

NEW YORK CITY
TAXI AND LIMOUSINE COMMISSION

JULY 9, 2012

FARE AND LEASE CAP PUBLIC HEARING
AND
OPPORTUNITY TO COMMENT ON PROPOSED RULES

Held on July 9 2012

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New York, New York

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APPEARANCES :

FOR THE COMMISSION :

- MEERA JOSHI, General Counsel
- DAVID YASSKY, Commissioner
- ELIAS AROUT, Commissioner
- ASHWINI CHHABRA, Deputy Commissioner

SPEAKERS :

- BHAIRAVI DESAI, NYTWA
- DAVID POLLACK, Executive Director of the Committee for Taxi Safety
- VINCENT SAPONE, Managing Director LOMTO
- IGOR BORKO, DOV
- BERPSFORD SIMMONS, Taxi Workers Alliance
- ALEXANDER MOSHEYEV
- RATAN R. KHAN, Queens Medallion
- ETHAN GERBER, Greater New York Taxi Association
- OSMAN GHOWDHURY
- BILL LINDAUER, NYCTA
- RICHARD THALER, Omni Media Network, OMN Gateway
- VICTOR SALAZAR

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SPEAKERS: (Continued)

MOHAN SINGH

MOHAMMED CHEEMA, DOV

ELVIS De La CRUZ

MOHAMMED PATWARY

2 MS. JOSHI: Good morning.

3 Welcome to the TLC Fare and
4 Lease Cap Hearing.

5 I just want to start with
6 a quick announcement. Our court
7 reporter today cannot project,
8 as she usually does, a
9 line-by-line transcript. So
10 for anybody who that will be
11 present a hardship, please let
12 us know so we can make
13 arrangements.

14 Is that a hardship for
15 anybody?

16 O.K. We're just going to
17 proceed as is.

18 This morning the
19 Commission is considering an
20 issue that's probably as hot as
21 last week, increase in fares and
22 an increase in fleet lease caps
23 to offset cost shifts and an
24 increase in DOV lease caps to
25 better reflect costs of

different industry segments.

We're going to begin with a presentation today from Deputy Commissioner Ashwini Chhabra, who will explain the proposed rules, as well as the basis for the proposals.

MR. CHHABRA: Good morning all. I'm Ashwini Chhabra, the Deputy Commissioner for Policy at the TLC.

Before we hear the comment on the proposed fare and lease cap rules which are the subject of today's hearing, I'd like to provide a brief summary and explanation of the basis of these rules.

There are two sets of rules, one affecting the fare and another affecting lease caps. The proposed fare rules would raise the unit charge from 40 cents to 50 cents. This will

1 result in an average fare
2 increase of 17 percent, more for
3 longer trips and less for
4 shorter trips.
5

6 Airport fares would also
7 be increased in comparable
8 amounts. The JFK-Manhattan flat
9 fare will be increased from \$45
10 to \$52 and the Newark surcharge
11 from \$15 to \$17.50. There's no
12 proposed change in the flag drop
13 and no proposed adjustments to
14 current surcharges.

15 These rules also provide
16 for a portion of the fare
17 increases to go into a future
18 fund for driver healthcare
19 services. With the impending
20 changes to healthcare
21 requirements affected by the
22 federal Affordable Care Act
23 there will be a need for an
24 entity to assist drivers in
25 finding the right health

1 insurance and in navigating the
2 state healthcare exchange.
3

4 There's also a need to
5 provide drivers with a minimal
6 level of disability insurance.
7 This fund would be created
8 pursuant to an RFP which will be
9 forthcoming.

10 Secondly, the proposed
11 lease cap rules would increase
12 the fleet lease cap by \$9 each
13 shift, reflecting a change in
14 the way the fleet collects
15 credit card processing fees from
16 drivers. Fleets would also have
17 the option of providing drivers
18 with gas in exchange for a
19 21 dollar gas surcharge. This
20 amount would be reviewed every
21 six months and adjusted based on
22 prevailing gas prices.

23 And the lease cap rules
24 would also change the DOV lease
25 cap to better reflect current

1 practice. Our analysis projects
2 that the current DOV lease cap
3 is insufficient to permit the
4 DOV market to continue. As
5 such, we propose to raise DOV
6 lease caps 7 to 13 percent for
7 medallion-only leases and to
8 create a new DOV medallion-and-
9 vehicle lease.
10

11 The Charter and the TLC
12 rules provide the Commission
13 with the authority to set fares
14 based on all facts which in its
15 judgment have a bearing on a
16 proper determination and will
17 list some of the factors that
18 may be considered. The charter
19 also clearly places the burden
20 of proof on the petitioning
21 party to show that existing
22 rates are not reasonable.

23 Criteria for the review of
24 lease caps are also detailed in
25 TLC rules, and these rules

1 provide that the Commission can
2 change lease caps if it believes
3 that policy considerations
4 require changes to be made. In
5 its review the Commission may
6 consider any matters relevant to
7 the setting of lease caps.
8

9 I'd like to now describe
10 the rationale behind the
11 proposed 17 percent fare
12 increase. Based on our review
13 of driver income data announced
14 from the electronic fare data we
15 collect on each taxi trip and
16 our review of changes to driver
17 expenses since the last fare
18 increase in 2006, we prepared
19 the typical driver income
20 statement. What this review
21 demonstrates is that as a result
22 of increased gas prices of 45
23 percent since 2006, the
24 5 percent credit card processing
25 fees which was instituted in

2 2008 and other cost increases,
3 driving are making approximately
4 15 percent less today than made
5 in 2006 with non-inflation
6 adjustments.

7 As you can see here
8 historically, the taxi fares
9 have very closely tracked the
10 consumer price index. However,
11 since the last fare increase in
12 2006, CPI has outpaced taxi
13 fares by approximately
14 12 percent. So after counting
15 for inflation driver income has
16 actually decreased 24 percent in
17 real dollars.

18 For these reasons, we
19 believe the 17 percent fare
20 increase is warranted and will
21 return drivers to their 2006
22 level of earnings.

23 In considering a fare
24 increase, we also examined the
25 potential impact on taxi fares.

2 Historically, and per charter
3 requirements, the Commission has
4 compared taxi fares with MTA
5 fares. Based on this review,
6 taxi fares currently lag behind
7 the MTA fare and the MTA fare is
8 scheduled to rise again in
9 January 2013. As such, a taxi
10 fare increase would not be
11 unreasonable.

12 The cost of other staple
13 goods have also increased over
14 the past eight years. We've
15 experienced that rise. In this
16 context a proposed 17 percent
17 fare increase is not
18 unreasonable. Please note the
19 21 percent figure there
20 represents the proposed
21 17 percent fare increase and
22 also the MTA tax that was
23 implemented in 2009 but which
24 does not go to these drivers.

25 And finally, we believe

1 this proposed fare increase is
2 reasonable from a passenger
3 perspective when considered in
4 the context of taxi fares in
5 other markets. New York City's
6 current taxi fare is near the
7 bottom of fares in comparable
8 large American cities. For
9 those increases would move the
10 New York City taxi fare up
11 comparatively, but it would be
12 still competitive with other
13 metropolitan areas. It would
14 continue to be lower than either
15 L.A. or San Francisco and would
16 be much lower than either London
17 or Tokyo.

18
19 Again, given the needs to
20 address the decline in driver
21 income since the last fare
22 increase and in light of the
23 this passenger impact analysis,
24 we believe the 17 percent fare
25 increase is warranted to ensure

2 drivers return to 2006 level of
3 income.

4 In addition to this
5 17 percent percent fare increase
6 to compensate drivers, the
7 Commission also has before it a
8 petition from the Metropolitan
9 Taxicab Board of Trade to
10 further raise fares and lease
11 caps to compensate fleet owners.

12 At the May 31st Commission
13 hearing the MTBOT provided the
14 Commission with some revenue and
15 cost estimates which suggest
16 that on average the medallion
17 generates approximately \$38,000
18 profit annually. For the
19 smallest fleets it means a
20 profit of \$925,000 a year; for
21 the larger fleets of
22 approximately 200 cars, this is
23 an annual profit of
24 \$7.4 million. The TLC staff and
25 several commissioners at the May

2 31st hearing requested
3 additional financial disclosure
4 from fleet representatives which
5 they have not provided.

6 In the absence of any
7 additional disclosure, TLC has
8 also prepared its own estimate
9 of fleet profits using figures
10 provided by MTBOT and other data
11 on revenue and cost items
12 previously provided by industry
13 representatives. Based on these
14 calculations, we estimate fleet
15 profits even higher:

16 1.2 million for the smallest
17 fleets and 9.6 million for a
18 200-car fleet.

