers --

14 MR. DAUS: I thanked the drivers. I  
15 just honored three drivers. What you talking  
16 about?

17 Let's finish up. Continue your attack.  
18 It's okay.

19 MR. SALAZAR: It's not an attack. It's  
20 a fact.

21 MR. DAUS: What's your point?

22 MR. SALAZAR: The thing is, rather than  
23 talking about a maximum rate in lease caps,  
24 we should charge for the minimum rate.  
25 Drivers are making exactly the same amount of

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2 money of what they used to do before 2004,  
3 and they are paying \$250 more.

4 MR. DAUS: A minimum rate? What did you  
5 say?

6 MR. SALAZAR: After filling up the  
7 gasoline tank and paying the fees averages  
8 about \$100. It was exactly the same scenario  
9 before 2004. They are paying more on leases  
10 and taking home exactly the same amount. So,  
11 why should we increase the leases? I don't  
12 understand that.

13 MR. DAUS: Just so you know, we are  
14 looking to hear both sides.

15 MR. SALAZAR: Right. That is one of the  
16 sides I'm telling you, which is important,  
17 because that is our money, this is our  
18 salaries. We lose 5 percent on every credit  
19 card transaction. And every time somebody  
20 pays with a credit card, 5 percent of the of  
21 the 50 cents comes out of our back, our  
22 sweat.

23 I'm my own operator and I have given  
24 close to \$900 to bail out the MTA in the  
25 first two months. And according to my

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2 numbers, I make an average, the majority of  
3 my fares are credit card. If you add from  
4 all the taxis, that means we have paid  
5 \$140,000 from those credit card transactions  
6 which have paid this to the MTA.

7 I want to bring this up. More or less I  
8 definitely disagree with the leases, I  
9 personally think that your commissioner time  
10 has come to an end --

11 MR. GIANNOULIS:: Would you be  
12 interested in answering a question? Do you  
13 lease a vehicle?

14 MR. SALAZAR: I do lease a vehicle. I'm  
15 not leasing more than \$90 per shift.

16 MR. GIANNOULIS:: But you leased  
17 vehicles in the past, you know what you are  
18 talking about?

19 MR. SALAZAR: Your question is you lease  
20 a vehicle?

21 MR. GIANNOULIS: Or you have in the  
22 past? I just want to know, are people given  
23 receipts of any kind when they lease  
24 vehicles?

25 MR. SALAZAR: The receipts are being

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2 given to some drivers and to some other  
3 drivers not.

4 MR. GIANNOULIS: But generally speaking,  
5 do you sign a contract to get anything, or do  
6 you just go over to the window, hand over  
7 cash, and walk out?

8 MR. SALAZAR: Usually handing cash and  
9 walked out. But the credit card  
10 transactions, there is confusion.

11 MR. GIANNOULIS: I understand the credit  
12 card. I'm talking about in terms of the  
13 actual lease transaction. Simple question.

14 MR. SALAZAR: Some of them have  
15 receipts.

16 MR. GIANNOULIS: Some of them do?

17 MR. SALAZAR: Yes.

18 MR. GIANNOULIS: And so the illegal  
19 leasing that is going on is done, there is  
20 receipts, and then some people just give more  
21 money; is that I guess the case?

22 I am asking because you just doubt --  
23 there is lot of talk about how the public --  
24 I'm not taking a side, but it seems to me  
25 that you could easily prove your claims,

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1  
2 because these are pretty aggressive claims.  
3 You are saying that the Commission is closing  
4 their eyes, widespread abuse that you say the  
5 same abuse didn't occur in other situations.

6 So, you are saying we should give you  
7 that, that the abuse is occurring there. I'm  
8 waiting to see what the Commission comes back  
9 with in terms of its statements about  
10 possible stealing that was going on, but you  
11 guys should go and present this with a  
12 report, present us with receipts -- present  
13 something, because just coming up here and  
14 making claims is not getting anywhere. Thank  
15 you.

