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NYC TAXI AND LIMOUSINE COMMISSION

PUBLIC MEETING

held on Thursday, September 14, 2006

40 Rector Street

5th Floor

New York, New York

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1 Public Meeting convened at 9:40 a.m:

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P R E S E N T:

1762 Taxi.Limousine 091406

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4 MATTHEW W. DAUS, COMMISSIONER/CHAIR
5 ELIAS AROUT, COMMISSIONER
6 NOACH DEAR, COMMISSIONER
7 HARRY GIANNOULIS, COMMISSIONER
8 IRIS WEINSHALL, COMMISSIONER
9 ELLIOT SANDER, COMMISSIONER
10 HOWARD R. VARGAS, COMMISSIONER
11 EDWARD GONZALES, COMMISSIONER
12 CHARLES FRASER, GENERAL COUNSEL

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2 CHAIRMAN DAUS: Good morning,
3 everyone. welcome to the TLC. We are going
4 to go to the revised agenda this morning that
5 was revised yesterday at 8:45 a.m., September
6 13th.

7 The first item on the agenda is the
Page 2

8 Chair's report which I would like to deliver
9 now. The first item Garden in Transit. At
10 the last Commission meeting in July, the TLC
11 Board, thankfully, unanimously approved, a
12 project which actually is going to start and
13 continue for a year, which later that day the
14 Mayor had announced at City Hall with a press
15 release. And it's going to involve children
16 painting decals that will go on cabs.

17 We are going to start that process
18 this month, the actual painting, and we will
19 have a preview what some of these cabs will
20 look like, some of these actual cabs, during
21 New York International Auto Show next April.
22 The installation will start in September 2007
23 to officially see these roving gardens on
24 cabs. They will hit the streets and they will
25 continue to be displayed for a total of 16

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1 weeks until the end of December 2007.

2 It's important for the industry to
3 know that even though this is a great
4 philanthropic and wonderful art project for
5 the city, it is not going to harm the cab in
6 any way. It is entirely voluntarily, no cab
7 owners or drivers are required to put this on
8 their cabs. And it is basically a sticker
9 that peels on and off.

10 So I want thank the Commission and
11 basically the Mayor and First Deputy Mayor

12 Harris for basically moving forward with one
13 of the biggest volunteer undertakings in the
14 city ever. And we are going to need help. It
15 is a very, very big undertaking, we need
16 thousands of volunteers. So if anyone,
17 whether you are with a group, a
18 not-for-profit, or just an individual who
19 wants to help out, there are a lot of
20 different roles, a lot of different things
21 that you can do. I would urge you to call
22 311, Mary Bloomberg's Volunteer Center is
23 going to be coordinating the volunteers, so
24 just give a call to 311 or you can also visit
25 us on the web, www.nyc.gov/gardenintransit.

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1 Garden singular, no plural, garden in transit
2 one word.

3 Item 2 is the medallion sale. I am
4 pleased to report that we are successfully
5 moving forward on putting the 308 medallions
6 into service. As of September 12th, this
7 Tuesday, 145 of the 308 medallions that we
8 auctioned a few months ago are actually on the
9 road serving the public. We closed on 177, 87
10 more closings have been scheduled, and there
11 are 44 remaining after that. So we have done
12 the bulk of the work. We still have some more
13 to go, but so far, so good. Things are moving
14 according to schedule and we have a minimum of
15 problems that we have encountered.

16 Item 3, just a quick legislative
Page 4

17 update. At our last meeting I spoke more
18 extensively about some bills that the TLC
19 proposed and sponsored and that passed. Two
20 of them have been signed by the Governor, they
21 were signed on August 16. One has to do with
22 the reciprocity, it's called the
23 Interjurisdictional Prearranged For Hire
24 Vehicle Operation Act. That law will become
25 effective on November 14th, and basically what

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1 the industry needs to know is that even now,
2 we are not going to be issuing any more tier
3 two, or tier three permits, only tier one
4 permits. So this is something that, even
5 though the law is becoming effective
6 immediately, we are just not going to be
7 issuing these licenses anymore. And we will
8 be sending out industry notices as we get
9 closer to that effective date to make sure
10 everybody understands what we are doing.

11 And the Mayor, the Administration and
12 the TLC had also proposed to the State
13 Legislature that we sell an additional 150
14 medallions to be used exclusively with
15 accessible cabs. I am pleased to report that
16 not did the Legislature pass that, but it was
17 signed by the Governor on the 16th of August
18 and we are now in the process of getting ready
19 to conduct an Environmental Assessment or an
20 EAS, which will take some time, and I will be

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21 happy to brief Board as we get closer but this
22 is in the planning stages right now.

23 Item 4, just a quick update on the
24 taxicab technology customer service
25 enhancements. Since the last meeting, we have

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1 started and are in the middle of what we call
2 functional testing or stage one testing. This
3 is to take the prototype credit card and debit
4 card systems and text message equipment, and
5 the passenger information monitors are
6 actually installed by the vendors that
7 received the contracts. They have been tested
8 at various points in the city to make sure
9 that they work, that they are getting
10 reception and that transactions are going
11 through.

12 The results so far have been very
13 encouraging; not only have most of them they
14 met standards, but they have exceeded the
15 standards that are in the contract. And this
16 started last week and this will continue for
17 another few weeks. We, within the next week
18 or two, will begin outreach. I think a lot of
19 people in the industry forgot a lot of the
20 details about this. Our Constituent
21 Management Office is going to be working with
22 our Public Affairs Department to make sure
23 that everybody in the industry understands
24 what this is, reminds them of it and tells
25 them how they can get it installed in their

1 cabs, how much it is going cost, what their
2 options are.

3 To make it real simple, we are going
4 to be doing some outreach events and putting
5 some brochures together and, certainly, the
6 fleets and the agents, if you could be helpful
7 in picking some up, and we will get them to
8 the Port Authority as well, and we will try to
9 hand them out to as many drivers as we can.
10 Because there is still a lot of disinformation
11 floating around out there. We would like to
12 clear that up.

13 The Board should also know that at
14 one of our next meetings, either in October or
15 November, we are going to have to put some
16 technical rules in place to jive with this
17 project and some of the agreements that the
18 city has reached with these companies. These
19 rules will govern primarily the
20 responsibilities in terms of not only
21 operation and functionality between taxi
22 owners, drivers and agents, the relationships
23 between the two, who is responsible for what
24 as it detailed in our contracts, things such
25 as if the system malfunctions, who is it

1 reported to, how is it reported, who is
2 responsible. And also we are going to be

3 codifying some technical language regarding
4 the transfer of data between the meter and the
5 taxi tech system. It is mostly technical,
6 nothing earth shattering or ground breaking,
7 but that is something that we need to do.

8 I want that thank Samar and Jen and
9 the Customer Service Management Division.
10 Basically they undertook a survey, probably
11 the first comprehensive survey that the TLC
12 has done in recent memory of the for hire
13 vehicle industry to gather some data that we
14 can share with the Commissioners. It is
15 something that basically we hadn't haven't had
16 as much of because we don't regulate them as
17 much as the cabs. We don't have the ability
18 to tap into a meter.

19 So they did samples and anonymous
20 surveys of drivers, and we should have some
21 information about what the issues are in the
22 industry and we are going to analyze that and
23 present it at one of our upcoming Commission
24 meetings.

25 I am pleased to report that we also

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1 are adding some new inspectors to our ranks.
2 we have also actually done that. On May 30th
3 we began training and we had all these
4 graduates graduate on August 4th. We have a
5 total of 16 graduates. Some are going to the
6 Safety Emissions Division, and the rest are
7 going to Field Enforcement. They have already

8 been deployed. We pulled most of these
9 candidates from the civil service list and
10 they did a great job.

11 And certainly, last but not least, we
12 have some new faces at the TLC. We have
13 appointed some high level management. I think
14 I sent a memo to the Commissioners but just so
15 the public, the industry knows, we have new
16 Deputy Commissioner for Licensing and
17 Standards. His name is Gary Weiss. He comes
18 to us from the Department of Housing
19 Preservation and Development, where he has
20 been for at least 28 years, and he has done an
21 outstanding job over there. And he joined us,
22 along with Marilyn Singer, who will be working
23 with Pansy. She is the Assistant Commissioner
24 for Enforcement. Not only did she work at the
25 Environmental Control Board, but she has been

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1 at the Department of Buildings and basically
2 oversaw enforcement as an Assistant
3 Commissioner at the Department of Buildings,
4 so she has a good track record of enforcement.
5 And I think she has been there since 1988, so
6 we have some seasoned government veterans
7 joining us, and I encourage them to come down
8 and meet Commissioners as time goes on and get
9 to interact with them a little bit more
10 directly.

11 we also have some policy analysts

12 that we have added to our staff in the First
13 Deputy's office. Ariel Dannis (ph) has joined
14 us. She comes to us from the MTA. And she is
15 going to be working on operations and MMR
16 reporting.

17 And also, you may recall that we
18 spoke about the rules project. I just want to
19 give you a quick update on that. That is
20 starting to progress, talking about taking a
21 fresh look at our rules, making them easy to
22 understand, a comprehensive review and
23 analysis. We have actually hired someone who
24 is totally devoted to that project as the
25 project manager. Her name is Alyse Versella

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1 (ph), she worked for the City of Seattle, she
2 is a lawyer and she traveled all the way to
3 New York City to be us and she is going to be
4 with us for a while and she is doing great
5 work so far and learning about the industry.
6 So she will be involved with interacting with
7 the Commissioners along with Andy as well.

8 Our next two tentative dates for
9 Commission meetings are Wednesday, October
10 25th, and Thursday, November 9th. And we
11 will, as we get closer, post the agenda for
12 those dates.

13 Any questions on the report?

14 (No response.)

15 CHAIRMAN DAUS: Okay, I would like to
16 item 2, adoption of the minutes for the July

17 18, 2006 meeting.

18 Do we have any comments, questions,
19 modifications to the minutes?

20 MR. FRASER: I make a motion to
21 accept the minutes, Mr. Chairman.

22 CHAIRMAN DAUS: We have a motion to
23 adopt.

24 COMM. SANDER: Second.

25 CHAIRMAN DAUS: A second.

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1 All in favor?

2 (Chorus of "Ayes.")

3 CHAIRMAN DAUS: Okay, it passes
4 unanimously.

5 Item 3, base licensing applications.
6 Do we have a representative from licensing
7 here?

8 By the way, this our new Deputy /AOE
9 Gary Weiss. Welcome.

10 MR. WEISS: Thank you very much.

11 Chairman, Commissioners, members of
12 the Commission. The following bases are being
13 recommended for approval.

14 New applications: Mariachis New Five
15 Star Car Service, license number B02146.

16 Renewal applications: Alex Express
17 Car & Limo Incorporated, license number
18 B01398; Ameriworld 1 Inc., license number
19 B01074; A New Day Radio Dispatch Incorporated,
20 license number B01341; Apple Radio Cars Inc.,

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license number B00318; ATB Car Service
22 Incorporated, license B00874; Athenian Limo
23 Inc. d/b/a Acropolis, license B01594; Azuay
24 Corp., d/b/a Caribe Car Service, license
25 number B01745; Bed Star Drivers Associates,

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1 Incorporated, license number B01714; Bell Car
2 Service Incorporated, license B00802; Bliss 48
3 Hrs. Incorporated, license number B01103 --

4 CHAIRMAN DAUS: Gary, I am sorry to
5 interrupt, but in the interest of time,
6 because I don't want to lose Commissioners,
7 counsel has advised that what we could do is
8 we may be able to just reference the items of
9 agenda as it is stated so that we can vote on
10 it expeditiously.