19 Staff also compared the
20 rate of return from medallion
21 operation with other investment
22 opportunities, and the analysis
23 to that of medallion rates of
24 return were more than
25 competitive. For example, we

1 looked at an investor who bought
2 a medallion at the time of the
3 last lease cap increase in 2004,
4 and using the income figures
5 provided by MTBOT, we calculated
6 a rate of return on that
7 investment, both with medallion
8 appreciation and without. And
9 we compared that with the
10 returns on the S&P 500 or a
11 corporate bond fund. The
12 investor who purchased a
13 medallion in 2004 has seen an
14 over 300 percent return on
15 investment since that time,
16 while than an investor who
17 invested the same amount in the
18 S&P 500 at the same time has
19 reaped a 54 percent return and
20 an investor in a blue chip bond
21 fund earned only 11 percent.
22 Even if we were to exclude any
23 appreciation in medallion value
24 from this calculus, that's the
25

1 second column there, the
2 medallion purchaser would still
3 have earned a 94 percent return
4 for operating profit alone,
5 almost twice as much a S&P 500.

6
7 Based on the foregoing,
8 staff concluded that an
9 increased fleet lease cap in and
10 of itself is not warranted based
11 on the evidence provided by the
12 petitioners.

13 However, the proposed
14 rules would raise the fleet
15 lease caps so that drivers will
16 pay credit card processing fees
17 in the form of a \$9 lease cap
18 increase instead of a 5 percent
19 charge on credit card
20 transactions. This is
21 economically advantageous for
22 fleets who receive more than
23 they currently collect with
24 credit card processing and may
25 be able to capture for

2 themselves any gains from
3 negotiating lower processing
4 fees going forward. It will
5 reduce and hopefully eliminate
6 any lingering driver reluctance
7 to accepting credit cards.

8 These rules also provide
9 for an optional gas surcharge to
10 lease caps. This is a means of
11 allowing fleets to share in the
12 gains from the increased fuel
13 efficiency of newer vehicles and
14 the upcoming taxi of tomorrow.
15 It also serves as a means of
16 insulating drives from fuel
17 price fluctuations. The rules
18 provide for an optional
19 21 dollar fuel surcharge to be
20 adjusted as fuel prices move up
21 or down, as shown in the chart,
22 to be charged by fleets who
23 provide a full tank of gas to
24 their drivers alone. Again,
25 this would be at the option of

2 the fleets.

3 The increase in lease
4 caps, \$9 for credit card
5 processing and an operational
6 \$21 for fuel will result in the
7 following changes to the fleet
8 lease cap surcharges. In
9 addition we will enforce the
10 weekly lease cap rate of the cap
11 on what a fleet can charge an
12 individual driver over any
13 consecutive seven-day period.
14 This will assure that drivers
15 who are driving on a weekly
16 basis get the reduced rate for
17 the weekly leases.

18 Finally, these rules would
19 also change the lease cap
20 affected the DOV sector. There
21 is a gap today between what
22 fleets and DOV agents can
23 collect per medallion. Today a
24 fleet can collect a maximum of
25 \$1,587 per week for each

2 medallion vehicle. DOVs can
3 collect only \$800 or \$842 for a
4 hybrid per week per medallion.
5 That there is a difference makes
6 sense, given the different
7 services provide in exchange for
8 these lease payments. However,
9 this gap of \$790 is greater than
10 the additional costs due to the
11 ownership, maintenance,
12 insurance that are faced by
13 fleets. The size of this gap
14 means that it is not economical
15 for medallion owners to lease to
16 DOV agents.

17 TLC believes there is an
18 urgent policy reason to address
19 this gap and maintain the DOV
20 sector. The DOV sector attracts
21 experienced drivers and provides
22 a pathway to entrepreneurship
23 for drivers. Long-term drivers,
24 many of whom are DOV drivers
25 have been shown to be safer

2 drivers and provide better
3 customer service. As such, we
4 propose to raise DOV lease caps
5 to address cost pressures on the
6 DOV sector. The way we do this
7 is to compare the difference in
8 the operating costs between the
9 fleet model and the DOV model,
10 backing out from the maximum
11 allowable fleet lease charge
12 costs those costs which are
13 unique to fleets, including
14 dispatch operation, daily
15 vehicle maintenance, and the
16 risk of non-lease, yields a DOV
17 medallion vehicle lease amount
18 of \$1,375. Further backing out
19 vehicle costs from this amount
20 yields a DOV-medallion-only
21 lease of 1,025. Both of these
22 amounts included credit card
23 processing value at 125 a week.

24 The result would be to
25 raise DOV lease caps between 7

1 and 13 percent for medallion-
2 only leases and create a new
3 medallion-and-vehicle lease
4 priced at 50 percent higher than
5 the current medallion lease cap.
6

7 That's the summary of our
8 proposed rules. In short, in
9 addition to raising fares
10 17 percent, the proposed rules
11 would increase the fleet and DOV
12 lease caps to change the way
13 credit card processing fees are
14 collected, would permit fleets
15 an optional fuel surcharge in
16 exchange for providing a full
17 tank of gas, and would raise the
18 DOV lease caps to permit that
19 segment to compete more
20 effectively. Thank you very
21 much.

22 CHAIRMAN YASSKY: Are we
23 going to begin with testimony?

24 MS. JOSHI: Today we're
25 going to hear testimony on two

2 proposed rules both of which
3 appear in the record on
4 June 8th, a rule to increase
5 fares and a rule to adjust lease
6 caps. Public comment on those
7 rules is accepted today until
8 midnight, and today we'll hear
9 public testimony.

10 CHAIRMAN YASSKY: I didn't
11 mean that as a question. If
12 we're about to begin, I would
13 just like to make a quick
14 statement.

15 MS. YOSHI: I just have a
16 few ground rules before we
17 start.

18 CHAIRMAN YASSKY: All
19 right I'll start. And I
20 understand that today is for
21 public testimony. This is not
22 -- we're not voting today. This
23 is not a debate. We are not
24 here to debate, for the
25 Commission to debate but to get

1 feedback. I just did want to
2 frame for the public at least my
3 thoughts so that it can shape
4 people's feedback or shape their
5 public comments.
6

7 I believe, you know, we
8 say this all the time, I don't
9 think we can say it enough, that
10 the taxi system is one of the
11 jewels of New York City. The
12 yellow cab is a symbol of New
13 York City that is understood
14 around the world to mean
15 excellent service and good
16 value, and we are charged, the
17 TLC Commission is charged with
18 responsibility of regulating
19 that system so that it maintains
20 its standard of excellence.

21 Part of that
22 responsibility is raising the
23 fare from time to time. One of
24 the ground rules of the taxi
25 system is that the fare is set

1 by rule. It's not negotiated,
2 you know, trip by trip between
3 the driver and the passenger.
4 That's part of what makes the
5 system work, is the people know
6 they can raise their hand, flag
7 down a taxi who will take them
8 whenever they want to go for a
9 reasonable price, and they know
10 what that price is.
11

12 So what flows from that is
13 that we have the responsibility
14 of setting the fare, and I think
15 everyone understands you can't
16 just leave it where it is for,
17 you know, years and years and
18 years at a time. If the system
19 is going to continue, it needs
20 revenue to sustain it.

21 There have been new
22 sources of revenue over the past
23 few years. There's revenue from
24 advertising on the taxi screens,
25 revenue from advertising on top

1 of the taxis for that matter,
2 but there has has not been any
3 new source of revenue for
4 drivers, the people whose work
5 and labor ultimately drives the
6 entire system. And as a result,
7 as Commissioner Chhabra said, a
8 driver is actually earning less
9 today than six years ago when
10 the current fare levels were
11 set. I don't think anybody
12 would think that a system is
13 sustainable on that basis.

14
15 Now, we have to take into
16 account everyone's set of
17 perspectives and interests in
18 this system without question,
19 and passengers are being asked
20 to pay more, and I think we
21 should acknowledge that. I
22 think that taxi passengers do
23 understand that a driver needs
24 to be able to earn a decent
25 living, a driver needs to be

1 able put food on the table for
2 his or her family and pay the
3 rent each month and that \$130
4 for a twelve-hour shift, which
5 is the take-home pay of a taxi
6 driver today, is not enough to
7 do that. And if we're going to
8 have the system continue and the
9 standard of service remain at
10 its high level, then drivers
11 have to be able to earn a decent
12 living.