16 MR. SALAZAR: Right now, drivers are  
17 paying about an average \$120 per shift. If a  
18 driver works for six days, it equals \$750 per  
19 week, and that isn't including the tip that  
20 we have to give to the dispatcher because  
21 there is an immense amount of licenses out  
22 there, it is like bullfighting of the  
23 dispatcher. The dispatcher gives out bundles  
24 of money from tips. If a fleet has  
25 approximately 100 cars, that is pretty much

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2 about \$1000 a day that the dispatcher makes.

3 MR. GIANNOULIS: Thank you.

4 MR. SALAZAR: I think that we should  
5 actually stop the lease increase and make the  
6 conditions of the driver a much safer one for  
7 the City, as well as for the driver.

8 MR. DAUS: Thanks for your information.

9 MR. KAY: Can I just stress again a  
10 reminder -- some people are looking at us  
11 with dumbfounded looks -- that this is the  
12 beginning of the process. There will be a  
13 lot more questions. There will be a lot more  
14 investigations. This is not something that  
15 is being decided just based on this three  
16 minutes worth of testimony you are all giving  
17 today. I'm sure there's a lot of information  
18 you all want to present, and everything is  
19 going to be looked at by this Commission  
20 before any action if it all action is taken.

21 So, by us not responding and asking any  
22 questions doesn't mean that we don't have  
23 additional questions, and we will seek  
24 additional information.

25 MR. DAUS: And we'll actually have

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2 questions that I think we are going to be  
3 publishing that are specific before the next  
4 hearing, as I understand, like we did two  
5 years ago.

6 Bill Landauer.

7 BILL LANDAUER: Good afternoon. I never  
8 heard Warren Buffet cry or Bill Gates cry.  
9 Why are these 21st Century Robber Barons  
10 crying? And for Mr. Gerber to blame drivers  
11 for his refusal to give his hardworking  
12 drivers a raise is downright despicable.

13 A regime change has long been overdue,  
14 oh, so long. Let my people go.

15 I welcome, Mr. Yassky. I know he's a  
16 man of intelligence, common sense, and  
17 decency. But I have been elected to give a  
18 tribute to the reign of Matthew Daus.

19 You know, I'm Bill Landauer. I'm  
20 notorious. I'm proud of it.

21 As, Marc Anthony was there to bury  
22 Caesar, not to praise him; I am here to roast  
23 Mr. Daus, not to toast him. I mean, well,  
24 what did you expect? You earned this.

25 Now, for his legacy -- well, Hitler left

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2 a legacy too. Daus reminds me of --

3 MR. AROUT: How dare you say that. You  
4 are out of order, you know that. If you  
5 can't get up and speak on what you're  
6 supposed to speak about --

7 MR. LANDAUER: This is a democracy.

8 MR. AROUT: If you're not doing that,  
9 then get off the floor.

10 MR. LANDAUER: Hey, this is my three  
11 minutes. I should have a couple of minutes  
12 because of your interruption.

13 MR. AROUT: You got it.

14 MR. LANDAUER: You remind me of Conrad's  
15 Heart of Darkness. I just want to say --

16 MR. AROUT: Have him thrown out.

17 MR. LANDAUER: The horror, the horror.

18 This is ridiculous -- have respect for  
19 working people.

20 (Whereupon, Mr. Landauer was escorted  
21 from the hearing room.)

22 MR. DAUS: You had the right to speak  
23 about the lease cap today. The next speaker  
24 is Richard Thaler.

25 MR. THALER: Chair Daus, all the best

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2 for everything that your future will bring.

3 MR. DAUS: Thank you.

4 MR. THALER: Commissioners, I have two  
5 points. The sublicensing authority granted  
6 to the medallion licensee, which should be  
7 attached to the Medallion Only Lease the DOV  
8 operator will receive, the sublease is  
9 granted to the DOV operator by the medallion  
10 licensee's transferring the rights and  
11 responsibilities of operation of DOV  
12 operator's designated vehicle to DOV operator  
13 Medallion Only licensee.

14 An example analogy would be the leasing  
15 of mobile food vendor license granted to  
16 mobile food vendors would violate their  
17 mobile food vendor license if they leased  
18 their license to an unlicensed mobile food  
19 vendor that is different from the permit.