11 MR. WEISS: Okay.

12 CHAIRMAN DAUS: Does anybody have an
13 issue with that?

14 (No response.)

15 CHAIRMAN DAUS: No, okay.

16 So new applications, that is
17 Mariachis New Five Car Service.

18 Does anybody have any issues with
19 anything that is on the agenda, any of the
20 recommendations or denials under item 3 at
21 all? (Chorus of "Nos.")

22 CHAIRMAN DAUS: Okay. So do we have
23 a motion to approve?

24 COMM. AROUT: I will make a motion to
25 approve.

1 CHAIRMAN DAUS: A second?

2 COMM. SANDER: Second.

3 CHAIRMAN DAUS: All in favor?

4 (Chorus of "Ayes.")

5 CHAIRMAN DAUS: Okay, it's
6 unanimous. Thanks, Gary, sorry to cut you
7 short, but welcome to the TLC.

8 MR. WEISS: It is a pleasure to be
9 here. Thank you.

10 CHAIRMAN DAUS: We are usually a
11 little bit more verbose but I don't want lose
12 our Commissioners and they are strapped for
13 time.

14 The only thing I would like to add is
15 the following bases have some issues with
16 their records, and I just want to note them
17 very quickly for the record. And as before,
18 Gary, we want the Licensing Division to take a
19 very, very quick look and a hard look at these
20 bases next time they come up for renewal and
21 make sure that they have corrected the
22 problems that are in their records.

23 That would be: A New Day Radio
24 Dispatch, Apple Radio Cars, ATB Car Service,
25 Azuay Corp., Bed Star Drivers, California Car

1 Service, Fat Livery, Fenix Car Service,
2 Golden-Town Car & Limo, H&B Car & Limo,

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3 Kennedy Radio Dispatch, Malcom Radio Group,
4 New Harlem Car Service, N.Y. Mexicana,
5 Northside Luxury Inc.. Pacific Express Car,
6 T-D Maintenance Corp., Top Limousine Service,
7 Yes Express, Easy Ride Car Service,
8 Magnificent 7 Enterprises, Dreamland Car &
9 Limo, Jerusalem Car & Limo, U.N.C. Car & Limo
10 Service, Continental Radio Dispatch, Evelyn
11 Car Service and New American Class Car
12 Service.

13 So if we could just make sure that
14 they submit business plans to correct their
15 records, Gary. And just for the record to
16 clarify that there have been four denials as
17 part of that motion. That would include
18 Carlton & Carlton, New Mexico, North Shore and
19 Queens.

20 Item 4, staff presentations. We will
21 go a little bit out of order here. I would
22 like to start the taxicab rate of fare review
23 because that is something that is on most
24 people's minds. We are going to proceed to a
25 presentation based upon staff research as

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1 requested by several of our Commissioners. So
2 we have our First Deputy Commissioner Andy
3 Salkin who is going to walk us through our
4 findings.

5 Good morning, Andy.

6 MR. SALKIN: Hi, Commissioners.

7 This presentation isn't necessarily a

8 rate of review. It is more of a look at the
9 fare structure and how it fits in and compares
10 to other fares throughout the country. This
11 is really part of an ongoing conversation that
12 I think the Commission has been having in this
13 forum, looking at economic indicators and
14 really looking at the pieces that make up the
15 taxicab industry, so that you all information
16 and we have information about what is really
17 going on out there.

18 Today I am going to show you a couple
19 of slides to just show where the New York City
20 fare fits in with the overall fare structures
21 around the country, and offer some
22 observations that we have at the staff level
23 that we thought worth bringing up to the
24 Commission for possible conversation,
25 discussion and maybe direction.

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1 The first slide that we have, I guess
2 I am in charge of the slides, all right. The
3 first slide shows base fares in major U.S.
4 cities. And as you can see, it is structured
5 with the initial drop, a mileage charge and a
6 waiting time charge. And what you see on the
7 initial charge part is you see that prices do
8 range. They can range from a low of \$1.75 in
9 Boston to a high of \$3.25 Las Vegas.

10 The next charge that you would get is
11 the mileage charge. The mileage charge is a

12 little more complicated but what it does is it
13 shows how much a click would be. And the
14 lowest click is 20 cents for I think Los
15 Angeles, with the highest click of 45 cents
16 for San Francisco. But you have to kind of
17 marry that to the number of clicks that you
18 have per mile. So Los Angeles charges 11
19 clicks per mile, so in total they would be
20 charging \$2.20 a mile. When you look at the
21 total charge per mile, you see that actually
22 the most expensive cities are Miami and
23 Boston, which charge \$2.40. Of course, here
24 in New York City, we charge \$2 a mile.

25 The next part is the waiting time.

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1 This is how much the meter would charge me if
2 I were to hire a cab to just come and be there
3 for me for an hour, not really doing anything.
4 And what you see, again, is there a wide
5 range. The high is \$30 in Seattle, \$27 in San
6 Francisco. But the one number that kind of
7 stands out in this chart is the \$12 that we do
8 charge here in New York. And we thought this
9 is something that does stand out and is
10 something that we think is worth conversation.
11 I will get into that a little later in the
12 presentation.

13 The next thing we do when we are
14 looking at fares is we look at a typical New
15 York City trip but take that trip and place it
16 on a fare from another city. In this case the

17 typical trip we are using is 2.8 miles with
18 4.77 minutes waiting time. And if we do this,
19 we will see that if we are using San
20 Francisco's rate of fare here in York City, we
21 see that there would be about a \$10.85 charge.
22 In fact, San Francisco, Las Vegas, Boston and
23 Los Angeles would all have charges of over
24 \$10. And for a typical fare here in the city,
25 again without surcharges and tips, is about

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1 \$8.65.

2 So that's a quick look at really how
3 our fare fits in to what other cities are
4 practicing and it kind of sets us off on the
5 start of the conversation that we are hoping
6 to have today.

7 The three things I want to cover are
8 observations from us and items for discussion
9 are really looking at our fare and how it
10 impacts tourism and how it impacts getting to
11 and from the airports, as well as how the fare
12 structure supports the convention efforts and
13 activities that take place at the Javits
14 Center, as well as having a conversation about
15 the waiting time.

16 So the first piece for discussion is
17 this look at possible directions we could
18 take, or the Commission could take, in terms
19 of JFK flat fare. One of the things when I
20 joined the Commission, the JFK flat fare was

21 already in place, and it has been in place
22 since 1995. And it was put in place by the
23 Commission to really head off this notion that
24 cabbies are overcharging and that if you get
25 off a plane and get into JFK, that you never

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1 know where you are going to end up, but you
2 know it is going to be expensive.

3 And while I think we all know that
4 the cabbies are very professional drivers,
5 they don't seek to do that, there was a
6 perception that that was the case. And by
7 setting the flat fare, that kind of got rid of
8 that whole notion. But I would argue that
9 since then, and really before then, but since
10 then the cabbies have been known as the
11 Ambassador to New York City. They are the
12 first person you meet. For many people when
13 they come to New York City, they get off the
14 plane, they get in a cab and that is the first
15 New Yorker they meet.

16 This notion, again, when I got there,
17 that the fare doesn't go back to JFK was an
18 interesting one and one that a lot of people
19 don't realize. It is an idea that has been
20 brought up by several driver groups: Listen,
21 it is a flat fare from the airport to
22 Manhattan, we should also have it be a flat
23 fare going from the city to JFK.

24 And this is an idea that when you
25 think about it makes a lot of sense. It sets

1 a lot of predictability for the passengers as
2 well as the cabbies, and it sends a message
3 saying: we are your ambassadors as you come
4 to the city, we will be ambassadors as you
5 leave the city. And the cabbies will be the
6 ones saying: How was your trip? And, how was
7 time in New York? And the cab is a good, safe
8 way to do that.

9 so this is an idea we are proposing
10 as something for conversation, the idea of
11 doing a flat fare in both directions from
12 Manhattan to JFK at current rate of \$45.

13 As far as the Javits Center --

14 COMM. GIANNOULIS: Quick question.
15 I should know this, but multiple passengers
16 are allowed in the vehicle for \$45?

17 MR. SALKIN: The way it works now it
18 is a flat fare, several people can be in, they
19 will pay one meter reading. So three people
20 would pay a total of \$45, one person will pay
21 a total of \$45. It is not like a group ride
22 scenario where everybody pays the driver and
23 it is like \$125, no.

24 The Javits Center, however, is
25 potentially a scenario where the group ride

1 idea would make sense. whenever there is a
2 convention, the TLC works very closely with

3 the Javits Center, New York City & Company and
4 the Economic Development Corporation to help
5 get cabs at the convention center. But there
6 are a couple of things that really make it
7 difficult for a cab to get to the Javits
8 Center, especially at the end of the day, when
9 rides are needed to go from the Javits Center
10 to other parts of the city.

11 And those things are, one, the Port
12 Authority's traffic patterns that they put in
13 place at the end of the day to help facilitate
14 vehicles going into the Lincoln Tunnel make it
15 hard for any driver to get the west side in
16 that part of town, as well as the fact that
17 there is so much demand for rides, that a cab
18 to get to the Javits Center would probably
19 have to pass up several rides, which they are
20 not allowed to do. So this notion that a cab
21 will just drive through the city with no one
22 demanding it and then just end up over on the
23 west side is actually not something that
24 happens that often.

25 But one of the ideas we are thinking

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1 about is maybe there is a way that if a cab in
2 a situation where they are, say, coming from
3 the upper west side and they can left to go
4 into midtown or right to the got to the Javits
5 Center, perhaps there would be an economic
6 incentive for them to go over to the Javits
7 Center. And the way we are thinking of do

8 this is setting a fare that follows the group
9 ride models that we have in the city where the
10 passengers themselves would individually pay
11 less than they would for a total ride, but the
12 driver, because he would be taking two, three,
13 four passengers, would actually be making
14 more.

15 And what we are envisioning is kind
16 of a group ride from Javits Center to midtown
17 or a group ride from Javits Center to
18 downtown. And there would be kind of two
19 separate fares or the same fare but just
20 grouping people differently. So the cabbie
21 would take three people to Bryant Park and
22 they each pay the same fare. This is
23 something we would be interested in exploring
24 if the Commission is interested in this. And
25 we would work with obviously the Javits Center

25

1 and New York City & Company to make sure it
2 something that makes sense and that the end
3 points and starting points all add up.

4 So these are ideas that have been
5 brought to our attention and these are ideas
6 that we think make sense and wanted to bring
7 forward to the Commission.

8 The third topic was this waiting time
9 topic. And I think we have little bit more
10 in-depth kind of analysis on this. Looking at
11 this chart again, you really see that the \$12

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12 per hour kinds of stand out as something that
13 is a little bit different here that we
14 practice in New York than we practice in other
15 cities. And I the history here, if I have it
16 correct, it has been about this number for
17 many years, as the initial drop has changed,
18 the mileage charges change, and I guess other
19 people in the audience know how long it has
20 been.

21 This is a number that also hasn't
22 changed at the same pace as the other parts of
23 the fare. What we wanted to do is take a look
24 and see what this means for the drivers. For
25 this exercise, I want the Commission to think

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1 about: There is the fare structure, there is
2 the amount of money you earn while you are
3 driving, and there is the amount of money that
4 you earn while you are waiting. And this is
5 from a cabby's perspective, you are still
6 doing the same thing. The meter is on, they
7 are behind the wheel and they are serving a
8 passenger.

9 So there are two parts to the fare.
10 We thought, let's take a look and see how it
11 breaks out. That is what this analysis is
12 trying to do, to kind of allow us to compare
13 the two. To start off we have the assumption
14 of the lease driver, this is a daily lease
15 driver who pays on Average \$113 for their car.
16 11 hours driving puts their average cost at

17 about \$10.27 for them to get a car that they
18 can then offer to put on the road. That's how
19 much it costs them per hour to put a car on
20 the road.