14 I think that the fact that
15 passengers in the main recognize
16 that is reflected in the fact
17 that all three daily newspapers
18 in the city, The New York Times,
19 New York Daily News, New York
20 Post, all three have
21 editorialized in favor of the
22 increase. In other words, all
23 three have said that a fare
24 increase is necessary and
25 appropriate to assure that

1 drivers can earn a decent
2 living, and while they don't,
3 I'm sure there is not unanimity
4 of opinion among taxi
5 passengers. I think the fact
6 that all three daily newspapers
7 which do represent the public in
8 some sense, that all three have
9 editorialized that way does tell
10 us something about what taxi
11 passengers think and how they
12 would respond, will respond to
13 this increase.
14

15 All three have also said
16 quite clearly that from the
17 passenger perspective, they
18 think passengers will be willing
19 to pay and should be willing to
20 pay more for the drivers but
21 should not be asked to pay more
22 for the benefit of medallion
23 owners, and I do want to be
24 clear that that's what this
25 proposal does. What this

1
2 proposal does is say that the
3 increase and the extra amount
4 that drivers -- that passengers
5 are being asked to pay will go
6 to the drivers who make the
7 system work.

8 Now, we are also seeking
9 to do three additional things,
10 and I hope people are clear
11 about what exactly they are.
12 One is on credit cards. I think
13 one of the most important and
14 valuable changes in the taxi
15 system over the last several
16 years is the introduction of
17 credit cards, and I see the
18 signs being raised. Taxi
19 passengers now have come to
20 expect they can pay by credit
21 card. I don't think there can
22 be any real dispute that that
23 has brought more business into
24 the system, that that has helped
25 insure that despite the

1 recession, taxi passengers
2 continue to come and use the
3 system.
4

5 But the fact that a taxi
6 driver earns less from a credit
7 card trip than from a cash trip
8 does continue to be a minor, you
9 know, a wrinkle in the system.
10 It does result in all too often
11 drivers seeking to discourage
12 passengers from paying by credit
13 card, seeking to have passengers
14 pay by cash instead.

15 So what we are proposing
16 is to eliminate that 5 percent
17 difference, but to compensate
18 the fleets who then would have,
19 the medallion owners who would
20 then would bear the
21 responsibility for credit card
22 processing costs with a flat fee
23 of \$9 per shift. So I want to
24 be clear about that, that is a
25 wash; we see that as a wash. In

1 other words, that's economically
2 neutral as between drivers and
3 passengers, but it is to the
4 benefit -- I mean to drivers and
5 owners, but it is to the benefit
6 of passengers who will no longer
7 face that resistance to credit
8 cards. That's one.

10 The second is the gas
11 proposal, and the goal there is
12 very simple; it is to enable the
13 corporate entities that -- to
14 bear the risk of fluctuation in
15 gas prices, something that --
16 really for an individual driver,
17 a difference of \$50 a week in
18 take-home pay is an enormous
19 difference. Whereas the fleet
20 entity can account for that over
21 time and build it into their
22 cost structure. So that's what
23 the purpose is of the gas
24 proposal.

25 And finally on the driver

1 owned vehicles, as Commissioner
2 Chhabra says, I do think that
3 the leased -- the medallion-only
4 lease cap amount that is
5 currently in the rules does pose
6 a risk to the survival of the
7 DOV model, and if we don't
8 provide greater parity between
9 the DOV -- the medallion-only
10 weekly lease cap that DOVs --
11 that prevails in the DOV sector
12 and the per shift lease cap that
13 prevails in the fleet sector, I
14 think that we will see the
15 gradual or maybe not so gradual
16 disappearance of the DOV sector
17 and all that goes with it: The
18 safer driving, the better
19 customer service and the career
20 ladder for the drivers.

21
22 So those are the three
23 proposals in addition to the
24 fare, and I would ask people's
25 comments to as best as possible

2 address the rationales that
3 we've put forward. That would
4 be the most useful for me at
5 least.

6 Thank you, Meera.

7 MS. YOSHI: We're going to
8 begin the public testimony.
9 Each speaker will have three
10 minutes, and we're going to
11 begin first with Bhairavi Desai
12 from NYTWA.

13 (Applause.)

14 MS. DESAI: Good morning.
15 I was actually in the overflow
16 room where there are more
17 drivers that are listening
18 intently to this hearing.

19 Good morning. We're
20 really happy to see these rules
21 finally being proposed. It's
22 been a long time in coming. The
23 idea that hard working, working
24 class people, working families
25 are earning less than 25 percent

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2 today than what they earned six
3 years ago is absolutely
4 unacceptable, and even when you
5 look at what they earned six
6 years ago, you know, it's still
7 not acceptable. What we need is
8 a livable income for drivers.

9 After twelve long hours
10 behind the wheel, collectively
11 serving over half a million
12 people, there's no question that
13 taxi drivers deserve a decent
14 living, a livable income, and
15 health and benefits for the
16 first time. Imagine going to
17 your job day in and day out,
18 whether you're working 5 years,
19 10 years, 15 years or 30 years
20 at the end of that tenure, you
21 don't have any benefits to call
22 your own. You know, you serve
23 this industry day in and day
24 out. You make sure it remains
25 thriving. You make sure that

1 the fleets and the agents make
2 the profits that were described
3 earlier. You make sure that the
4 public doesn't suffer any sort
5 of a shortage. Then at the end
6 of that when you face your own
7 personal crisis, either due to
8 illness or injury on the job or
9 injury that keeps you from
10 working whether it's on the job
11 or not, the idea that you have
12 nothing to fall back on is
13 absolutely unconscionable.

14
15 The workers' compensation
16 exists for only one segment of
17 drivers, owner-operators are not
18 covered by that, and it's a very
19 dismal amount. And again, if
20 you fall sick or injured outside
21 of the job that coverage does
22 not insure you. We desperately
23 need this health and disability
24 fund and we desperately need the
25 fare raise, and we thank you,

1 Commissioner, for putting this
2 proposal forward.

3
4 In terms of the lease
5 caps, you know, there's no
6 question that you don't pay \$9
7 every single day, especially the
8 majority of drivers in this
9 industry are weekly drivers.
10 You have several shifts where
11 you may not be able to work
12 because it's humanly impossible
13 to put in that 10- or 12-hour
14 shift seven days of the week.
15 And so on those days, in
16 particular, you're not going to
17 be spending a credit card
18 transaction fee but the fleet or
19 the agent is still collecting \$9
20 flat from you.

21 On top of that, you know,
22 we've already seen with Square
23 that's now charging 2.75
24 percent, I'm sure any fleet
25 owner or agent that wants to

1 switch to them could, and given
2 they're an outsider and the
3 other two current vendors are
4 actually insiders, my guess is
5 they could do that processing
6 at even lower rates. I mean, I
7 know there are alternatives like
8 online media that could
9 certainly do it at a lower rate
10 than what's been charged right
11 now, and that lower rate,
12 it's not -- it's just going to
13 be additional profit to the
14 fleet. It's not going to go to
15 the drivers.

17 And so I would say for any
18 fleet owner that has the gall to
19 come up and say that the \$9 is
20 not sufficient or any agent who
21 comes up and says that, you
22 know, the increase in the DOV
23 rate, which is, I believe you
24 said, 17 to 13 percent is still
25 not sufficient and could perhaps

1 bring them to the brink of
2 bankruptcy, I mean, is not only
3 laughable, it's absolutely
4 offensive when when you think
5 about how much drivers have been
6 suffering.

7
8 (Applause.)

9 MS. DESAI: In short, in
10 summary, I'd like to say,
11 while -- we will be submitting
12 written comments on specific
13 things we'd like to see changed.
14 For example, under the DOV rules
15 it should be -- the standard
16 medallion lease cap should only
17 be for the conditional purchase,
18 not for a long-term vehicle.
19 And so that way you specify that
20 it should be a DOV, and
21 secondly, it should be limited
22 to 130 weeks or 2.5 years from
23 time of hack-up, which is the
24 standard today. The title
25 should be required to be given

1 to the driver upon completion of
2 the vehicle payments, and once
3 those payments are completed,
4 the standard lease cap, the
5 medallion-only rate should
6 apply. And it must specify that
7 these rates include three
8 drivers at a time on the rate
9 card. Otherwise we will
10 be seen --

11 (Applause.)