20 So I propose a Medallion Taxi Sublicense  
21 in condition and rule: A Medallion Taxi  
22 Sublicense is the authority granted by the  
23 Commission to a medallion taxi licensee to  
24 sublicense their taxi licenses together with  
25 a Medallion Only Lease to DOV operators to

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2 operate the DOV operator's designated vehicle  
3 as a taxi in the City of New York.

4 A sublicense may only be issued to non  
5 medallion owner DOV license operators, and  
6 that is a cure for the problem that David  
7 Pollack raised.

8 The value of a medallion license for  
9 taxi operation must then be determined and  
10 kept as distinct from the fair asset value  
11 for the medallion. For this purpose proposed  
12 that the interest rate of return of the U.S.  
13 Treasury Note serves as a suitable benchmark  
14 for historically high value and low risk  
15 medallion asset investment.

16 The new sublicense lease cap would be  
17 determined by selecting a suitable term for  
18 the benchmark note, then the current -- I  
19 think it was \$800 per week Medallion Only --  
20 whatever it is -- Medallion Only Lease Cap  
21 would be broken out to remove the cost of  
22 liability insurance under the sublicense  
23 authority transferred to the DOV operator  
24 capping only the value of the use of the  
25 medallion license determined by the

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2 benchmark.

3 The current rule -- another minute?

4 MR. DAUS: Okay. We have it already.

5 MR. THALER: I would like to correct  
6 some statements very briefly with respect to  
7 the Livery Driver Benefit Fund. Under the  
8 law, it is the livery driver that becomes an  
9 employee of the Fund. The base is not the  
10 employer of the driver.

11 Secondly, the coverage is very limited.  
12 Under the law, only covered services are  
13 covered. That is, while you were performing  
14 a dispatch and a transportation of the  
15 passenger, only injuries due to criminal  
16 acts, amputation or blindness -- though it is  
17 very restricted at 206 bucks, a slash of the  
18 \$1400 or \$1600 of Workers' Comp or whatever  
19 the fee is for the yellow.

20 MR. DAUS: Mr. Thaler, appreciate it.  
21 Tariq Baig.

22 MR. BAIG: Good evening, Commission and  
23 Chair Matthew Daus. I'm a New York State  
24 Taxi Alliance member. I'm a current taxi  
25 driver, and I don't know if any driver is

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2 going to miss you or not, but I'm going to  
3 miss you when you leave the office.

4 And here we are here again. Today, we  
5 are here again to make rich people even  
6 richer. The Commission and everybody in the  
7 meeting, I am here to speak on behalf of the  
8 hard working drivers. Your Commission, the  
9 leases are already too high. The brokers are  
10 overcharging according to the TLC lease cap.  
11 Anyway, every broker is charging \$35 to \$50  
12 extra per week to driver owned vehicle leased  
13 in the name of the vehicle expenses. Can  
14 anyone explain to us, what is the \$35 extra  
15 charge as a driver owned vehicle expenses  
16 even if the car is owned by a driver?

17 The Commission, the brokers are  
18 charging -- the brokers are ripping the  
19 drivers in the name of the livery package  
20 when you sign up a new contract with a new  
21 vehicle in the name of the GPS enabling a  
22 higher interest rate in New York City.

23 Also, they are charging you in the name  
24 of the second and third driver the charge.  
25 And also they are also ripping you off with

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2 the extra fully covered insurance, even in  
3 case of accident, they don't fix your car  
4 anyway.

5 Also, it is the daily base garages are  
6 ripping -- the people working with the  
7 garages, even they got abused in these days  
8 and never ever before. The average people on  
9 the daily basis, they are paying \$150 per  
10 shift even if they are driving on the weekly  
11 basis.

12 And any driver who leases the vehicle  
13 from the garage asks for the receipt, what  
14 they pay for? The answer, "There is no  
15 receipt," they simply say, "Do you want to  
16 drive today; yes or no?"

17 The driver thinks, "I have three kids at  
18 home to feed. What I do? Should I go home?  
19 Should I pay what he wants?"