21 And we said, let's say a driver is
22 driving for an entire hour, and let's pick a
23 typical time, it is not rush hour and it not
24 nighttime, but probably this time of day, it
25 is likely that a cab could average about 12

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1 miles per hour driving in the city, and if you
2 are driving about 12 miles per hour, you are
3 getting \$2 per mile, you are averaging about
4 \$24 on the meter rate of fare just for pure
5 driving time. And if you subtract the \$10.27,
6 we are looking at driver's compensation for
7 that hour's worth of work at about \$14 for
8 drive time.

9 If we take the same analysis and look
10 at it and what the impact is for an hour's
11 worth of waiting time, where, again, you are
12 serving the passenger but you are kind of
13 doing something else other than driving, you
14 see right now the current system is set up
15 where there is a click every other minute,
16 ever 120 seconds, so that is 30 clicks an
17 hour, at 40 cents a click, adds up to about
18 \$12 in waiting time for the same equivalent
19 hour. If you subtract the lease rate of
20 \$10.27, we are looking at the driver's take

21 1762 Taxi.Limousine 091406
home here of just less than \$2.

22 So we see there is a little bit of an
23 inequality between the \$14 and the \$2. And
24 something that we were thinking about, if we
25 wanted to make it more equal, saying that a

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1 driver, as long as the meter is on and the
2 driver is behind the wheel, they should be
3 compensated in a reasonable fashion, then this
4 is one way we could possibly do this. And
5 this is something we are offering for
6 conversation.

7 Again, it is really looking at a way
8 to adjust the wait time charge. The initial
9 charge stays the same, the mileage charge
10 stays the same at 40 cents, the distance of
11 the mileage is, again five times a mile, and
12 the waiting time would also stay at 40 cents.
13 What we propose adjusting is that 120 seconds
14 to 60 seconds. And by doing that, you would
15 see the following -- so going back to the
16 chart I just showed you, but using the
17 adjusted clicks, rather than having 30 clicks
18 per hour, we would see 60 clicks per hour at
19 40 cents a click, which would then translate
20 into \$24, minus the \$10.27, we would be
21 looking again at the \$14 that the drivers
22 would be compensated.

23 Now, grant it, it depends how fast
24 the drivers are moving and often they move
25 much faster than that and they earn much more

1 than this, although they are not always full.
2 so there is different ways of looking at this.
3 so we think if you cut the 120 seconds to 60
4 seconds, you are equating the two sides of the
5 equation, so what you are seeing is you would
6 be getting paid about the same amount for
7 driving as you would also be for waiting.

8 what this would do to drivers'
9 income, we set it up looking at where we were
10 two years ago, which is relatively recent to
11 the previous fare increase, where they were
12 earning about \$3.80 cents an hour, to where
13 they are today with additional expenses in the
14 industry, they earn just under \$13 an hour.
15 This change would allow drivers to charge a
16 little bit more and earn \$15.60 an hour.

17 And we also wanted to look at what
18 the impact would be to the passengers. So,
19 again, since we are just adjusting the waiting
20 time, we see that the miles driven charge
21 wouldn't change at all, and we would see the
22 cost of the waiting time would actually
23 double, going from 120 to 60 seconds. It
24 would go from 95 cents on average for that
25 average ride to \$1.90. And you see the

1 average trip, with surcharges and tips in this
2 case, going from \$10.31 to about \$11.44, which

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3 would be a change to the passengers of about
4 10 and a half percent.

5 If you remember this chart that I
6 showed you earlier, if we put that new rate
7 with the adjusted fare back in, we see that
8 New York City is still under that little \$10
9 threshold, if you will, but it does move up a
10 bit in the chart. And the average ride
11 without surcharges and tips does become about
12 \$9.60.

13 This is just an idea we are tossing
14 around and thinking to equate equal type of
15 work equals equal type of pay, and it is an
16 idea that we wanted to bring forth to the
17 Commission.

18 The last slide is just some
19 references. This is where we got some of the
20 information for the presentation, but
21 overall, these are three items that came out
22 from looking at other fares and what other
23 cities did. The airport information was a
24 little confusing, it could be a little more
25 consistent where appropriate to make it both

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1 ways. We thought that working with the
2 Javits Center to promote activity and bringing
3 cars over there if they can get there is a
4 good thing. And idea that driving and
5 waiting, as long as you are behind the wheel
6 and the meter is on, the driver should be
7 equally compensated is an interesting thought

8 and one worth discussing.

9 CHAIRMAN DAUS: Thank you, Andy.
10 Great work, you and your staff.

11 Any comments from Commissioners or
12 suggestions?

13 COMM. GIANNOULIS: A few quick
14 questions. You said that surcharge and tip
15 wasn't included in these numbers.

16 what's the surcharge?

17 MR. SALKIN: The surcharge is, after
18 8:00 it is 50 cents, rush hour surcharge is
19 \$1. And then there is a tip, again, people
20 tip differently, depending on service and
21 their own personal preference.

22 But also a lot of the other cities
23 have different surcharges. Some have
24 surcharges as expenses in the industry change.
25 Some have surcharges for different times of

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1 day. So to do an apples to apples, we just
2 started with the base salary when comparing to
3 other cities.

4 COMM. GIANNOULIS: On the fare to
5 the airports, what happens now at the airport
6 in terms of dispatchers or anybody trying to
7 gets rides together to go into Manhattan? How
8 does that work? Do people just talk to each
9 other?

10 MR. SALKIN: Right now if it
11 happens, it is just like: Hey, where are you

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12 going? Are you going to Manhattan, I will go
13 with you. And the way the fare works, it is
14 \$45 for the first stop and then it is metered
15 fare after that.

16 And the way it would work here is it
17 would be kind of a metered fare until you take
18 that one ride. The idea of group rides
19 doesn't really exist in JFK or Laguardia
20 because there is enough demand at this time.

21 COMM. GIANNOULIS: Right, so I think
22 this is a good idea, but if you are going the
23 other way, what would stop, not to disparage
24 doormen, but what would stop a doorman from
25 shoving five people into a cab and asking each

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1 of them for 10 bucks?

2 MR. SALKIN: Besides the fact that
3 doormen can't really do that --

4 COMM. GIANNOULIS: You know that
5 everybody leaving the hotel is going to the
6 airport. Unlike at the airport where people
7 are going to different places. So you have
8 this kind of captive audience.

9 MR. SALKIN: For the driver, they
10 are still getting the ride to the airport, so
11 they get the \$45. The doorman, I guess in
12 your scenario, would get some money for saving
13 people money.

14 what we have is a scenario where what
15 is happening a lot of the times is passengers
16 are not being directed to the cabs because

17 they don't know, it is not a flat fare. They
18 took a cab to get to the city but they are not
19 taking a cab back because they are getting
20 directed to other modes of transportation.

21 Granted there are a lot of other
22 options today, whether it is public transit or
23 mass transit, but there are other vehicles
24 hanging around the airports and we see that
25 when we go out and do enforcement. It is not

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1 really a yellow cab versus one, two or three
2 people in the yellow cab. It is really should
3 you take a yellow cab or a prearranged
4 vehicle, which some hotels do. But the
5 problem we have is do you take a yellow cab or
6 are you being dispatched to a livery vehicle
7 that shouldn't really be there. And what we
8 are trying to do is encourage people to take
9 yellow.

10 CHAIRMAN DAUS: I think if you ask
11 the average person what they think the fare is
12 from Manhattan to JFK, a lot people would say
13 it's \$45 already.

14 COMM. GIANNOULIS: I think it's a
15 great idea. I am just thinking about it in
16 terms of putting people at the hotel going to
17 the airport and was trying to figure out
18 whether we want to take a look at that and
19 have a maximum or something. I have no idea.
20 It is just a thought.

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21 MR. SALKIN: It is certainly
22 something we can stay in touch with. One
23 group who is never shy to share their opinion
24 is the yellow cab driver, so we will get a
25 real quick feedback.

35

1 COMM. GIANNOULIS: I don't want them
2 getting short changed where now you have a lot
3 of people in hotels just piling in and somehow
4 they are losing rides.

5 MR. SALKIN: The idea was originally
6 brought to us from the League of Mutual Taxi
7 Owners. Their concern was they weren't
8 getting airport rides at all. So this is a
9 way to help promote the cab as a viable option
10 for people in hotels. And as the technology
11 projects roll out and credit cards become
12 options, that people will see the cab a little
13 differently.

14 CHAIRMAN DAUS: Talk about hotels,
15 the Javits proposal, if that actually ends up
16 panning out, you are talking about most people
17 go from the convention center, where cabs
18 don't readily go all the time, to the hotels.
19 So it kind of makes a lot of sense. But
20 that's kind of preliminary and we would have
21 to talk to them a little about that.

22 Any thoughts on that or the wait time
23 issue?

24 MR. FRASER: I think it's a good
25 idea.

1 COMM. DEAR: First of all, I want to
2 thank you, Commissioner, and us as a
3 Commission, and the Mayor, because obviously
4 when we have been talking about this issue
5 about a fare increase or adjustment, whatever
6 we needed, whatever way we approach it, that
7 they did listen, that we as a Commission have
8 discussed this many times and we are coming up
9 with different way to make sure that the
10 drivers get a fair and equitable wage. We
11 always talk about a working wage, and this is
12 something I think that is going in the right
13 direction.

14 Two issues I wanted to raise. One is
15 with regard to the fare from the airport, and
16 now return, which is a fantastic idea. Since
17 we already adjusted the waiting time, should
18 we not go up from \$45 to \$50 so it could be a
19 fair number to balance the waiting time that
20 they would have gotten an increase anyhow. If
21 we take an average on the \$45, but now because
22 we went up on the waiting time, should we
23 maybe go up \$5.00 each way. So it will, in a
24 sense, reflect what we are trying to do in the
25 increase in the waiting time?

1 CHAIRMAN DAUS: If we were doing an
2 across the board fare increase, that would

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3 make sense. But I don't think we are
4 proposing that right now. This is more a
5 tweaking of the equities.

6 COMM. DEAR: Right, that's exactly
7 why.

8 MR. SALKIN: Your point is, if the
9 waiting time was changed, would there be a new
10 average fare going from JFK?

11 COMM. DEAR: Right.

12 MR. SALKIN: Obviously, there would
13 be some change in fare because part of the
14 fare is waiting time, but \$5 I think is a
15 little excessive for what a typical waiting
16 time would be on average.

17 Granted, you could get into
18 situations where waiting time becomes
19 significant but most of the time traffic does
20 move in the city and the waiting time, I don't
21 think would be give the equivalent of that
22 much. But I would leave it to the Commission
23 to discuss.

24 CHAIRMAN DAUS: It's a fair point.
25 From my standpoint anyway, I think the flat

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1 fare, the \$45 calculation was based upon
2 sample runs under the existing rate of fare.
3 It's an average. But what we are doing to the
4 wait time is almost reflecting the equities of
5 what a driver does on a daily basis.

6 what I like about the wait time
7 adjustment, not the only reason we are doing

8 it is because of other cities, but that kind
9 of makes it a glaring issue for us, that we
10 are the bottom when it comes to every other
11 major city. But I think the real reason we
12 need to do it is because we need to have more
13 equity for the drivers. It's really the luck
14 of the draw out there right now. A driver
15 could work hard every day and just because he
16 had bad luck, ends up going and getting fares
17 where he or she ends up getting an excessive
18 amount of wait time on the meter and is making
19 less than someone who gets lucky and gets
20 more.