12 MALE VOICE: Yeah.

13 FEMALE VOICE: Thank you.

14 MS. DESAI: Lastly, I'd
15 like to say that there should be
16 wording that the agent cannot
17 remove the medallion from a car
18 not yet retired and leased to
19 another driver.

20 (Applause.)

21 MS. DESAI: There are
22 other things that we would have
23 preferred to see with this fare,
24 like particularly a rush hour, a
25

2 morning rush hour surcharge and
3 an increase in the night
4 surcharge, but I do want to say
5 overall, that we call upon all
6 of the TLC Commissioners to vote
7 yes on both of the proposals
8 that are before them.

9 MALE VOICE: Yeah.

10 FEMALE VOICE: That's right.

11 (Applause.)

12 MS. YOSHI: Next we will
13 hear from David Pollack from the
14 Committee for Taxi Safety.

15 MR. POLLACK: Good
16 morning, Commissioners. The
17 proposed rules on the lease cap
18 increases -- I'm David Pollack.
19 I'm the Executive Director of
20 the Committee for Taxi Safety,
21 and we represent mostly DOV
22 agents, long-term drivers and
23 the owners of those medallions.

24 And the proposed rules
25 basically, if passed as they

1 are, will turn the DOV
2 operations into fleet
3 operations, with a much smaller
4 lease cap than the fleets are
5 allowed. And it will probably
6 hasten the transfer of DOV
7 agents becoming fleets maybe. I
8 have members willing and ready,
9 if these rules are passed as is,
10 to turn to the fleet model on
11 August 1st.
12

13 And in the rules you want
14 the DOV agents to have the same
15 responsibilities as daily shift
16 agents known as fleets, and if
17 that's the case, then weekly
18 agents should receive the same
19 lease cap as the fleets.

20 By disallowing credit card
21 income and mandating vehicle
22 repairs paid by the DOV agents,
23 weekly DOV agents will be
24 earning less than before and
25 increasing the disparity between

2 the weekly lease and the DOV
3 agents -- between the DOV agents
4 and the fleets.

5 It should be noted there's
6 a certain amount of risk
7 involved when you are
8 responsible for someone else's
9 medallion, you are the agent for
10 the medallion owner, so we do
11 represent the owners, and we
12 assist drivers in leasing those
13 medallions long term.

14 I'm sure you will hear
15 from some drivers today who have
16 been through the -- who had
17 started the stepping stone,
18 working for a fleet, then
19 leasing the medallion, and
20 hopefully saving enough money to
21 purchase a medallion.

22 FEMALE VOICE: Right.

23 FEMALE VOICE: Yeah.

24 MR. POLLACK: These rules
25 certainly will take away and end

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the DOV segment.

CHAIRMAN YASSKY: I'm
sorry, I am just going to ask,
we really cannot have any
outbursts. We will ask people
to leave if they cannot respect
the speaker. MR. POLLACK:

Well, we believe there should be
a rate of fare increase, but it
should be shared by offsettings
to the industry. You know, we
can't eliminate one segment on
something that's worked so well
for decades and gotten to this
point where the public is served
properly, the drivers are small
businessmen and ultimately
earning enough money, I will say
this once again, to purchase
their own medallions. I mean
it's real, it happens all the
time, and we ask you not to pass
the rule on the lease cap to the
the DOVs the way it's written.

CHAIRMAN YASSKY: Mr.

Pollack, may I ask a question?

I know we have a long list of

speakers and I don't want to --

and you represent an important

segment of the industry here. I

just want to make sure I

understand you.

The proposal here, the

current lease cap for a

medallion-only lease is either

\$800 or \$842 per week, depending

on whether the car is highly

fuel efficient or not.

Is that right?

MR. POLLACK: That's what

the rules state.

CHAIRMAN YASSKY: That's

what the rule is.

But one of the proposals

here is to increase that number

to \$1,025 from 800 or 842,

depending on what the car is, to

1025, 1,025. How is that --

1 you've said that the agents or
2 the owners that they represent
3 would be earning less if this
4 passed.
5

6 How is that possible?

7 MR. POLLACK: Well, the
8 medallion-only lease is a
9 fallacy, it really is, because
10 on a medallion you -- when a
11 medallion is on a taxicab, you
12 must have liability insurance.
13 DOV drivers or long-term drivers
14 are covered by workers'
15 compensation and that there's a
16 cost to workers' compensation.
17 There is a medallion renewal fee
18 every year, that's a TLC charge.
19 There's a road use tax every
20 year, which is a charge. There
21 are inspections, registrations,
22 and mandated -- and mandated
23 expenses and costs in doing
24 business.

25 For example, I know you

1 want to take away the 5 percent
2 that the DOV agents make and the
3 fleets make or whoever, but
4 there's still going to be a fee
5 to the processors. They're
6 still going to need someone to
7 handle any charge-backs which
8 occur daily. There's the MTA --

9
10 CHAIRMAN YASSKY: Let me
11 put that one to one side.

12 I mean, do you think, is
13 \$9 per shift not sufficient for
14 that?

15 MR. POLLACK: I really
16 can't speak on behalf of the
17 fleets.

18 CHAIRMAN YASSKY: No, but
19 I'm saying from the agent's
20 perspective.

21 MR. POLLACK: I haven't
22 looked at the fleet number to
23 know whether \$9 dollars is
24 enough or not.

25 CHAIRMAN YASSKY: So

1 you're saying part of that 1025
2
3 is eaten up by those processing
4 costs, O.K., fair enough, but
5 certainly not all of them.

6 So why -- I guess I still
7 don't un- -- when you say it's a
8 fallacy, are you saying -- I
9 don't understand what you mean
10 by that.

11 We have, you know, some
12 5,000 taxi that are leased on a
13 weekly rate using that, paying
14 that 800 or 842 weekly rate.
15 What we are proposing here is to
16 show people to charge 1025
17 instead of 800 or 842. How is
18 that possibly a cut?

19 MR. POLLACK: It's a cut
20 because we have to compete with
21 others who are paying the
22 medallion owners. DOV agents
23 traditionally don't own the
24 medallions they lease,
25 Mr. Chairman. They get them

1 from a medallion owner, and they
2 have to pay the medallion owner
3 a monthly amount.
4

5 If another segment of the
6 industry, like a fleet, is
7 earning more money per week,
8 then they can offer that
9 medallion owner more money per
10 week and that's what's
11 happening, and we need the
12 ability to be able to compete
13 with that.

14 CHAIRMAN YASSKY: Thank
15 you.

16 MS. YOSHI: Next up is
17 Vincent Sapone, and if I forgot
18 to mention this earlier, please
19 state your name and what entity
20 you represent. Thank you.

21 MR. SAPONE: Good morning,
22 Mr. Chairman and Commissioners.

23 How can I start this?
24 First of all, in 2006, it really
25 wasn't a fare increase; it was a

1 fare adjustment for the waiting
2 time because the waiting time
3 came to \$12 an hour for 19
4 years. The last fare increase
5 was eight years ago, maybe
6 longer.
7

8 I think that the problem
9 here is cab drivers have to wait
10 8, 9 years to get any kind of
11 increase. So there's a battle
12 between fleets, leasing
13 companies, cab drivers --
14 nobody's happy. But if the city
15 would have given the drivers
16 more money and not waiting
17 8 years or 20 years for an
18 increase, maybe all this
19 wouldn't happen.

20 You know, cab drivers work
21 very hard. I drove myself. I
22 know it's hard, but when you own
23 a business, you got expenses,
24 too. So what I'm trying to say
25 is, you know, there's a thick

2 cloud in this room and it's not
3 healthy.

4 CHAIRMAN YASSKY: Yes.
5 I'm counting on you to cut
6 through that because I think it
7 really is a pretty simple issue.

8 In the time I've been
9 here, I don't think I've dealt
10 with anybody who has more
11 interests of the actual taxi
12 driver at heart than you do,
13 Mr. Sapone.

14 MR. SAPONE: I thank you
15 for that, Mr. Chairman.

16 CHAIRMAN YASSKY: So I am
17 kind of counting on you to cut
18 through all the fog.

19 MR. SAPONE: All right.

20 CHAIRMAN YASSKY: What is
21 at issue today is pretty simple.
22 What we would like to do is
23 raise the fare so that the
24 driver can take home more money.

25 MR. SAPONE: Very good.

2 Excellent.

3 CHAIRMAN YASSKY: Are you
4 a supporter of that?

5 MR. SAPONE: May I make a
6 suggestion? I don't think
7 17 percent is enough. I think
8 there should be a dollar
9 surcharge from 7 to 11 or 7 to
10 10 in the morning. I think that
11 even the start of the trip
12 should be increased 50 cents
13 more. You know, it's always a
14 struggle.