20 Also the driver has to bribe to the  
21 dispatcher in order to get a car today.

22 On the other hand, the drivers, they are  
23 making very less money than ever before. The  
24 brokers and garages are taking advantage of  
25 GPS -- can I have one more minute?

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2 MR. DAUS: Yes.

3 MR. BAIG: The brokers and garages  
4 taking advantage of the GPS at work. Drivers  
5 are making 1998's level of money today, and  
6 this is happening, believe it or not, this is  
7 happening.

8 Also we are having to pay the 50 cent  
9 surcharge from our pocket. How's it from our  
10 pocket, because the extra charge, people  
11 simply cut our tip off. I guess this is the  
12 main reason I quit driving, because of the  
13 abuse by the brokers and garage peoples. And  
14 God bless you, and God bless New York City.

15 MR. DAUS: Thank you, sir.

16 Osman Chowdhury.

17 MR. CHOWDHURY: Good morning, everybody.  
18 My name is Osman. I have been driving almost  
19 thirteen years. Today, I expect Mr. Daus is  
20 leaving and a new person coming, and I  
21 appreciate Mr. Daus and what he did for us.

22 Every time I have testified for several  
23 years when they have the lease cap hearing,  
24 they want to increase the lease, lease  
25 increase. Like they need more money. This

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2 is our money. We are working. We are losing  
3 our fares sometimes for different things;  
4 credit card, satnding fares, wasting our  
5 time.

6 Also passengers don't like the GPS  
7 noise. And also a lot of other things the  
8 Commission needs to discuss. For several  
9 years I made a complaint, TLC does  
10 apparently -- they also look the other way  
11 last year. TLC sits here. All things they  
12 are hardly doing.

13 All the Commission, I give something  
14 that's evidence -- that they are charging  
15 extra every shift. Thank you.

16 MR. DAUS: Thank you. Mike Woloz for  
17 Ron Sherman.

18 MR. WOLOZ: Good afternoon, Mr. Chair,  
19 and TLC commissioners. I'm Michael Woloz.  
20 I'll be delivering testimony for Ron Sherman,  
21 president of the Metropolitan Taxi Board of  
22 Trade which is a 58 year old trade  
23 association that represents 28 taxi fleets  
24 comprised of approximately 3,500 yellow  
25 medallion taxicabs which operate 24 hours a

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2 day, seven days a week.

3 Our fleets employ hundreds of men and  
4 women including mechanics, dispatchers and  
5 administrative personnel, and we lease our  
6 taxicabs to more than 15,000 independent  
7 drivers.

8 Mr. Chair, let me say on behalf of  
9 myself that I have been very privileged to  
10 work with you for quite a while. I wish you  
11 all the best in everything that you do. That  
12 is from me personally, and I'll tell you what  
13 Ron had also wanted me to express to you:

14 "Mr. Chair, I would like to take this  
15 opportunity to commend you for your service  
16 to this Commission, the taxi industry, and  
17 the riding public with great distinction over  
18 the last decade and a half, and on behalf of  
19 our fleet, we wish you well on all your  
20 future endeavors."

21 And I would just like to add that I am  
22 happy that you are still going to be working  
23 with taxi policy, and really do look toward  
24 to working with you in the future.

25 MR. DAUS: Thank you for those kind

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2 words, and please give my best to  
3 Mr. Sherman.

4 MR. WOLOZ: I sure will.

5 Pursuant to TLC Rule 1-781(a) that  
6 requires a lease cap review every two years  
7 during the month of March, MTBOT will be  
8 submitting a detailed petition for an upward  
9 adjustment of the lease cap by the upcoming  
10 submission deadline.

11 Today, we would like to take this  
12 opportunity to outline our operating costs,  
13 and how the lease cap has been adjusted by  
14 TLC over the past several years.

15 MTBOT's members, which are family owned  
16 businesses with deep roots in New York City  
17 must be able to sustain their 24/7 taxi fleet  
18 operations to ensure that the 14,000 drivers  
19 released from our garages retain steady  
20 employment during good and bad economic  
21 times, that we continue to directly employ  
22 hundreds of working men and women, that we  
23 indirectly employ hundreds more, and most  
24 importantly effectively serve the riding  
25 public as a critical component of New York's

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2 mass transportation network.