21 So even though we always deal with
22 averages, and Andy's analysis deals with
23 averages, I think we can't forget that within
24 that average there are disparities and drivers
25 who should be treated equally at different

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1 ends of the spectrum. You know, they could
2 have a bad day, and this tweak would solve
3 that.

4 Lee?

5 COMM. SANDER: I would recommend
6 looking at what Noach suggested, just for
7 further discussion.

8 COMM. DEAR: And the second issue is
9 I know we focus here on the driver, and that's
10 very important. But we also must never forget
11 that there are still owners out there. Not

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12 only the fleet owners, but people who own
13 medallions and lease out their cars. I know
14 this is not a fare increase, so what we have
15 to start thinking in the future, which we
16 always talk about, is to look at the fare at
17 one point to see where we are and should we
18 consider and not wait like eight years like
19 the last time we had a fare increase.

20 I think just to keep that in mind,
21 every time we do some sort of adjustment or
22 give something to the industry, as you would
23 say, keep everybody in mind, because there are
24 a lot of aspects of the industry that we have
25 to keep in mind. So I hope that we have this

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1 discussion also.

2 CHAIRMAN DAUS: I think, quite
3 frankly, we are having it because of you and
4 because of Commissioner Sander --.

5 COMM. DEAR: And I want to add
6 someone else, Uncle Vinny. Is he in the
7 audience?

8 I must say something for the record.
9 We as a Commission, even when we are public
10 officials and as a former elected official,
11 you always want to know who represents people.
12 I must say LOMTO has been there for so many
13 years. He really truly represents the drivers
14 because he himself is a driver. He himself
15 really works hard and cares about his drivers.

16 So to me, my hat is off to Uncle

17 Vinny, as I call him, for doing a superb job.
18 He is the impetus of this because I know he
19 has been bugging this Commission and meeting
20 with staff members and he doesn't let up. He
21 says it like it is and he cares for the
22 drivers and he cares for the people.

23 So thank you, Uncle.

24 CHAIRMAN DAUS: I would second that.
25 Vinny, you are doing a great job. And while

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1 we are thanking people, I think we also should
2 thank the other groups as well, Bhairau
3 Desai, Taxi Workers Alliance; Fernando Mateo,
4 who gave a stellar presentation last time.
5 Regrettably, and I personally disagree with
6 the concept of fuel surcharge, but the fuel
7 surcharge request that I denied and the
8 Commission didn't really consider at the time,
9 that really kind of got the ball rolling in
10 terms of us taking a look at this. And
11 Commissioners Sander and Dear have been
12 persistent in their opinions that we should
13 have a more periodic review.

14 Let's not hit New Yorkers and
15 visitors to this great city with a whopping
16 fare increase every seven years. Let's do
17 things gradually and maybe that will keep the
18 industry stronger and healthier. Right now I
19 still do believe, based on the stats that Andy
20 has given and the staff has looked at, that

21 driver are adequately compensated. They are
22 still making a decent wage. This is, I think,
23 a way I think to, by the same token, balance
24 the waiting time and take it in equity and
25 make it more equal, but at the same time give

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1 the drivers a little boost that's modest and a
2 minor adjustment to the fare structure, which
3 will keep the industry healthier.

4 We want to make sure that service
5 levels are not affected as they were several
6 years ago, and I think we want to keep it
7 strong while we have the opportunity to do
8 that.

9 Lee?

10 COMM. SANDER: I want to thank the
11 Chairman for putting this in front of the
12 Commission. About two years ago, when we did
13 the last rate hike, we made a commitment to
14 the industry, to the drivers, that we should
15 look at the issue of fare increase more
16 regularly than we had done in the past where
17 we had taken seven or eight years since the
18 last fare increase.

19 I think this is a good proposal. I
20 think we should await the input of the public
21 in terms of this. I personally think this
22 proposal strikes the right balance, taking
23 into account the rates of inflation in the
24 last several years. I think it is mindful of
25 the fuel issue, although it is not a fuel

1 surcharge, but it is a proposal and we should
2 await the comments of the public.

3 CHAIRMAN DAUS: Thank you, Lee.
4 Any other comments?

5 COMM. GONZALEZ: Yes, one quick
6 comment here. First of all, the flat fare
7 from Manhattan back to JFK, from the present
8 perspective, I do agree when you think of a
9 tourist who is leaving the city, the last
10 thing he may want to get jammed with is an
11 unknown fare or something that might
12 potentially leave a bad taste in his mouth as
13 he is leaving New York City.

14 I do think, we do need to get the
15 driver's perspective, as you mentioned, on
16 that as well, and share that with the
17 Commission.

18 Secondly, regarding group rides,
19 while I do believe that that's something we
20 probably should explore, I would also just
21 hope what we employ some of the lessons we
22 learned from how we handled the transit
23 strike, which is as far as communicating what
24 the right fares are to the customer. And also
25 if there are any other areas besides the

1 Javits Center that would benefit from such a
2 group ride scenario.

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weinshall?

COMM. WEINSHALL: I just want to let Commissioner Gonzalez know, we have a lot of data from the transit strike which we will be happy to share with TLC, as well as TLC has a lot of data.

Andy, while you are at the podium, could you just enlighten the Commissioners as to what the next steps are with these three proposals?

MR. SALKIN: Sure. I think getting feedback from the Commission today if there is a direction you want to go, we could engage in rule making, we could publish rules. There is enough time, we could do this quickly. We could possibly start the CAPA process and have things ready for the October meeting.

Then at that point there would be a public hearing, where I imagine we would hear from people that we mentioned today, hopefully, some passengers, some owners, and we could get some input and then the

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Commission could decide what they want to do based on the public hearing.

So if that's a direction you would like to go, we could do that.

CHAIRMAN DAUS: Commissioner Arout?

COMM. AROUT: I would just like to thank Andy and the staff that put together a

8 great presentation and I wholeheartedly agree
9 wit it. And I do agree with all the
10 Commissioners that made statements about it.
11 I think this is the way to go, get it started
12 and get to something else after that, but I
13 think this is a great idea.

14 CHAIRMAN DAUS: Harry?

15 COMM. GIANNOULIS: I just want to
16 make a motion to authorize staff to move
17 forward with the rule proposal.

18 COMM. AROUT: Second.

19 CHAIRMAN DAUS: All in favor?

20 (Chorus of "Ayes.")

21 CHAIRMAN DAUS: Thanks for your
22 comments --

23 COMM. VARGAS: Mr. Chairman, let me
24 ask Andrew a question.

25 CHAIRMAN DAUS: Commissioner Vargas.

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1 COMM. VARGAS: I am certainly in
2 favor of increase the waiting time, but one of
3 the questions I have for you is that you said
4 this was an idea that you have been tossing
5 around, the Commission has been tossing
6 around.

7 Have you been speaking with some of
8 the various groups about this, and, if so,
9 what has been the feedback?

10 MR. SALKIN: I would say this idea
11 really goes back quite a long time. When I

12 first got involved with the Commission, we
13 were discussing fare changes that happened
14 several years ago, about three years ago. And
15 as part of that proposal, this item was on
16 that agenda, and I noted, it goes back a long
17 time.

18 so when you talk to drivers, they
19 certainly talk about the ine quality that
20 there is between how much they get paid when
21 they are moving versus how much they get paid
22 when they are not moving. So there has been a
23 lot of constant, as people noted, some of the
24 driver advocates can be quite persistent about
25 making sure their voices are known.

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1 The group that we have communicated
2 with, but perhaps a little bit less, is
3 talking with the public and getting a sense of
4 what would happen to them and how they feel
5 about the change. It definitely would be a
6 variance for them, and, of course, we talked
7 to some of the people that Commissioner Dear
8 noted, who are owners. The feedback we got is
9 this is something that has been a problem for
10 a long time and should have been fixed a long
11 time ago. At least the sense I got was as is
12 it kind of made sense.

13 we are not necessarily saying we are
14 not changing what we think competition should
15 be, we are just saying equal work should be
16 similar pay and just kind of taking care of

17 that issue within the fare structure.

18 CHAIRMAN DAUS: I am glad actually
19 that Commissioner Vargas brought that up,
20 because I think this highlights some of the
21 changes at the TLC in terms of the
22 Constituent Management Office. We are able to
23 every step of way -- as opposed to publishing
24 something and getting comments from the
25 industry, every step of the way, they gave us

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1 a lot of good ideas. The groups that were
2 mentioned. The taxi owner groups as well,
3 even though none of this is proposed to go
4 directly to the owners, this is all to the
5 drivers, they are very supportive of the
6 drivers and they were involved in the
7 discussions as well leading up to this.

8 I think it is important to point out,
9 especially for the media, in terms of the next
10 steps that today was not a vote on a fare
11 increase. Today was a vote to endorse the
12 concept and moving forward with the public
13 process, as Andy had mentioned. Basically the
14 next step would be that now our general
15 counsel will draft proposed rules for all of
16 us to look at. It will be published in the
17 City Record with some of these proposals, and
18 then we will hear from members of the public
19 and have, hopefully, a public hearing at one
20 of our next Commission meetings. If we can

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21 get it done by October 25th, then we will do
22 it then.

23 But the fare increase has not been
24 implemented. This is a vote to endorse the
25 concept. would everybody agree with that?

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1 COMM. DEAR: Right. And I think
2 also, it is not a fare increase in itself,
3 it's really an adjustment. So let's not get
4 all excited. It is an adjustment of
5 inequities that we have had until now of where
6 we raised certain issues but we forgot to
7 raise one part of it. Because we can always
8 talk about a fare increase when we want to
9 talk about a fare increase.

10 CHAIRMAN DAUS: I agree with that.

11 COMM. SANDER: Let me add that one
12 of the things I am most proud about this
13 Commission is that we do believe in the public
14 hearing process. This Commission has a track
15 record of taking those hearing seriously and
16 modifying what it does.

17 So this is a proposal and we look
18 forward, truly, to the comments of the public
19 as we decide what we ultimately vote on.

20 CHAIRMAN DAUS: All right, anybody
21 else?

22 (No response.)

23 CHAIRMAN DAUS: Thanks, Andy, great
24 job to you and your staff.

25 I would like to now go to the next

1 staff presentation. I will call Peter
2 Shenckman to the podium.

3 As you know, we passed a pilot
4 program rules earlier this year, where we put
5 a process in place for us to review them and
6 asked for more information and bring a final
7 product to the Commission for approval. I am
8 pleased to announce this is first pilot
9 program proposal that I, as Chair, forwarded
10 to the Commission for review. It involves
11 electric car hybrid technologies.

12 We received a final proposal from
13 them on August 1st and Peter and Eric Kim have
14 been working with them and now Peter would
15 like to give a presentation to tell you a
16 little bit about the proposed electric car.

17 MR. SHENCKMAN: Good morning.

18 A year and a half ago when I started
19 at the TLC, the Chairman and the First Deputy
20 Commissioner allowed me the freedom to pursue
21 new vehicles and new vehicle technologies and
22 clean air power trains. About six months ago,
23 I met a gentleman you all will meet in a few
24 moments that introduced me to the concept of
25 an electric zero emissions vehicle.

1 Today that company will present to
2 the Commission a request to pilot this new and

3 exciting technology that has been developed
4 and already tested by NASA, the space agency,
5 and the United States Navy. This is pilot,
6 and, hopefully, a vehicle and technology that
7 benefits all New Yorkers, not just people who
8 ride in taxis.

9 This concept is now a reality and the
10 Commission has a chance to vote on approving
11 this pilot, and once again, establish New York
12 City as the ultimate proving grounds for new
13 technologies and new vehicles.