15 CHAIRMAN YASSKY: If I can
16 just ask.

17 MR. SAPONE: Excuse me?

18 CHAIRMAN YASSKY: I
19 understand you're saying it
20 should be a bigger increase.

21 MR. SAPONE: Yes,
22 absolutely.

23 CHAIRMAN YASSKY: But are
24 you here -- do you support the
25 increase that's proposed today?

2 Do you recommend a yes vote or a
3 no vote?

4 MR. SAPONE: Yes, sir.

5 I'm going to say yes, because I
6 ain't gonna to turn down a tip.
7 When somebody's offering me a
8 tip, I ain't gonna say no. What
9 I'm saying is, I don't think
10 17 -- now, you guys are all
11 gonna be gone soon, O.K.? What
12 is the next chairman going to
13 do, wait another nine years? I
14 appreciate what you're doing,
15 don't get me wrong, but it's all
16 a political nonsense game.

17 These guys are going to
18 have to wait another 9 years,
19 17 percent is not enough, and
20 everybody should get a little
21 piece of the action.

22 Thank you.

23 CHAIRMAN YASSKY: Thank
24 you.

25 (Applause.)

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MS. JOSHI: Next is Ashraf
Eshra.

Is Ashraf Eshra here?

I'm going to move on to
Igor Borko.

If you can state who you
represent.

MR. BORKO: I represent
DOV, DOV section. I'm the
medallion owner and I basically
represent myself.

MALE VOICE: We can't hear
you.

MS. JOSHI: Speak into the
microphone please. Thank you.

MR. BORKO: Is this good
enough?

MS. JOSHI: Yes.

MR. BORKO: I've been
driving (inaudible) DOV leasing
for over 20 years, and I am
financially legally good. I've
had my share of (inaudible).
But an advertisement like this

1 came to my attention. It's
2 basically on a phone booth in
3 various areas of Brooklyn and
4 others. They offering \$3400 a
5 month for the lease of
6 medallion. Currently I'm
7 getting \$2600 a month for lease
8 of medallion, and I came back to
9 my agent and said how can it be
10 over \$9600 a year difference?
11 And the same medallion that
12 works in New York City, same
13 people, everything the same.
14

15 So he said he's got some
16 kind of a gap that only for me
17 as a medallion owner, I mean I'm
18 trying to understand this gap,
19 which is kind of tough because
20 I'm part of New York City and
21 I'm not part of New York City;
22 right hand can do this and left
23 hand can do that, and it's a
24 little bit complicated, but I'm
25 asking you guys.

1 I don't want to leave the
2 company I'm working with for
3 20 years. I just want to be
4 able to get the same money as
5 everybody else getting. That's
6 all. Thank you.

8 MS. JOSHI: Thank you.

9 Next is Berpsford Simmons.

10 MS. SIMMONS: Good
11 morning. First I want to thank
12 the Commissioners for opening
13 the doors to us from the Taxi
14 Workers Alliance. It's been
15 years, I've been driving a taxi
16 in New York City for over
17 40 years, and you are the only
18 Commissioners that open your
19 doors to us as drivers and hear
20 our problems.

21 I'm a good example of how
22 a DOV driver can advance into an
23 owner, back into a DOV driver,
24 back into having nothing because
25 of the things that I'm -- the

1 activities that we've been doing
2 for the cab drivers here. There
3 have been retaliatory behavior
4 to me. I don't have a cab. My
5 lease has been cancelled because
6 of my past activity working for
7 the cab driver.
8

9 Today I'm home with my
10 grandchildren, which is all
11 right, because of my activities
12 I have many offers to work with
13 other people.

14 But this raise is
15 deservedly so. We've tried for
16 over 8 years, and basically I'm
17 embarrassed to say but I'm into
18 bankruptcy; I do not have a cab
19 today because of maintenance of
20 my personal car and owing my
21 broker, and I hope the people
22 who carry the news back to my
23 broker tell them today what I
24 said today again, over \$13,000
25 just in repairs, and if you

1 think I'm lying, you can contact
2 my broker and ask him how much
3 money I owe him and why I'm not
4 driving for him today.
5

6 The drivers, we're hard
7 working people, we are the eyes
8 of the city and the ambassadors
9 for New York City. We help
10 people to move around the city.

11 Mr. Chairman, I want to
12 thank you for even suggesting
13 this raise here. We are pleased
14 with it, the drivers are pleased
15 with it, and I hope that the
16 Commissioners vote yes on this
17 fare increase.

18 Thank you very much.

19 MALE VOICE: Thank you.

20 (Applause.)

21 MS. JOSHI: Next is
22 Alexander Mosheyev.

23 MR. MOSHEYEV: Good
24 morning. My name is Alexander
25 Mosheyev. I've been a

1 technician in this country and I
2 used to be an engineer in my
3 country, in Russia. So I came
4 and I used to work in different
5 companies as a technician and
6 then finally I didn't get paid
7 very well, so it was \$8, \$9 an
8 hour even working for
9 management.
10

11 So finally I decided to
12 drive a taxi and become a driver
13 and become owner. In 2010, I
14 purchase medallion with help of
15 Queens Medallion Leasing. So I
16 save money, around 50,000 and
17 use the rest, the company
18 provide me and I put down
19 payment and purchase that
20 medallion.

21 So basically from the step
22 down to today's date, I've three
23 children to support, and I hope
24 you will understand how DOV is
25 very important for us and I

1 believe we are more responsible
2 drivers and caring about the
3 cars because it's our cars. I
4 came from the country. It's
5 really -- like it's not really,
6 anybody's particular, it was
7 ours, so that's what means. In
8 garage I, they don't care about
9 the cars, they don't really wash
10 it.
11

12 So DOV is the only model
13 which really trying to care
14 about the future car because
15 it's yours. It's not
16 somebody's. And I hope you will
17 understand how it's important
18 and you will do our services for
19 us. Thank you.

20 MS. JOSHI: Ratan Khan?

21 Is Ratan Khan here?

22 Could you state who you
23 are here on behalf of today?

24 MR. KAHN: I'm here on
25 behalf of Queens Medallion.

2 MS. JOSHI: You can
3 proceed with your testimony.
4 There's a microphone right on
5 the podium that you can speak
6 into.

7 MR. KAHN: O.K. I'm here
8 to say couple of things. Number
9 one is like we are the DOV
10 drivers and those brokers, they
11 improve the quality of cars.
12 And we can rely on that we have
13 a job, we can keep it, and they
14 help us so many ways. And if
15 you talked with all the drivers
16 who are in this business, they
17 can explain you better. And so
18 I want to see this institution
19 can be spared on this business.
20 That's all I want to say.

21 MS. JOSHI: Thank you very
22 much.

23 MR. KAHN: Thank you.

24 CHAIRMAN YASSKY: Sir, I'm
25 sorry, I just want to, I guess I

2 want to thank you for your
3 testimony.

4 I gather you are here at
5 the request of Queens Medallion,
6 is that what you said?

7 MR. KAHN: Yes, because
8 like in our President Obama
9 bailed out the auto industry,
10 the GM and the Chrysler, and we
11 can see those company are making
12 better quality car and it
13 doesn't destroy.

14 So we just want that the
15 brokers who are offering DOV
16 driving systems, they should
17 have to stop this business too,
18 they should, because it's easy
19 to destroy something, but it's
20 very hard to hold something.

21 CHAIRMAN YASSKY: Thank
22 you.

23 MR. KAHN: Thank you, sir.

24 MS. JOSHI: Ethan Gerber
25 is next.

1 MR. GERBER: Good morning,
2
3 Mr. Chairman. Good morning,
4 Commissioner Arout. My name is
5 Ethan Gerber on behalf of the
6 Greater New York Taxi
7 Association, a progressive group
8 of owners. We took the city at
9 its word and put cleaner hybrids
10 on the road. First your rules
11 once again break a promise and
12 commitment to those owners to
13 put the hybrids on the road.
14 We'll now lose \$3 a shift for
15 the hybrids according to Rule
16 58-21 which removes the \$3
17 incentive, a decrease to the
18 owners and a betrayal not only
19 to the owners but to
20 environmentally concerned New
21 Yorkers.