3 Some of our operating expenses include  
4 the purchase hack up of vehicles required at  
5 least once every three years, medallion  
6 costs; financing and interests; vehicle  
7 operating costs including all parts, labor  
8 and repairs; on-the road maintenance  
9 including tow services, garage costs,  
10 including lifts, computerized diagnostic  
11 systems, car washes, and other  
12 infrastructure; administrative costs;  
13 biannual road usage fees; other taxes and  
14 fees; insurance costs.

15 As our written submission will  
16 demonstrate, these costs have risen  
17 substantially and continue to rise. The cost  
18 of operating in New York City is high for any  
19 business, and the cost of the operating in a  
20 highly regulated industry such as the taxi  
21 industry makes these costs even higher. This  
22 is why it is necessary for the TLC to  
23 periodically analyze these costs and increase  
24 the primary mechanism for offsetting these  
25 costs accordingly.

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2 However, as the MTA routinely adjusts  
3 fares for subways, busses, serving rails, our  
4 industry is totally unsubsidized by  
5 government.

6 While operating costs have risen, lease  
7 caps have decreased the for the first time in  
8 our history. It has been six years since the  
9 last very modest lease cap increase in 2004  
10 where drivers received 85 percent of an  
11 overall lease cap and fare increase, as  
12 historical comparison in 1986, drivers  
13 received 60 percent of the overall increase,  
14 and prior to that, owners and drivers split  
15 any increase 50/50.

16 In 2006, the drivers received a fare  
17 increase on the meter while owners received  
18 no lease cap at all. That is providing  
19 drivers with an unprecedented 100 percent of  
20 the overall increase.

21 Then in March 2009, this Commission  
22 passed an unprecedented rules package on  
23 rules sought to decrease the lease cap for  
24 any owner to chose to operate a non-hybrid  
25 taxicab, fortunately that rule was enjoined

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2 by a decision in federal court.

3 I just have a couple more paragraphs.

4 MR. DAUS: Could you just sum up?

5 Thanks.

6 MR. WOLOZ: However, another rule to  
7 restrict fleet owners of their ability to  
8 recruit sales techs for their drivers was  
9 implemented. This amounted to a decrease in  
10 the lease cap for the first time in our  
11 industry's history. To compound the problem,  
12 the State of New York increased the state  
13 sales tax which is charged on the rental car  
14 portion of the lease. So we went from a loss  
15 of \$3.24 per shift to a loss of \$4.77 per  
16 shift, an averaged 4 percent decrease on  
17 shifts that are at the cap.

18 Given the dire state of the economy,  
19 another sales tax increase may be just around  
20 the corner. Adding insult to injury, the  
21 State imposed a 50 cent per-ride surcharge of  
22 taxi passengers go directly to the MTA which  
23 is a competing transportation service.

24 MTBOT believes a lease cap increase is  
25 long overdue. We look forward to presenting

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2 the TLC with a detailed submission for an  
3 upward increase in the lease cap, and to  
4 engage in productive ongoing dialogue with  
5 the TLC in the weeks ahead.

6 Thank you.

7 MR. DAUS: Thank you, Mr. Woloz.

8 Steve Seltzer.

9 MR. SELTZER: Hi. My name is Steve  
10 Seltzer. If it was criminal, the 35,000  
11 drivers, to steal from passengers, then the  
12 making it so easy, the TLC is guilty of  
13 aiding and abetting.

14 MR. DAUS: Thank you. Next speaker is  
15 Patrick K.

16 MR. K.: How you doing?

17 MR. DAUS: Good afternoon.

18 Mr. K.: Just wanted to talk about a few  
19 things, about scams. You went and portrayed  
20 the whole yellow cab industry, the cab  
21 drivers, that we are all scammers, not  
22 knowing that you are also not -- the livery  
23 cabs, the black limos -- the hotels, if you  
24 actually drive Fifth Avenue, Seventh Avenue,  
25 Ninth Avenue, Tenth Avenue -- okay? You are

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2 there, rushing during the rush hour. You see  
3 a livery cab, okay, not only because the  
4 person has taxi plates, New Jersey plates,  
5 Virginia plates, Pennsylvania, Connecticut,  
6 they are there. You pull over next to them  
7 and ask them, "Come on, what's up?"