14 With that, I will present Richard
15 Griffith from Hybrid Technologies who will
16 outline the vehicle.

17 MR. GRIFFITH: Thank you, Peter, for
18 that introduction. I would like to thank the
19 Commission for having me here today to present
20 this project. This is certainly a very
21 exciting project for us. Matthew Daus has
22 been very supportive and very open to hearing
23 about this project. Certainly Peter Shenckman
24 and Alan Fromberg from the P.R. Department,
25 they have also worked with us. Peter has

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1 given up many long weekends to work with me
2 and figure out how to make this a reality.

3 Our company is Hybrid Technologies.
4 What we build and what we do is we are an
5 emerging leader in building lithium powered
6 vehicles, vehicles which range from standard
7 transportation vehicles like PT Cruisers, all

8 the way down to military vehicles such as ATVs
9 which the U.S. Army is using.

10 This sort gives you a little bit of
11 an idea of who we are. Our main focus with
12 building electric vehicles is not to build an
13 electric vehicle that looks like a golf cart,
14 not to build an electric vehicle that takes
15 away what people are accustomed to. So that
16 was really our main focus when we started this
17 company about five years ago.

18 How vehicles work: Basically, this
19 is how the taxi will work. It uses a battery
20 system. The battery system has been used by
21 NASA, for example, on the Lunar Rover. The
22 system is fairly simple in respect to the fact
23 that it takes away from a combustion engine,
24 which uses about 500 moving parts, and you
25 substitute that for approximately 50 moving

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1 parts.

2 Cars that we've built: When we
3 decided to build certain vehicles, we decided
4 to kind of stick our head in the in lion's
5 mouth by choosing vehicles that really took
6 people's imagination. For example, our work
7 with Daimler-Chrysler in building the R Car,
8 which is a sports car. It is sexy, its fast
9 and it kind of changes the conception of an
10 electric vehicle.

11 The PT Cruiser was and is our bread

12 and butter with respect to what we believe the
13 everyday electric vehicle can be. It's
14 affordable. It's very practical. It allows a
15 certain percentage of the population who don't
16 have \$100,000 to buy an electric vehicle, it
17 allows them to buy a vehicle for around
18 \$40,000. So this vehicle we are very, very
19 proud of. Currently this is in use at NASA,
20 the PT Cruiser.

21 The British Embassy contacted us and
22 asked us could we build a vehicle for Mexico
23 City, which is actually the world's most
24 polluted city. The Ambassador wanted to make
25 a statement and drive an electric vehicle or a

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1 hybrid vehicle. So we produced I guess the
2 quintessential British vehicle, which is the
3 Mini Cooper. We took a Mini Cooper and
4 produced that for the British Embassy. And I
5 think it really made a big statement. The
6 British government really took a very positive
7 approach to this ,including comments from the
8 Prime Minister of England.

9 Of course, like every car company, we
10 want to show off, so we also developed a
11 super car. This car can actually in
12 3.2 seconds go from 0 to 60. It is 800 horse
13 power, so it just gives you the scope of the
14 power of electric vehicles.

15 The Smart Car, quite famous in
16 Europe, we have just introduced to the U.S.,

17 this is being used on military bases
18 throughout the U.S. as well as NASA. It is a
19 personal favorite of the director of NASA who
20 uses it on base.

21 ATVs, these are military
22 applications. It just gives you a sense that,
23 as a company using lithium, we are very wide
24 open to the various things that we can do.
25 Last year we worked with Governor

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1 Schwartzenager and we built a lithium chopper.
2 That motor bike right there is powered all by
3 lithium, which for all Harley Davidson heads
4 up there, it probably gave them a heart
5 attack, but Governor Schwartzenager certainly
6 loved being a part of that. And this chopper
7 actually was to memorialize officers who died
8 in the line of duty for the California Highway
9 Patrol, so it had a very significant public
10 relations tool for the California Highway
11 Patrol. Currently it is in the museum of the
12 CHP.

13 MR. GIANNOULIS: Can I ask you a
14 question: what is lithium?

15 MR. GRIFFITH: Lithium actually is a
16 mined component. Lithium ion is what is used
17 in basically all of our battery devices, for
18 example, all of your cell phones are powered
19 by lithium. Your computers use lithium ion.

20 Lithium ion has really only come into

21 being about five years ago, due to cost
22 parameters. But, again, it is six times more
23 powerful than nicad. If you remember your
24 cell phones about eight years ago, they were
25 those big shoe phones. That was a nicad

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1 battery. So through the evolution of battery
2 technology, they were able to use lithium.
3 Lithium is a component which uses lithium,
4 which L1 is the first component of the
5 periodic table, and cobalt, which is actually
6 what makes it a sustainable energy product.
7 It is the choice of new vehicle companies, for
8 example, Toyota is using lithium ion in all of
9 their hybrids now. They are switching to
10 lithium. Volvo is making a lithium vehicle.

11 You will start hearing a lot more
12 about lithium in vehicles very ion soon.
13 Again for anybody with any more questions
14 about lithium, when you go home, take a look
15 at anything that is powered by batteries, and
16 you will see it is lithium. Any cameras, cell
17 phone, PDAs, all Apple computers only use
18 lithium.

19 Again, with hybrid, we also believe
20 in solar technology. We believe that's the
21 future as well. So we have also been very
22 aggressive in how we work with solar
23 technology. We actually built a vehicle which
24 raced across America. And if you can imagine
25 a vehicle that uses nothing but the sun and

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1 the battery power and it raced all the way
2 from Austin, Texas to Calgary, Alberta. I
3 believe we came in first in our class. We
4 were up against a lot of other -- MIT and a
5 lot of other pretty impressive organizations.

6 NASA: This was a pretty big deal for
7 us. About a year and a half ago, we signed a
8 space act with NASA. What basically a space
9 act is is an approved Congressional act
10 between a private company and the federal
11 government of the United States which allows
12 the private company to work with NASA to
13 advance technology for the good of the
14 American public.

15 It is very prestigious and a lot of
16 car companies have tried to have space acts
17 and have failed, mainly due to the fact that
18 they had foreign entities. And because we are
19 an all American company, I think it helped.
20 And because of the type of technology we were
21 working with. This outlines what a space act
22 is, but currently with NASA, we have vehicles,
23 it's a lot of reading for everybody, but
24 basically the space act allows us to work with
25 NASA's technology. It allows us to become

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1 part of the NASA infrastructure as a private
2 company. With NASA, it also allows us to put

3 these vehicles into real word situations. We
4 all know that electric vehicles are new types
5 of prototype vehicles. They look great on a
6 showroom floor in Detroit. You unveil them
7 and the car can turn into a robot and do all
8 kinds of exciting things, but how does that
9 work in real life.

10 So having it on the NASA campus,
11 being used every day and beaten up every day,
12 gives us the feedback to allow us to move to
13 the next step which is getting it out to the
14 public. So NASA has had these vehicles for
15 around a year. They are using the PT Cruiser,
16 which we are going to talk about right now.
17 The PT Cruiser is something that we really
18 looked at as being the quintessential mass
19 public transport vehicle.

20 So NASA has been using them for a
21 year and a half and with great success. And I
22 am happy to report it is with great success
23 that they have been using them. Again, it was
24 signed by Congress, so for us, it was fairly
25 prestigious. It was a nice thing for us

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1 because it allowed us to work with the federal
2 government on a very high profile project.

3 Para Transit: We have started and
4 signed and are working under the context of a
5 joint venture with Pars Transit. They are one
6 of the largest accessible vehicle transport
7 companies in North America. They are based in

8 Sacramento. They are a not-for-profit. And
9 their main mission is to provide accessible
10 transportation for the central and southern
11 California region.

12 Pars Transit contacted us and they
13 wanted to build an all electric or zero
14 emission vehicle. The challenge was making it
15 an accessible vehicle. I think we were very
16 motivated to do the project because we believe
17 that a lithium accessible vehicle is certainly
18 something that we would very proud to have out
19 to the public. So at this point we have
20 produced an all-lithium accessible vehicle.
21 That vehicle, I must note, will be available
22 in New York. So New York will have the
23 availability of using an accessible all
24 electric vehicle.

25 It is the world's first, so there is

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1 nothing out there like it at this point. And
2 at this juncture, the accessible vehicle is
3 something that we are certainly going to be
4 pursuing. Currently we are using a Chrysler
5 Town & Country model. It seems like that is
6 the best model for what we are trying to do.

7 COMM. DEAR: On that issue, the
8 accessible vehicle, when is it going to be out
9 and at what cost?

10 MR. GRIFFITH: It will be out in
11 November. The cost of the vehicle is roughly

12 1762 Taxi.Limousine 091406
around \$55,000. It's not cheap. An
13 accessible vehicle on its own --

14 COMM. DEAR: We will have to have a
15 fare increase of about double what we are
16 asking for.

17 MR. GRIFFITH: Again, when we start
18 looking at the cost of electric vehicles, I
19 really want to caution everybody that this
20 early adapter. Our company right now is not
21 focused on can we sell these vehicles at a
22 very high price and if we sell these vehicles
23 at a high price, what does that do to the
24 market?

25 Basically, at this point, our company

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1 is taking a fairly big loss on some of the
2 projects because we believe, and rightly so,
3 the prices of lithium batteries have come down
4 nearly 20 percent.

5 CHAIRMAN DAUS: Have you, over a
6 five-year period, done the math and the
7 economics of how much you would save by not
8 using gas for the life of the vehicle,
9 compared to the electric vehicle and factoring
10 it into the price?

11 MR. GRIFFITH: I do, and I have a
12 really nifty chart that we have done which is
13 on one of slides. You will get to see that,
14 but the quick answer is: It costs you around
15 \$3,000 a year to run a regular taxi. This
16 will cost you around \$800. So \$800 a year is

17 the cost. And 11 cents a kilowatt, we are
18 paying 11 cents a kilowatt here in the State
19 of New York to charge the taxi.

20 COMM. DEAR: That's also been going
21 100 hours?

22 MR. GRIFFITH: 100 miles or 100
23 hours. You have to understand with
24 electricity, hours or miles.

25 we have worked with the TLC to

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1 actually formulate what the average run is for
2 a taxi, and we have been able to meet or
3 exceed those expectations.

4 COMM. DEAR: Mr. Chairman, what is
5 the average miles a cab does a day?

6 CHAIRMAN DAUS: Andrew?

7 MR. SALKIN: 120. What you are
8 hearing in the audience is vehicles typically
9 go 100, but he is working on a vehicle that
10 goes further.

11 COMM. DEAR: Because, remember, when
12 they had the other alternative fuel, the CNG,
13 in the middle of the shift they were running
14 out of CNG.

15 CHAIRMAN DAUS: Right, it was an
16 infrastructure issue there.

17 MR. GRIFFITH: We realize that we
18 have to break the 120 to 150 mile barrier.
19 And what that means with these vehicles, it
20 means adding more batteries. That is the

1762 Taxi.Limousine 091406
21 simplicity of it. You need more time, you
22 need more mileage, you add more batteries.

23 CHAIRMAN DAUS: I guess Noach's
24 point is we really can't double shift these
25 vehicles right now.

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1 MR. GRIFFITH: On this specific
2 pilot and talking with the fleet owners, on
3 the initial pilot I wouldn't want to double
4 shift them.

5 CHAIRMAN DAUS: This is maybe an
6 option for an individual owner-operator.

7 MR. GRIFFITH: Exactly. At this
8 stage, but bearing in mind that all technology
9 will advance.

10 So quickly, a little validity to see
11 where we have gone. Our partners, we are very
12 heavily involved with the U.S. federal
13 government, NASA. We are very heavily
14 involved with the U.S. Navy. We are working
15 with the U.S. Special Warfare Division, we are
16 building vehicles that are going to be going
17 to Iraq to help our troops. We are also
18 partners with Volkswagen. Volkswagen came to
19 us and asked us to build a concept car.