22 These rules and the
23 rationale issued by the TLC
24 could only be promulgated by
25 government. Of course our

1 expenses have gone up, whose
2 hasn't? The TLC rationale
3 doesn't even address basic costs
4 like garage rents, garage staff,
5 utilities, et cetera. In its
6 analysis the TLC talks correctly
7 of cost changes in real dollars
8 counting inflation. If that
9 analysis works for drivers, it
10 must work for owners. Where was
11 analysis in real dollars for the
12 owners?
13

14 Actually amazingly while
15 discounting our own increases,
16 the TLC's budget has more than
17 tripled. Next year's budget is
18 triple what it was at the time
19 of the last increase.

20 On credit cards, what
21 you're doing now is to create a
22 system that will actually cost
23 the owners more money every time
24 a credit card is used. What you
25 are doing right now is a bizarre

1 world that are only a government
2 could have postured.

3
4 What you are going to do
5 now is if you have more
6 efficient drivers, working
7 harder, making are money, they
8 will actually have more
9 processing charges which will
10 cost the owners on each and
11 every transaction. You're
12 actually creating an incentive
13 program to give out taxicabs to
14 the least productive of the
15 drivers.

16 Again, in what world do
17 the owners actually lose income
18 from providing a service to
19 those who use the service more?

20 The \$21 gas charge is also
21 not a serious proposal. It
22 gives an option of getting \$21
23 for supplying a full tank of
24 gas. Commissioners, I ask you,
25 have you filled a tank lately?

1 Have you tried to fill up a tank
2 for \$21? That \$21 is supposed
3 to be an offset. Do you
4 actually see anyone taking up
5 the TLC on that charge? It's
6 not a serious proposal.
7

8 There has never been a
9 time when Taxi Workers Alliance
10 has favored an increase for any
11 portion for the owners. Long
12 before what the percentage was
13 announced, the Taxi Workers
14 Alliance came out and said we
15 should not get any percentage.

16 I'm begging this
17 Commission, I'm suggesting to
18 this Commission, go back, draw
19 up rules; it is time that
20 there's a fare, rate fare
21 increase, but that rate fare
22 increase should be equitable, it
23 should be across the board, and
24 the industries and the men and
25 women who work in those

2 industries should get the
3 benefit.

4 Thank you.

5 CHAIRMAN YASSKY:

6 Mr. Gerber, again I'm sorry,
7 just so I understand -- I think
8 I understand your testimony
9 about the lease caps. On the
10 fare increase, are you
11 testifying in support or in
12 opposition to the fare increase
13 proposal?

14 MR. GERBER: With all due
15 respect, Commissioner, I think
16 what you did is you created a
17 poison pill. I think what you
18 did is you created a rate of
19 fare increase and a lease cap
20 proposal that you knew would
21 actually cost the owners money.

22 So what we would want is,
23 we would like, just as this
24 proposal was originally done as
25 a rate of fare increase with a

1 lease cap increase, that you go
2
3 back to the drawing board and do
4 it again.

5 What you've done, I think
6 is what Congress does when they
7 create a poison pill; you create
8 a portion that you know the
9 industry would not support
10 because you know it's actually a
11 decrease. I don't want to play
12 that game.

13 CHAIRMAN YASSKY: So you
14 are testifying in opposition to
15 the fare increase generally,
16 the --

17 MR. GERBER: I think the
18 men and women sitting in the
19 back here deserve a rate of fare
20 increase, the men and women who
21 own the medallions and own the
22 businesses deserve a raise in
23 the lease cap increase as well.

24 It should be one proposal.
25 The way it came out, it should

2 be one general proposal. Do it
3 correctly. That's what I'm in
4 favor of.

5 Thank you.

6 CHAIRMAN YASSKY: Thank
7 you.

8 MS. JOSHI: Osman
9 Chowdhury.

10 MR. CHOWDHURY: Good
11 afternoon, everybody. My name
12 is Osman Chowdhury. I'm the
13 United Taxi Drivers Association,
14 NYC, Inc. I'm from Burma.

15 I'm covering the TLC, and
16 before never ever have I seen
17 the right direction to support
18 the driver income. And the more
19 times I think they know our
20 account, our health plan because
21 they already making much money
22 than ever, because \$2 more we
23 get a fare increase, the same
24 thing with the lease cap, with
25 the 666 [sic] still they're

1 charging nowadays and the 886
2 [sic], the (inaudible)
3 25 percent extra income they
4 have. There's an increase they
5 have. They have an increase and
6 with lease cap up, they'll not
7 be making money.
8

9 Another thing I gonna say
10 when our income is at 30, the
11 lease cap is a good change.
12 Like lot of people have said
13 that one ride to get a four stop
14 they are not make any money.
15 The boost our income, it's clear
16 reason there is. (Inaudible)
17 meant for the four different
18 times, so the medallion will
19 make make money, medallion
20 company going to lose. Should
21 vote for this law. Thank you.

22 MS. JOSHI: Richard
23 Thaler.

24 MR. THALER: Could you
25 circulate these. Thank you.

1 Dick Thaler, Omni Media
2
3 Network and OMN Gateway.
4 Chairman Yassky, Commissioner,
5 until these lease cap -- until
6 these proposed lease cap rules
7 were published, it was hard to
8 imagine that any changes in
9 credit card rules could be worse
10 for drivers compared to all
11 previous lease cap rules, but as
12 lease drivers will be charged
13 for transactions that may not
14 have taken place, lease drivers
15 will face even greater economic
16 hardship.

17 Attempts to regulate card
18 payment processing services
19 requires an understanding of
20 established payment card
21 industry rules and practices.
22 In the case of the proposed
23 lease cap rules because fare
24 payment card processing is
25 linked to the lease cap rules,

1 payment card industry practices
2 must be followed.

3
4 Card fare payment
5 transaction processing must be
6 recognized as separate from
7 T-PEP software and hardware
8 functions and placed under the
9 operation of a separate contract
10 between the driver and a
11 certified payment gateway chosen
12 by the driver for the lowest
13 competitive cost and a record
14 for highest level of cardholder
15 security.

16 The Commission's disregard
17 of payment card industry
18 practices since the beginning of
19 T-PEP, resulting in driver
20 overcharges estimated at over
21 \$190 million continues under
22 these proposed lease caps. The
23 revenue requires that T-PEP
24 vendors and DOS software and
25 hardware applications to route

1 payment transactions to the
2 certified payment gateway and
3 merchant acquirer of the
4 drivers's choice whether or not
5 the driver is the tax owner. In
6 this case the seller of taxi
7 transportation services is the
8 independent contractor driver
9 present at the point of
10 presentment of the card and
11 therefore should be the merchant
12 of record. While the cost of
13 the T-PEP vendor software and
14 hardware is the responsibility
15 of the taxi owner, the cost of
16 transaction processing,
17 including the wireless data
18 charges which just add a
19 fraction of a penny is a
20 separate matter to be charged to
21 the merchant driver.
22

23 Not only do these proposed
24 lease cap rules totally
25 disregard payment card industry

1 practice but a leased driver is
2 charged for fantasy card payment
3 processing whether or not the
4 transactions were performed.
5

6 If this was a way to drive
7 increases in net revenue for
8 taxi owners or agents, it should
9 be so stated explicitly, and
10 what is the justification for
11 allocating \$9 a shift for fleet
12 card processing compared to \$15
13 a shift for processing activity
14 under the medallion-only lease?
15 If you take the 225 and divide
16 it by 14 you get 16 bucks.

17 The the remedies proposed
18 are:

19 (1) a DOV lessee should
20 have the right to have opt out
21 of the lease cap increase,
22 select their own payment gateway
23 and pay the transaction
24 processing cost, probably about
25 half of what they're paying now.

1 (2) A fleet lessee should
2 have the right to opt out of the
3 lease cap increase, select their
4 payment gateway, and pay the
5 transaction processing costs.

6 The T-PEP vendor would be
7 required to install payment
8 gateway application programming
9 interface, an API, on the taxi
10 owner's T-PEP system, maintain
11 the payment gateway routing
12 information and route the
13 transactions based on the
14 drivers's I.D. according to
15 standard payment card industry
16 practice.

17
18 The fleet driver would
19 only be responsible for paying
20 their payment gateway and
21 merchant required transaction
22 charges and the wireless data
23 communications charges, which I
24 said would be less than a penny.

25 (3) If the lease cap rules

1 are passed as proposed, a driver
2 should be at least able to
3 deduct any charges for a
4 passenger payment app processed
5 independently of T-PEP from the
6 lease payment.
7

8 In the case of the
9 medallion-only lease cap of a
10 thousand and twenty-five bucks,
11 as the vehicle registrant, the
12 DOV lessee must be an insured
13 policyholder, according to state
14 law, and be allowed to purchase
15 their liability insurance
16 policies and deduct the cost
17 from lease cap.