8 They look at you like, "You know what,  
9 keep moving."

10 You know, the police is right there.  
11 Even the TLC is right there. What are they  
12 doing? Nothing.

13 But when you see a cab driver talking on  
14 the phone -- here's one example. Two days  
15 ago, a cab driver was talking with a  
16 passenger. What does TLC do? Pulls him  
17 over. "You were talking."

18 The driver was actually talking to a  
19 passenger.

20 "Oh, let me see your phone."

21 Because now they don't find anything.  
22 What do they do?

23 MR. DAUS: I'm sorry, Patrick. Could  
24 you give us your thoughts on the lease cap  
25 please?

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2 MR. K.: I am not talking about the  
3 lease cap. I came here all the way from the  
4 Bronx. I listen to you, sir. The least you  
5 could do is listen to me please.

6 You know, because I'm so furious. I  
7 work twelve hours a day, every night, seven  
8 days a week. Sometimes I don't even break  
9 even, because you know what, you are accusing  
10 us that we are scammers. Okay?

11 The other day -- which is very good --  
12 J.F.K., you put undercover people to go and  
13 make sure the dispatcher is doing the right  
14 thing, catch what we need to catch and all of  
15 that, nice and dandy. What do you do? Turn  
16 your shoulder just like this. They are right  
17 back. I see them all the time. I have a  
18 loud voice.

19 MR. DAUS: At J.F.K.?

20 MR. K.: At J.F.K. I tell them. I tell  
21 some of the passengers. Some of these guys  
22 don't have insurance.

23 MR. DAUS: You are talking about the  
24 dispatchers at J.F.K.?

25 MR. K.: Exactly.

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2 MR. DAUS: We take that allegation very  
3 seriously and will look into that. The  
4 reason why we actually blocked those people  
5 is because the drivers told us about it.

6 We are listening to that and we would  
7 like to talk to you after the meeting please.  
8 Stick around and talk to us. Thank you.

9 MR. K.: I will. Hotels in New York,  
10 you have yellow cabs lined up and then you  
11 have the black limos. Okay, the black limos  
12 what do they do? Hotels, tell the customers,  
13 "Would you like us to arrange for a cab for  
14 you?"

15 "Sure. Why not. A beat up cab, how  
16 much?"

17 "X amount of money."

18 "Alright, I'll take the Escalade."

19 They overcharge the passenger. The  
20 driver goes in the back, takes care of the  
21 doorman or whoever he needs to take care of,  
22 and you are right there, two to three hours  
23 waiting for maybe a fare going to Laguardia  
24 or whatever it is.

25 Now, you train us, you give us the

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2 license to go and work as a yellow cab  
3 driver, but you are putting us in the  
4 jungle. Now we have all these vultures,  
5 especially the black limos. You know, they  
6 can come over here and pick up. But guess  
7 what, we are not allowed to go anywhere in  
8 Jersey. Of course, picking up in Jersey, I  
9 get arrested.

10 I have to go pickup some of my family  
11 members at Newark. Do you know what I have  
12 to do, sir? I have to get to Port Authority  
13 police, take down your badge number and your  
14 car number and tell them "I'm not here to  
15 solicit. I'm here to pick up a relative,"  
16 just in case I am pulled over.

17 Once I was pulled over. Thank god I had  
18 a backup.

19 Mr. Commissioner, please, you state that  
20 you have been working with everybody and all  
21 that, the least you could have done is work  
22 with us too.

23 Mr. Yassky, when make any final  
24 decisions on all that, the least you could do  
25 is at least talk to some of the drivers.