20 We are not a huge company and to have
21 the third largest automobile manufacturer come
22 to us and say can you build a concept vehicle
23 for us, gave us that, you know, it really gave
24 us that sense that we are really on to
25 something here. Something is really clicking.

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1 And we have been very successful again with
2 Volkswagen.

3 The pilot project: I will just go
4 over a few quick points about why I believe
5 this pilot project has some significance to
6 the TLC, to the State of New York and to the
7 City of New York. I think, certainly under
8 Mayor Bloomberg's administration, New York is
9 seen as a forward thinking city. I believe
10 that when it comes to the topic hybrids, when
11 it comes to the topic of zero emissions, when
12 it comes to the topic of gas praises, it is
13 not something that has stayed in the media for
14 two seconds and changed. This is a constant
15 and very significant issue that must be
16 addressed.

17 And how it is addressed is in rooms
18 like this, where a Commission like yourselves,
19 sees that there is a possibility to do
20 something different. We know it is not going
21 to be perfect. There will be issues, there
22 will be growing pains, but I believe this
23 administration can see a potential of this
24 being a functional and sustainable vehicle
25 three, four, five years from now. I think it

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1 is really exciting for us.

2 As the U.S. federal government

3 certainly has its own mandates, it has Section
4 1037 under the Congressional Order by the
5 President that was put out, which basically
6 states that all federal agencies have to start
7 looking at sustainable alternative fuel
8 vehicles. Again, not even under that, I
9 guess, compliance issue, I think the
10 significance of this is that it allows us to
11 gain real word acceptance and real world
12 knowledge.

13 It really just comes down to: If you
14 are going to do this project, where else in
15 the world would you do this project but New
16 York? New Yorkers are known for being the
17 most aggressive, the most forward thinking.
18 New York is basically, if you can make it in
19 New York, you can make it anywhere. That's
20 why we have chosen New York to do this project
21 in. And that's the significance to New York,
22 this will be the first in the world, all
23 lithium, all electric cab. The first all
24 green cab using electricity. And I believe it
25 is going to set the stage for the world.

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1 Since the buzz has been about this
2 project, there has been a lot of attention
3 from various media, Night Line and Good
4 Morning America. Everybody wants to talk
5 about this because they are so proud of the
6 fact that New York could come up with
7 something really, really innovative. But it

8 also sets the standard for what will happen to
9 the rest of the world. I believe next to
10 follow will be Chicago, the European markets,
11 the Asian markets.

12 Basically once people start to see it
13 happen in New York, the rest of the world
14 will follow. That is not just good for us, it
15 is good for the industry, it is good for the
16 world, it is good for everybody.

17 we do have other pilot programs out
18 there. It is not the first, so we have some
19 experience in doing this. We have some
20 significant partners, for example, NASA.
21 Again, I keep on highlighting NASA, but there
22 is I guess a certain sense of pride that we
23 have working with NASA and using some of
24 NASA's technologies in these vehicles.

25 The Department of Navy, we are

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1 working with various departments within the
2 Navy. And these vehicle will be located in
3 certain bases across the nation, including
4 Washington D.C. where one of the Joint Chiefs
5 will be driving a lithium PT Cruiser. So it
6 does have some appeal from the White House,
7 they are aware of our products. Having one of
8 the Joint Chiefs driving a lithium vehicle, I
9 think, is pretty exciting.

10 with Para Transit, we sold all the
11 vehicles at cost to them. We wanted to be

12 part of the advancement of this industry. We
13 wanted to put out an accessible vehicle. We
14 put our money where our mouth is. We really
15 do care about what we are doing.

16 As far as impact, as far as what it
17 is going to do, and as far as the estimate of
18 cost, when we get down to the dollars and
19 cents, because some people maybe are not
20 concerned about the environment. Maybe people
21 are just concerned about what am I going to
22 spend? How is this going to affects us?

23 The first things is that this project
24 will not cost the City of New York anything.
25 This is not a project where we are asking for

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1 any kind of funding. This project is not
2 using any associated costs with the City of
3 New York. We are funding it completely from
4 the vehicle all the way through to the vehicle
5 being put on the road. We do have several
6 fleet owners who have agreed to work with us
7 on this. We can go through that later. We do
8 have the program from A to Z already gone
9 through.

10 To get back to Chairman Daus's
11 question, when we were talking about the
12 anticipated cost of running the vehicle. I am
13 not exactly sure on today's current gas prices
14 what it costs somebody to run a shift in a
15 taxi. I believe I heard around \$60. When we
16 were doing this interview, we did meet with

17 some taxi owners and they were saying it was
18 costing them 30 to 40 percent of their take
19 home. But I don't know exactly what the cost
20 is.

21 Does anybody know the cost of running
22 a taxi all day?

23 AUDIENCE: \$35 to \$40 per shift, \$70
24 to \$80 for a double shift.

25 MR. GRIFFITH: So let's use the

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1 number \$40. Based on that number, on a full
2 charge for this car, which will get you around
3 120 miles, we are looking at \$2.75 cents to
4 charge the car. So we are going from
5 somewhere around \$40 to \$2.75. That's very,
6 very significant. If I was a taxi driver and
7 I knew I was paying \$2.75 to pay for the
8 electricity, as opposed to \$40 I think that
9 that is pretty impressive.

10 CHAIRMAN DAUS: Have you done the
11 math over a three-year period when you take
12 into consideration the cost of your vehicle
13 versus the cost of let's say a Ford Crown
14 Victoria?

15 I guess what we are trying to get at
16 is: If you are looking at this as a possible
17 investment, you want to participate in a pilot
18 and you are an individuals owner, is this
19 going to cost me an arm and a leg or is this
20 going to save me money?

21 MR. SALKIN: One thing we are trying
22 to do, and I just want for clarification, this
23 is the first pilot program we have brought up
24 to you all. And what we are doing today is he
25 is proposing a concept of what he would like

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1 to do, and what you would vote on and what we
2 would like to propose from the staff is what a
3 pilot would be. Some of these questions I
4 don't think need to be answered today because,
5 really, we should see if you are interested
6 and see what happens out on the street and
7 then we can make a decision.

8 COMM. GIANNOULIS: Can I ask a
9 question? First of all, do we have a copy of
10 this? It wasn't given to us. If you could
11 provide it to us, Andy, that would be helpful.

12 MR. GRIFFITH: Absolutely, we can
13 e-mail it to everybody or get you a hard copy.

14 COMM. GIANNOULIS: It would be
15 helpful for us to vote on pilot programs, if
16 we actually get to read this before we show up
17 here.

18 MR. SALKIN: Fair enough.

19 COMM. GIANNOULIS: Because this now
20 annoys me, because if we authorizing you to
21 pursue it, we should actually know --

22 MR. SALKIN: Commissioner, this is
23 the first time we have done this. If you
24 don't feel comfortable --

25 CHAIRMAN DAUS: I thought we had sent
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1 it to you guys. We apologize for that. That
2 was an oversight.

3 COMM. GIANNOULIS: I have a few
4 questions for the gentleman. A lot of the
5 stuff I am hearing is very good for you, which
6 is fine, but a couple of simple questions.

7 Everything we are talking about here
8 would be your vehicle or are we talking about
9 putting equipment in existing vehicles as
10 well?

11 MR. GRIFFITH: At this point we are
12 talking about the vehicle that we have, our
13 vehicle. The retrofitting of other vehicles
14 is a possibility, but right now, due to costs
15 and what have you, that is not what we are
16 looking at.

17 MR. SHENCKMAN: The purpose of the
18 pilot in our mind is not necessarily testing a
19 PT Cruiser as taxi. It is testing lithium
20 power train that we have been in discussions
21 with companies that are building purpose built
22 cabs that are entertaining the notion of
23 putting in this technology. So it is not
24 about the car, it's about the technology and
25 whether an electric vehicle of any shape or

1 form is viable as a New York City taxi.

2 CHAIRMAN DAUS: That's a fair point.

3 We spent a lot of time on putting rules
4 together that actually define the criteria for
5 pilot programs. It might be helpful if we
6 could walk through each and every one of
7 those. I think that would put things in
8 context.

9 MR. SHENCKMAN: One other thing I
10 just want to point out: Part of the
11 requirements are we do an RFI. So he is
12 bringing the idea to the Commission saying:
13 Are you interested in piloting electric power
14 training?

15 COMM. GIANNOULIS: I am just trying
16 to get the most basic idea of what we are
17 talking about. I know NASA is fantastic and I
18 know how to promote products. I am just
19 trying to find out the basic concept of what
20 we are talking about because I have no idea
21 what we are talking about. So if I could just
22 ask a few very simple questions: Are we
23 talking about putting your vehicle on the
24 street with your equipment? We are not
25 talking about putting your mechanics into an

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1 existing vehicle?

2 MR. GRIFFITH: We are talking about
3 putting our vehicle on the street.

4 COMM. GIANNOULIS: Great. There is
5 a pretty big difference between military
6 bases, which are solid, straight concrete, and
7 if there is a crack in the cement, some

8 contractor is getting a lot of money to go
9 fill that crack, and New York City streets.

10 How many of your existing vehicles do
11 you have that are not used on bases or
12 government facilities, but on public streets?
13 Can you give me a sense of that?

14 MR. GRIFFITH: Right now, none. But
15 the streets of Iraq have some pretty big
16 potholes.

17 COMM. GIANNOULIS: I am sure they
18 do, but I would pray we are not sending our
19 troops out in experimental electric vehicles
20 in the middle of Iraq. I would hope that that
21 is not the case. And I hope that General who
22 is driving it around is in a more secure
23 vehicle than this, so please don't be a wise
24 guy with me.

25 MR. GRIFFITH: Again, Commissioner,

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1 lithium vehicles, for example, the Lunar Rover
2 has been using lithium for the last five to
3 six years. They send that up into space. So
4 it is not like we are talking about technology
5 that is completely unprecedented.

6 COMM. GIANNOULIS: I am just trying
7 to get a sense of the vehicle and whether they
8 are on the streets. I hope this works out.
9 It's a great idea.

10 CHAIRMAN DAUS: Harry, if I make
11 might make a suggestion, if we walk through --

12 counsel and Peter walk us through what the law
13 says, we all agreed on different things and it
14 kinds of put things into context in terms of
15 understanding this better, what they are
16 trying to do.

17 MR. GIANNOULIS: I am just trying to
18 get the most basic information.

19 CHAIRMAN DAUS: This will give you
20 the basic information. I think it will answer
21 a lot of your questions if we just walk the
22 pilot proposal.

23 MR. GIANNOULIS: Okay.

24 CHAIRMAN DAUS: Can we do that now,
25 Peter? This I think will answer a lot of

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1 your questions.

2 MR. GRIFFITH: The only thing I will
3 add, we have more on the presentation, we can
4 show you charts comparing pollution and all
5 that, but I think we all get the context of
6 this. So the car is downstairs. I really
7 urge you to look at it, touch it, feel it. We
8 brought it here for to you look at and see.

9 CHAIRMAN DAUS: I don't mean to cut
10 you short but we want to make sure there are
11 enough people here to vote and people have to
12 leave.

13 MR. SALKIN: The way we are hoping
14 the pilot programs works, and the rules work,
15 is many concepts get brought to the Commission
16 and staff reviews it. And we are bringing

17 forward to the Commission, and I think we are
18 coming up with some protocols, the idea of
19 getting Commissioners information before
20 making presentations, and having chances to
21 decide. Along with this, though, there is a
22 commitment that the terms of the pilot program
23 and how it will work will also be shared, and
24 that's one of the things Peter will read to
25 you, what we were thinking of doing based on

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1 this technology.