18 Now in Washington D.C.,
19 recently their 50 cent taxi trip
20 surcharge is equivalent to the
21 New York's 50 cent MTA
22 surcharge, but in D.C., the
23 50 cents pays for the entire
24 system and all of the processing
25 costs at no cost to the drivers.

1 want to thank the TLC for their
2 wonderful presentation. It
3 showed that they did due
4 diligence in this matter, and I
5 only wish more Commissioners
6 were here aside from Mr. Aroust
7 from Staten Island.

8
9 I think this study of the
10 TLC shows the contentions of the
11 fleet owners as a complete
12 fraud, that they're not making
13 any money. The only bankruptcy
14 is moral bankruptcy.

15 (Applause.)

16 MR. LINDAUER: In *A League*
17 *of Their Own* movie baseball
18 manager Tom Hanks tells a
19 weeping female players, "There's
20 no crying in baseball," and
21 there should be no crying among
22 multimillionaires like Ron
23 Sherman, with his 1.5 million
24 dollar mansion and world class
25 yacht. Making say \$8 million a

1 year profit instead of
2 \$6 million is not a cause for
3 taking an even greater bite out
4 of the marginal income of
5 hard-working drivers who need to
6 room with three or four other
7 drivers to share even the most
8 modest of apartments.

9
10 How many marriages are
11 torn apart simply because
12 there's not enough money to live
13 on? How many children must
14 suffer? Do we really want to be
15 complicit in their suffering.

16 As I figure it, these
17 merciless moguls have spent
18 close to a million dollars in
19 the past 18 months, with
20 lawsuits, lobbying, political
21 contributions, public relations
22 and full-page ads promoting
23 their own very selfish interest
24 against the interest of drivers
25 and that of 8 million New

1 Yorkers, for instance they
2
3 oppose the five borough plan.

4 Despite their lavish
5 lifestyle, perhaps these tycoons
6 would have you believe they're
7 simple mom-and-pop operations.
8 Balderdash! Nonsense! If you
9 swallow that fiction, then you
10 believe that ObamaCare is
11 nothing like Romney's
12 Massachusetts health plan.

13 Commissioners, don't be
14 gullible. Don't let this league
15 of greedy gentlemen make fools
16 of you. Fairness and goodness
17 are completely alien to this
18 cabal. Drivers make a
19 poverty-level income. Can you
20 really in good conscious deny
21 them a livable income?

22 Moral and religious
23 justice cries out on behalf of
24 drivers. Vote yes on this plan.

25 Thank you.

2 (Applause.)

3 MS. JOSHI: Next is Victor
4 Salazar.

5 MR. SALAZAR: Good
6 afternoon, Commissioners. Good
7 afternoon, everybody. Hello,
8 brothers back there. I'm Victor
9 Salazar. I stand firmly in
10 solidarity with every single
11 driver in New York City. I've
12 been a cab driver for so many
13 years, close to 20 years. I've
14 driven in so many fleets. I've
15 driven in (inaudible). I've
16 been driven in checkers. I've
17 been driven in 49 Management,
18 Omega. I went through DOV
19 system.

20 Back in those years when I
21 was driving many, many of those
22 garages, they used to charge me
23 a weekly lease. Drivers today,
24 they don't even know what a
25 weekly lease is. I believe that

1 the taxi driver deserves the
2 increase, completely, totally,
3 and there should not be one
4 single cent of lease increases
5 in New York City that --

6 (Applause.)

7 We taxi drivers we drive
8 with our books open under the
9 GPS system. Every single day,
10 the city knows exactly how much
11 money we make, and my question
12 is, why cannot fleets owners,
13 brokers open their books.

14 (Chorus of yeahs.).

15 (Applause.)

16 MR. SALAZAR: After 15
17 years of working very hard,
18 living in the basement, I was
19 able to buy a medallion. Now I
20 drive a medallion still. To my
21 other two drivers who help me
22 drive the same medallion, I
23 charge them the old weekly lease
24 and they manage to maintain the
25

1 vehicle and manage to keep the
2 mortgage on time. I never been
3 late on one mortgage. I manage
4 to pay the insurance.
5

6 I don't own a mechanic
7 shop. I pay big bucks to
8 maintain the car. All the
9 fleets they have their own
10 mechanic shops, and I don't
11 understand why they complaining
12 that they're going to lose money
13 in this particular proposal.

14 I hope and I believe
15 strongly that the TLC will pass
16 this proposal completely and
17 thoroughly. As a cab driver
18 from New York City, as a DOV
19 operator in the past and an
20 owner-operator, I support this
21 particular proposal and
22 definitely for (inaudible) that
23 we are in desperate need for
24 every single cab driver here in
25 New York City.

2 We are a 24-hours
3 industry, we'll continue to
4 serve New York City proudly and
5 we deserve recognition.

6 Thank you very much.

7 (Applause.)

8 MS. JOSHI: Mohan Singh.

9 MR. SINGH: I'm Mohan
10 Singh and DOV, and I am in New
11 York and drive the cab, and the
12 thing is that I have seen the
13 people saying that we are not
14 earning, but I'm driving DOV and
15 I'm paying my leases and they
16 are earning, that's why they're
17 living. But we cannot afford
18 healthcare also.

19 Now I'm 56 and 57, so I
20 want healthcare. Where should I
21 go? So we need health care also
22 and we want that this bill
23 should go through and we are the
24 people who work hard and we
25 spend 12 hours of life every day

1 to risk our life. We go some
2 areas, somebody can kill us,
3 somebody can do everything. We
4 risk our life. They don't risk
5 anything. Wherever we go we
6 have problems.

7
8 If we are not able to make
9 the date, we have to pay the
10 police. They don't worry about
11 that. They get the lease from
12 us. What else they want here.

13 So we are the drivers, we
14 want the raise.

15 (Applause.)

16 MR. SINGH: I ask you
17 please, I need to take care of
18 my family also. I'm also a New
19 Yorker, and I want you to help
20 me out.

21 Thank you very much.

22 (Applause.)

23 MS. JOSHI: Next is Sookie
24 (phonetically) Singh and after
25 that Mohammed Cheema.

2 MR. CHEEMA: Hi. Good
3 afternoon, everybody. I am
4 Mohammed Cheema, and I am
5 driving what you call DOV. I
6 have driven a cab in New York
7 City for over ten years.

8 Driving a cab in the New York
9 has been an increasingly harder
10 and more stressful job.

11 About 20 to 25 years ago,
12 New York City cab drivers were
13 earning more than what we are
14 making today. Comparing the
15 dollars of profit today to back
16 then, we could pay our apartment
17 rent from one -- from just one
18 week of our income. Now,
19 however, it has become very
20 difficult to even pay the rent
21 from two weeks of income. Now,
22 if you look at the lease we are
23 paying, they're among the
24 highest in the nation.

25 Despite this fact, garage

1 owners and brokers are driven by
2 greed to charge us more and
3 more. When you look at
4 New York City taxi fare rates,
5 they are much cheaper compared
6 to the rates of international
7 cities equal to New York City.

8 Mr. Chairman, our
9 situation hasn't improved since
10 you lifted Laguardia tax law a
11 year ago. And these taxi
12 drivers all they complain to you
13 that they were getting
14 overcharged by the garages and
15 brokers.

16 Sir, in the TLC public
17 hearing last November, you
18 passed a taxicab fleet driver
19 bill of rights, but this
20 legislation has failed to
21 address our complaints because
22 we are still getting
23 overcharged. For example, my
24 broker still charges 14 percent
25

1 interest rate on my car loan,
2 plus \$50 loan guaranty the
3 weekly lease, 14 percent
4 interest rate on car loan, plus
5 \$50 loan guaranty each week, \$26
6 weekly expense, while I'm paying
7 for all of the repair of my car.
8 Hundred dollar additional driver
9 fee weekly for one driver. So
10 if I have two drivers, I have to
11 pay another hundred dollars.

12 Add these profits from
13 roof top advertisement on my
14 car, so these people are already
15 making too much money to justify
16 a hike in lease price. I would
17 instead ask you to please
18 consider raising the fare rate
19 for a cab drivers who are
20 basically struggling to just
21 maintain our livelihoods at the
22 moment.