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2 Listen to their voices. Just listen to  
3 them. We are there also trying to do the  
4 right thing. I'll be honest with you, sir,  
5 about the rates fraud, I won't say I have  
6 never done it, I have done it by mistake, and  
7 I caught it, and I told the passenger. I  
8 have done it. I'm not going to lie. And I  
9 told the passenger, "You know what, please  
10 deduct X amount of money," because it will  
11 tell you how much it went through.

12 "So, it was an honest mistake. Thanks  
13 for telling me." It is as simple as that.

14 The least you could do, sir, is listen  
15 to the drivers. Some of these drivers, sir,  
16 you get a lot accomplished.

17 MR. DAUS: I think you have taken up two  
18 times. You need to sum up right now, okay?  
19 Thank you.

20 MR. K.: TLC, when they pull you over,  
21 sir, it is ultimately a ticket. When you get  
22 the lawyers or you go and try to defend  
23 yourself, honestly speaking -- they are not  
24 charges. They are collectors. It's not a  
25 way of getting revenue from taxi drivers just

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2 like that, no, the wrong way.

3 I just want to tell you that. I wish  
4 you all the best.

5 MR. DAUS: Thank you. Moussa Sissokho?

6 (No response)

7 MR. DAUS: Okay. That was the last  
8 speaker. Thank you, everybody. I wish  
9 everybody the best.

10 STAFF MEMBER: Hi. I'm not a member of  
11 the Commission, but I just ask for a point of  
12 personal privilege if it would be okay.

13 I know everything today is about  
14 important business, but, as this may be  
15 Commissioner Daus' last public TLC meeting as  
16 chairman, I just wanted to take a moment to  
17 say a few words on behalf of the TLC staff in  
18 the presence of your fellow commissioners and  
19 our industry partners.

20 As someone who has worked by your side  
21 since the very beginning of your tenure,  
22 through the difficult days, through the  
23 wonderfully positive days, and through the  
24 ordinary days -- there's such a thing as  
25 ordinary days here -- I think I speak for

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2 everyone at the TLC when I say it has been  
3 truly an honor and privilege to serve with  
4 you. You are the epidemy of the public  
5 servant, in terms of your integrity, your  
6 sense of responsibility, your professionalism  
7 and your willingness to go the extra mile for  
8 just about everyone who needs or asks for  
9 your help.

10 But on a personal level, you are also  
11 someone that has been there for us to listen,  
12 to support us through good times and bad, to  
13 help us grow and to reach our potential.  
14 Speaking for myself, we haven't always risen  
15 to the occasion, but you have always inspired  
16 us to try our best and to be our best.

17 There will be other times and places to  
18 perhaps more appropriately express what you  
19 have meant to us, but both electively and  
20 individually in this forum, let me just say  
21 on behalf of TLC family, a very heartfelt and  
22 sincere thank you.

23 (Applause)

24 MR. DAUS: Thank you. Appreciate it.  
25 Thank you, everyone. I am going to miss you.

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2 And now I would like to make my last  
3 motion ever to go into executive session --  
4 never say "never." You never know in this  
5 business.

6 The last motion of the day to go into  
7 executive session so we can consider some  
8 appeals. Do we have a second?

9 MR. AROUT: Second.

10 MR. DAUS: All in favor?

11 THE BOARD: (In unison) Aye.

12 MR. DAUS: Thank you. Goodbye,  
13 everybody.

14 (Whereupon, the public hearing was  
15 concluded at 4:05 p.m.)

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

2

3 STATE OF NEW YORK )  
4 COUNTY OF NEW YORK ) : SS.:

5

6

7 I, CASEY MARTIN, a Stenotype Reporter and  
8 Notary Public for the State of New York, do hereby  
9 certify:

10 THAT this is a true and accurate  
11 transcription of the City of New York Taxi and  
12 Limousine Commission public hearing held on March  
13 18, 2010.

14 I further certify that I am not related  
15 either by blood or marriage to any of the parties  
16 in this matter; and

17 I am not in any way interested in the  
18 outcome of this matter.

19 IN WITNESS WHEREOF, I have hereunto set my  
20 hand this 18th day of March 2010.

21

22

\_\_\_\_\_  
CASEY MARTIN

23

24

25