2 Chuck, do you want to add specifics?

3 MR. FRASER: Well, I want to just
4 recap for the Commissioners, to remind you,
5 back in February we, the Commission passed
6 rules, Chapter 14 of the Commissions rules
7 governing pilot project. The point of pilot
8 projects is to test out innovations and
9 experimentations, not only in relation to
10 equipment, but also the mode of service, the
11 manner of operation, anything that varies from
12 the standard.

13 The point is, obviously, to test it.
14 If we knew it would work, we wouldn't need to
15 test it. That's why it is a pilot and not a
16 rules proposal. 14.03 of the rules outlines
17 the staff review process for the pilot. This
18 pilot proposal was received, was vetted
19 through the staff review process. 14.04 talks
20 about the Commission's review process.

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21 14.04(d) specifies that if the Commission
22 approves the pilot, the resolution of approval
23 must set forth terms governing implementation,
24 monitoring and evaluation of the pilot,
25 including -- and there is nine Roman Numeral

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1 subparts of that.

2 You have in front of you a document,
3 that looks like this, that is the staff's
4 proposed outline of the resolution that would
5 meet the criteria in 14.04(d). That's what
6 Peter will walk you through you now, I
7 believe.

8 CHAIRMAN DAUS: Everybody has it,
9 right. Okay, Peter?

10 MR. SHENCKMAN: The first point is
11 the duration which the agency --

12 COMM. GIANNOULIS: I am sorry to
13 interrupt you, Peter. I am going to go back,
14 because we are not getting anywhere in this
15 particular forum. I, at least, am going to
16 support the staff's recommendation, because
17 that was commitment I made early on that if we
18 had an organized process, that we would depend
19 on staff to make decisions.

20 I am still not getting the answer to
21 any basic questions. This is not a procedural
22 question. I still don't know what we are
23 talking about, what these things are.

24 CHAIRMAN DAUS: It's in here, if we
25 could just spend two minutes to go over it.

1 If not, we will not leave here until you have
2 answers to every question.

3 Lee?

4 COMM. SANDER: I suggest that in the
5 future when we do something like this, the
6 staff present a little bit of a context, an
7 overview beforehand, rather than afterwards.
8 I think if you have been advised of what the
9 object of the exercise is, it would make it a
10 little easier.

11 CHAIRMAN DAUS: It's a fair point.
12 This is the first time staff is doing it. In
13 the future, we will send a package over, if
14 this is okay with everybody, as a section of
15 your binder, we will have pilot proposal, we
16 will have an executive summary, we will have a
17 copy of what they submitted, a copy of the
18 proposal, and any PowerPoints in advance, if
19 we can, or at least some executive summary.
20 This is a little longer than I thought it
21 would be as well.

22 And I apologize if it took anybody
23 aback, but it's also a last-minute thing.

24 COMM. GIANNOULIS: I think the real
25 simple -- not to put work on you, Peter, at

1 the end of the day what we are looking for, I
2 am assuming -- I know that you have vetted the

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3 company, I am not worried about that. I just
4 want to know what is your rationale for why we
5 should do this. And it is not going to be
6 that it is a nice company. So that's all I am
7 looking for, two pages on what's your
8 rationale on why we should pursue this.

9 MR. SHENCKMAN: Can I tell it to you
10 since I didn't write it?

11 COMM. GIANNOULIS: That's what I
12 have been waiting to hear.

13 COMM. SANDER: Specifically, exactly
14 what we are doing here.

15 MR. SHENCKMAN: The thought behind
16 this, as I mentioned in my brief introduction,
17 is my idea for a taxi is clean for everyone
18 who is not in the taxi, so it emits no
19 emissions, and it is accessible to all.

20 In my conversations at the New York
21 Auto Show with various Automotive
22 manufacturers, I came upon Mr. Griffith, and
23 we started discussing it, and he proposed to
24 myself and the Taxi 07 people what appeared to
25 be a viable answer to our question: Is there

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1 a clean air accessible vehicle out there?

2 with the Para Transit contracts that
3 they had signed, that indicated that a clean
4 area accessible vehicle could be developed.
5 We started conversations and we agreed that
6 maybe the body that the vehicle is in right
7 now, a PT Cruiser, we know it's a reliable

8 vehicle, hundreds of thousands of them have
9 been sold. They are all around New York City.

10 I checked with Chrysler, the
11 reliability of their untouched vehicle, and it
12 holds up fairly well. So in the shell that
13 they have built it in, with discussions
14 amongst the agency, we were comfortable that
15 the vehicle wasn't going to just fall apart,
16 it wasn't a fancy golf cart. Then we realized
17 that with the Taxi 07 project and the
18 redesigning of the taxi, that there is a lot
19 of small boutique companies out there that
20 want to build a purpose-built vehicle. Not a
21 van, not a truck, not a car -- a taxi.

22 And we opened up dialogue, and one of
23 the things that is important to me, as the
24 Assistant Commissioner of Safety and
25 Emissions, is to get the emissions in New York

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1 City down as low as possible and provide an
2 equally comfortable ride for the passengers
3 and for the people not in the cars. The PT
4 Cruiser, in this situation, has as much leg
5 room as the first generation Crown Victoria.
6 So we are not talking about putting people
7 into a little smart car.

8 And it seemed to all come into place.
9 I have done a lot of research on batteries in
10 general. They are not the biggest company,
11 Johnson Controls is the largest battery

12 1762 Taxi.Limousine 091406
13 manufacturer in the world. And they announced
14 in the Detroit Press the other day that they
15 are developing lithium ion batteries now. So
16 it seems to me that it was an emerging
17 technology, and if New York City could lead
18 the way and with an icon like the New York
19 City taxi being electric, as I said to my
20 kids: Can you imagine 13,000 cars in New York
21 City not making a noise or emitting any
22 pollution.

22 COMM. GIANNOULIS: How do they
23 charge?

24 MR. SHENCKMAN: You plug them into
25 the wall.

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1 And it's not perfect yet, but New
2 York City, going back to the old campaign
3 Tested Taxi Tough, if it can survive a year in
4 New York City as a taxi, the technology, I am
5 comfortable saying it will survive anywhere.

6 MR. GIANNOULIS: How long does it
7 take to charge?

8 MR. SHENCKMAN: Depending, a full
9 charge, I believe, is approximately six hours.
10 So it ideal at this point --

11 CHAIRMAN DAUS: You plug it into any
12 outlet?

13 MR. SHENCKMAN: Any outlet 110, or
14 if you want to get a faster charge, you plug
15 into 220.

16 I envision it right now in its
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17 infancy as coming back in six to eight months,
18 reporting to the Commission: This was
19 awesome, it works great, just like they said.
20 Or: This was a complete flop, I am sorry for
21 wasting everyone's time.

22 COMM. GIANNOULIS: And you know
23 either this particular vendor or other vendors
24 will have agreements with fleets and/or owners
25 and/or people who will use the vehicle?

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1 MR. SHENCKMAN: Yes. Part of the
2 process is that after approval, it will go out
3 for a request, I don't know if RFI is the
4 right word, but we are requesting if there are
5 any other vendors that will make an electric
6 car that is fully crashed tested by the
7 federal government and meets all the
8 requirements of the federal government.

9 COMM. GIANNOULIS: So somebody out
10 there is going to take their medallion off
11 their current vehicle and put it on this one?

12 MR. SHENCKMAN: Yes.

13 COMM. GIANNOULIS: Do they get a tax
14 benefit, what --

15 MR. SHENCKMAN: They got nothing
16 except --

17 COMM. GIANNOULIS: Your good will?

18 CHAIRMAN DAUS: He is working out
19 the deal.

20 MR. GIANNOULIS: There is nothing

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21 wrong with them getting our good will, by the
22 way. That would be nice.

23 MR. SHENCKMAN: There have been
24 fleets that have stepped up and said: we want
25 to be at the forefront, we want the PR.

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1 Bottom line is, the cars out there right now
2 pollute a helluva lot, and why not make New
3 York City clean and why not get some
4 attention?

5 COMM. GIANNOULIS: So you are
6 confident that these deals will be worked out?

7 MR. SHENCKMAN: Yes, absolutely.

8 COMM. GIANNOULIS: That's all I
9 wanted to know. Thank you. That was very
10 helpful.

11 MR. SHENCKMAN: So back to the
12 guidelines?

13 CHAIRMAN DAUS: If we could, only
14 because Lee has to leave in five minutes.

15 COMM. DEAR: One question: Does the
16 company have somebody who is going to use this
17 vehicle?

18 MR. SHENCKMAN: The companies that I
19 have spoken to have indicated that they are
20 going to reward their best employees by giving
21 them the chance to go out for a period of a
22 week, however they decide.

23 CHAIRMAN DAUS: You mean is there a
24 fleet?

25 MR. SHENCKMAN: The regular drivers.

1 COMM. DEAR: No, one vehicle you are
2 talking about, right?

3 MR. SHENCKMAN: One vehicle to
4 start, yes.

5 COMM. DEAR: One vehicle.
6 who is he contracting with to have
7 the vehicle?

8 MR. SHENCKMAN: That has not been
9 presented to us yet. I provided him a list of
10 our fleets.

11 COMM. DEAR: And he can choose?

12 MR. SHENCKMAN: He is giving them
13 the vehicle. He is titling the vehicle to
14 them to allow for registration. There is no
15 cost to the company. They are loaning the
16 medallion to the vehicle, and the drivers that
17 they allow to use it will be operating at --

18 COMM. DEAR: If you look at this
19 one, it's only a 70 mile range.

20 MR. SHENCKMAN: You may be looking
21 at the wrong car. The vehicle they are going
22 to present for the pilot, it has to do a
23 shift, and we have been assured it will do a
24 minimum of 120 miles.

25 CHAIRMAN DAUS: It can clearly do

1 one shift, but not two.

2 MR. SHENCKMAN: Right, and then

3 there were discussion of maybe, depending on
4 the size of the battery pack, there could be a
5 charging station, where they could in a fleet
6 operation. And that may be a new pilot.

7 COMM. DEAR: And you are giving it
8 to one of the big operators?

9 MR. SHENCKMAN: A big operator.

10 COMM. DEAR: And the person driving
11 that day doesn't end up paying because the car
12 is free?

13 MR. SHENCKMAN: He pays the lease
14 rate. He doesn't pay for gas for the day, so
15 it's an extra \$40 in the pocket of the driver
16 for the day.

17 CHAIRMAN DAUS: In the interest of
18 time, because Commissioners have to leave,
19 let's go through this.

20 The duration of this pilot that you
21 are proposing is a maximum of 13 months?

22 MR. SALKIN: Again, I just want to
23 say, this is the first time that we have
24 presented this idea to the Commission. This
25 is the first time you have seen this, so if

□

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1 you have ideas or thoughts and you want it to
2 look differently or read differently, this is
3 a good time for us to have that conversation.

4 CHAIRMAN DAUS: In the future, Andy,
5 I think we have to have an executive summary.

6 MR. SALKIN: Sure, that's clear,.

7 CHAIRMAN DAUS: I know you had a

8 great presentation, there was a lot of time
9 and effort that went into it, and we
10 apologize. I thought it was going to be a
11 little shorter and we are pressed for time, we
12 losing Commissioners.

13 we don't pay them, they are not
14 salaried and they have other things that they
15 have to do.