23 And I want to tell another
24 thing is, just a few minutes ago
25

1 there was a driver, he was
2 talking about the Queens
3 Medallion. I used to drive
4 their cab. I had an accident.
5 I fixed their car. My friend
6 owned that car, even though he
7 was also DOV, DOV cab driver.
8 So I pay for all -- you know,
9 for the fixing the car and the
10 Queens Medallion, they are known
11 for that, they took all that,
12 you know, insurance claim money.

14 They did not give me, I
15 think if you investigate them,
16 they never give any cab driver.
17 It's not only Queens Medallion,
18 other garages and, too; they
19 take all those claim monies and
20 never paid to the cab drivers.

21 (Applause.)

22 MR. CHEEMA: You know,
23 drivers own the cab because they
24 own the medallion, insurance
25 talk to them for claim, and they

1 negotiate -- no, not driver,
2 they negotiate with them and
3 they get that money.

4 MALE VOICE: More.

5 MALE VOICE: More money.

6 MR. CHEEMA: And they should be
7 investigated for that.

8 MALE VOICE: Yes.

9 FEMALE VOICE: Yeah.

10 MR. CHEEMA: You know, I
11 never got that money from Queens
12 Medallion.

13 And the person over here
14 was talking about the gas, who
15 pay the gas? Cab driver pay
16 gas, whatever this is, it if
17 it's \$21 or \$52 or \$60. Not
18 them. Cab driver pay for the
19 gas. They just try to mislead
20 the facts. They are making
21 already too much money and the
22 cab drivers are the ones they
23 are suffering.

24 And thank you very much.
25

1 And this was, you know,
2
3 this posted there, in their
4 offices but it's meaningless.
5 This. It's posted in their
6 offices, but they keep
7 overcharging us.

8 And if cab driver charge
9 \$10 more to customer, he could
10 lose his license, but if we get
11 overcharged, nothing happens.

12 (Chorus of yeahs.)

13 (Applause.)

14 MR. CHEEMA: And another
15 thing is, you know, if cab
16 driver involved in a minor
17 offense, you know, your
18 department charge cab driver
19 hefty fines. And how about the
20 garage owner, you know, these
21 millionaires? They should be
22 charged. I mean, if you charge
23 me like, you know, a fine for
24 \$200, they should be charged 10,
25 20 thousand dollars.

2 (Chorus of yeahs.)

3 (Applause.)

4 MR. CHEEMA: And thank you
5 very much.

6 (Applause.)

7 MS. JOSHI: Elvis De La
8 Cruz followed by Mohammed
9 Patwary.

10 MR. DE LA CRUZ: My name
11 is Elvis. I'm a taxi driver for
12 about 12 years, and I have to
13 say to the Commission that I
14 believe that 17 percent is not
15 enough. At least it should be
16 be 25 percent, but that's not
17 what I'm here for.

18 I'm here to ask the
19 commissioner if we have the
20 fleet inspector, we should have
21 these inspector checking the
22 garages and the brokers, because
23 they commit all kinds of abuse
24 to the driver, and they get
25 away, you know they get away

1 with murder. I have been
2 humiliated and all kinds of
3 treatment and, you know, nobody
4 do anything about that. That's
5 what I have to say. And thank
6 you very much.

7
8 (Applause.)

9 MS. JOSHI: Mohammed Patwary.

10 MR. PATWARY: I am
11 Mohammed Patwary. I'm driving
12 cab for 17 years. I know
13 everything that the drivers
14 saying here, that garages almost
15 robbing drivers these days
16 because there is too many
17 driver. They say if you don't
18 like it, just leave the car here
19 and go.

20 And the drivers' bill of
21 rights, those rights, they don't
22 follow. I know some of the
23 drivers called to TLC, make
24 complaint, I don't know what
25 happened, but I didn't do it.

1 We need to verify those things.

2
3 And sometimes in the
4 taxicab we lose a lot of money,
5 if it's 10 dollar or 15 dollar
6 the customer don't pay; we don't
7 make complaint, we don't call
8 police. But if it's 50 dollar,
9 hundred fifty dollar -- I went
10 to Stamford last month, hundred
11 fifty dollar, I didn't get my
12 money. I call the police. The
13 Connecticut Police Department
14 come and finally they tried to
15 catch him but they didn't do it.
16 They say the person is sleeping
17 and blah-blah, and finally they
18 say next time you pick up a
19 customer for Connecticut, you
20 take the money in advance.
21 That's all you can do.

22 And the tax garages, you
23 know how they are taking money
24 from the drivers these days.
25 They say you have to pay in

1 advance, otherwise you pay 10
2 dollar if it's the Crown
3 Victoria. If it's the hybrid
4 car you pay 15 dollar extra, so
5 you don't have to pay. All
6 right, when they give us the
7 car, they don't even say whether
8 it's a hybrid car, the meter and
9 the key. They don't even say if
10 it's a hybrid car or a Crown
11 Victoria car. When they give us
12 the key, to find the car, it
13 takes five to ten minutes, where
14 is the car, and then we know
15 it's a Crown Victoria, he will
16 charge me 10 dollar or I have to
17 go to the cashier and pay the
18 money in advance, that way he
19 will not charge me. But this is
20 all busy, during the rush hour,
21 so we don't get time to pay. So
22 they charge us 10 dollar.
23

24 And if I'm 15 minutes late
25 at the end of the shift, then I

1 pay some more dollar, 5 dollar,
2 10 dollar. So every day 20
3 dollar, they try to take money
4 like that. And if I have a flat
5 tire and I don't have the jacks
6 to whatever, to change the tire,
7 they say you have to have the
8 jack, but if I work on a daily
9 basis, I cannot check it every
10 day.
11

12 We get -- we go to the
13 criminal court because the
14 police, they stop us for
15 insurance paper and the garage
16 do not keep the paper, and then
17 we go to the criminal court.
18 This is really bad.

19 And I want to say
20 sometimes the customers vomit in
21 the car Friday, Saturday. So
22 these things, we call the
23 police, sometimes the police
24 even behave like it's not my
25 business, I don't know. I think

1 if I have to clean the car, it's
2 gonna cost me 40 to 50 dollar,
3 at least 35 dollar, plus the
4 time. It takes one or two hour
5 to go find someplace where they
6 can do this. But there should
7 be a law from taxi commission
8 that if the customer vomits, the
9 police will help us to collect
10 money, whatever the tax
11 commission think is legal.

12
13 And what I want to say
14 last, 12, 14 years ago, whatever
15 money I made, I make less money
16 after all my expenses these
17 days, because even on a Friday,
18 Saturday night, we pay 50 to
19 even 60 dollar for the gas after
20 the shift.

21 So I want to say that we
22 need an increase. And the
23 garages, one more thing I want
24 to say, that there is a taxi
25 cab, called Woodside Management:

1 They cheat with a lot of
2 drivers. The dispatchers there
3 because they only speak Bengali
4 there; they don't speak English
5 there. Most of the drivers from
6 Bangladesh, and they speak
7 Bengali. So I tried to capture
8 what they say to me about my
9 money. I gave them deposit, 700
10 dollar plus for two weeks, I
11 get; I'm supposed to get another
12 300 dollar from my credit card
13 transaction, it's about 1,000
14 dollar but he give me \$637
15 check. I say, What about my
16 rest of the money. You are
17 giving me another 350 or 400
18 dollars. He says take from the
19 other driver who is working with
20 me during the daytime, which is
21 very illegal because they cannot
22 rob money like this. He doesn't
23 want to give me the money, so I
24 want to file a complaint with
25

2 the taxi commission.

3 So that they do not give
4 receipt for the payment
5 sometime. They give the receipt
6 for one driver only. I cannot
7 prove that it was my money. If
8 two or three drivers working in
9 the same cab, they give receipt
10 to one driver only, and that way
11 sometimes driver don't even
12 claim because they don't have
13 time to claim to TLC or
14 whatever.

15 Thank you very much for
16 giving me a chance.

17 CHAIRMAN YASSKY: Thank
18 you.

19 MR. PATWARY: And we need
20 healthcare --

21 CHAIRMAN YASSKY: I'm
22 sorry, thank you. Will you just
23 stay until the end of the
24 hearing so that someone can talk
25 with you about the specific

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complaint that you mentioned?

MR. PATWARY: Yes.

CHAIRMAN YASSKY: O.K.

Thank you.

MR. PATWARY: Thank you.

(Applause.)

MS. JOSHI: That concludes
our hearing for today.

Thank you for
participating. The time now is
12:40.

(At 12:40 p.m. the hearing
concludes.)