16 MR. SHENCKMAN: And we have a very
17 important item after this, too.

18 CHAIRMAN DAUS: Let's go through it.

19 MR. SHENCKMAN: The duration, we
20 expect to be a maximum of 13 months, with
21 reports to the Chairman and the Commission by
22 the pilot program participants. And pending
23 the evaluation by the Chairman and the
24 Commission, rule making could begin as soon as
25 nine months after the pilot.

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1 It is a minimum of one participant,
2 maximum of three. The notice of opportunity
3 to participate will be published in the City
4 Record and on the TLC website. And the
5 process, Hybrid Technologies will select as a
6 participant pending settlement of an MOU or
7 binding agreement, and they will solicit
8 applications from additional potential
9 participants based on the notice to the City
10 Record and the website.

11 we will go through a safety

12 evaluation at Safety and Emissions, and the
13 MOUs required will have certain stipulations.
14 As outlined here, each participant is required
15 to place at least one vehicle into service
16 within two months of signing an MOU. No more
17 than five medallion taxicabs per participant
18 can take place, and vehicles must be removed
19 from service following completion of the
20 program or cancellation of the MOU, unless
21 rule making action is taken.

22 Vehicles used in this pilot must have
23 currently licensed medallions affixed.

24 Some of the criteria we are going to
25 use to why evaluate include owner

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1 satisfaction, battery and motor maintenance
2 and durability, driver satisfaction, looking
3 at if the time between charges increases or
4 decreases as time goes on, passenger
5 satisfaction.

6 We already know that the majority of
7 passengers love the fact that they are getting
8 into a green hybrid car, so we think that it
9 will be a positive here as well. We will also
10 be reporting on the safety and emission
11 inspection results and we will be looking at
12 the car monthly, as opposed to every three
13 months. And then there will be reporting
14 requirements, which will be submitted to the
15 Chairperson. A report on the first six months
16 of performance and submitted no later than

17 seven months after the first vehicle is put
18 into service. Complete reports to be
19 forwarded to the Commission one month later.
20 Participants shall also provide additional
21 information as requested by the Chairperson.
22 And the Chairperson will forward the reports
23 on the first six months of S&E inspection
24 performance to the Commission no later eight
25 months into service.

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1 So we spent a lot of time outlining
2 this so it wasn't just a fly by night, put a
3 car out on the road, looks good, and be done
4 with it.

5 MR. SALKIN: One other thing I want
6 to add is, what we envision is if there is
7 more than one company, in theory, let's say
8 there are three companies in this case, the
9 staff will get reports from all three
10 companies and report back to the Commission on
11 all three companies so you can see the
12 different technologies and see the
13 satisfaction on all of them. It should really
14 give us a full breadth of a pilot program.

15 COMM. GIANNOULIS: Is there a
16 minimum of a duration for the pilot?

17 MR. SHENCKMAN: Minimum is six
18 months.

19 CHAIRMAN DAUS: And I think there is
20 a minimum participants of one and a maximum of

21 1762 Taxi.Limousine 091406
three?

22 MR. SALKIN: Five.

23 CHAIRMAN DAUS: Item 3, says maximum
24 three participants. Oh, maximum of five
25 medallions per participant. I understand,

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1 okay.

2 Does that answer your questions?

3 Does anybody have any concerns about this?

4 (No response.)

5 CHAIRMAN DAUS: This is in direct
6 response to, I think, the Commissioners
7 concerns about having a process where we enter
8 into pilots, not just the Chair deciding one
9 day he is going to do it without the
10 Commission involved. This is, I think, what
11 everybody asked for.

12 More importantly, it holds the staff
13 and me accountable for making sure that we get
14 back to you and that there is a beginning and
15 an end.

16 Also, what I like about this proposal
17 that Peter and Chuck put together is that it
18 allows for the opportunity, even if you
19 proceed with this company, that other
20 companies can come into the fold, which is
21 very, very important. So I am fine with it.
22 If anybody wants to make a motion or make a
23 comment?

24 COMM. AROUT: I would like to make a
25 motion that we accept this procedure and let

1 the Committee do what they have to do and come
2 back with more information on it. Go through
3 the proper process. I think it's a great
4 idea.

5 CHAIRMAN DAUS: Your motion is to
6 vote on the proposal that Peter just put here.

7 Can I have a second?

8 COMM. SANDER: Second.

9 CHAIRMAN DAUS: All in favor?

10 (Chorus of "Ayes.")

11 CHAIRMAN DAUS: It's unanimous.

12 Thank you for your time.

13 I think we have one more quick
14 presentation, Peter.

15 MR. SHENCKMAN: Yes, a very
16 important presentation. When the Commission
17 approved the hybrid vehicles last year, one of
18 the main concerns of the Commission and of
19 myself and staff was the vehicles were much
20 smaller and, therefore, would not allow a
21 partition.

22 I spent the last six to eight months,
23 I went to all of the local manufacturers and
24 nationwide manufacturers of safety shields and
25 partitions, and I am pleased to say that in

1 the past couple of weeks we have been
2 presented with a couple of viable

3 alternatives. One of them is available for
4 the Commissioners to see in the Battery Park
5 Garage. But the proposed partition design is
6 a half shield or an L shape partition. It is
7 very similar to other jurisdictions in Canada
8 and the London taxi.

9 Our preliminary review indicates
10 compatibility with all vehicles that meet the
11 current TLC specifications. Next month we
12 expect to present to the Commissioners the
13 solution for the Siena curtain air bag issue,
14 where the partition was obstructing it. A
15 local company has developed, in conjunction
16 with TRW and the manufacturer of the air bags,
17 and engineers, a solution for the curtain air
18 bags. And most importantly, it allows for
19 drivers' protection and safety. A lot of
20 drivers and new medallions owners have come to
21 me saying: we need a partition because we are
22 not comfortable driving around in our brand
23 new cars with our huge investment, we just
24 don't feel safe.

25 The proposed partition design meets

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1 all of the relevant TLC rules, including the
2 conditioning, change cup placement, strength
3 of the partition material and the steel plate
4 extensions to the floor of the vehicle. It
5 also, in the Toyota Highlander, which we have
6 here, allows for curtain air bag deployment.
7 And it also allows, although a modification

8 will be needed, for installation of the
9 taxicab service improvements. And I do have a
10 couple of pictures. If you can see them, I
11 hope so.

12 But that was the result of some
13 sleeplessness nights, not wanting any driver
14 to get hurt on our watch. And I think we do
15 have a valid solution that my staff is
16 comfortable with, that we put to the
17 Commission to approve.

18 COMM. AROUT: Peter, one thing. I
19 viewed that partition downstairs. Is is for
20 that particular vehicle only?

21 MR. SHENCKMAN: Each vehicle has
22 slight modifications due to height and width.
23 That one is for that vehicle, but that
24 universal L shape design will permit
25 installation in every vehicle, including a

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1 Crown Victoria, should someone decide they
2 want that. It was originally developed,
3 believe it or not, for the for hire vehicle
4 industry.

5 COMM. AROUT: I sat in that thing
6 and I think it's very, very tight. If that
7 driver wants to use it, I would think it is
8 okay, but as far as approving the whole
9 thing --

10 MR. SHENCKMAN: What we are doing,
11 the Commissioners set forth when passing the

1762 Taxi.Limousine 091406
12 hybrids that you have the option in the future
13 if a partition was developed to approve that,
14 or you can still go with no partition. It's
15 entirely optional.

16 And with the Sienas, the 2006 and up
17 Sienas, the Commissioners also voted that you
18 have the option, once approved, of a modified
19 partition, no partition.

20 CHAIRMAN DAUS: Harry?

21 COMM. GIANNOULIS: I just want to
22 point out, Commissioner, that when we voted
23 for this, I raised this issue. And you
24 thought the cameras would be okay. And I
25 talked about the safety issue and I said no

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1 driver is ever going to want to not have
2 partition.

3 MR. SHENCKMAN: And you abstained
4 from the vote.

5 COMM. GIANNOULIS: Yes, I did.

6 CHAIRMAN DAUS: I remember very,
7 very clearly that day. I think a lot of us
8 were very, very unsettled in all respects,
9 because we want to make sure that they have
10 the best thing. And I think Peter has done a
11 lot of work in terms of --

12 COMM. GIANNOULIS: I congratulate
13 Peter on doing this.

14 CHAIRMAN DAUS: I can understand
15 Commissioner Arout's point. I mean, what
16 happens if this is put in a thousand cabs and

17 then we have to take them all out? Is there
18 a way we can limit the number? Is there a way
19 we can do that legally?

20 MR. SHENCKMAN: I guess if the
21 Commission approves it, it becomes an option
22 for a driver to choose. They can choose the
23 half partition, they can choose the full
24 partition, or they can choose no partition.

25 MR. SALKIN: Or if you are really

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1 interested in limiting it, we can limit it to
2 the vehicles where a camera is approved.

3 COMM. GIANNOULIS: I think it is
4 people's options. At the end of the day, all
5 of these changes, it is buyer beware, which
6 has been my point for the last two years.

7 But people have to make decisions, if
8 they want the smaller vehicle, they are
9 getting the smaller vehicle. The industry
10 informs itself pretty quickly if you are going
11 out to buy a different vehicle, I assume you
12 are going to go find out that there is a new
13 partition available. I think we let people do
14 what they want.

15 CHAIRMAN DAUS: I agree to a certain
16 point, Harry. I have to admit to everybody, I
17 was skeptical when I heard about this. It is
18 only because I had seen prior mock ups of this
19 years ago and it looked terrible, that I was
20 impressed when I saw it yesterday. What

1762 Taxi.Limousine 091406
21 really convinced me, though, was the look of
22 joy on the face of the driver who won the
23 alternative fuel medallion and bought a
24 Highlander. He was so excited about trying it
25 out.

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1 It is clearly safer, in my view, for
2 him to be enclosed, even if it is
3 uncomfortable, than all people who believe in
4 safe partitions but leave them open against
5 advice and wishes. And we had an incident not
6 too long ago, a guy was shot in the back of
7 the head. Miraculously he survived, but he
8 had the window open. This partition takes the
9 option away for the most part to leave it
10 open.

11 I understand Commissioner Arout's
12 concerns, and I agree with you, but we should
13 give people a choice. Maybe without limiting
14 it, to keep close tabs on it and come back in
15 six months and you can report on the number
16 and how it has worked and what type of
17 complaints. Even though it is not technically
18 a pilot program, can we treat it like that?

19 MR. SHENCKMAN: You are voting on
20 approving a design that will allow anyone who
21 chooses it. I think there are only 254 hybrid
22 vehicles.

23 MR. GIANNOULIS: Do most of those
24 vehicles have two separate seats in the front.

25 MR. SHENCKMAN: Every one has two

1 separate seats. That's standard.

2 COMM. DEAR: You mentioned buyer
3 beware. This is not mandated. This is a
4 choice.

5 MR. SHENCKMAN: You specifically, and
6 the other Commissioners and myself were
7 concerned that we were putting new medallion
8 owners in harm's way.

9 CHAIRMAN DAUS: That is true. It is
10 better to do something and test it out than to
11 do nothing and sit back.

12 MR. SHENCKMAN: And some of them may
13 well choose to say: I enjoy talking to the
14 customers, I don't drive at night, I don't go
15 into certain areas, I am comfortable.

16 COMM. GIANNOULIS: Putting comfort
17 aside, you believe it's safe?

18 MR. SHENCKMAN: Yes, it meets our
19 current full partition specs as far as the
20 materials being used. And it is actually an
21 upgraded clear polycarbonate.

22 COMM. GIANNOULIS: Matt, is your
23 concern that the non-hybrid vehicles turn
24 around and -- I mean, at the end of the day, I
25 don't know what the numbers are, but my sense

1 from looking at it, is most people don't use
2 the front seat anyway. Generally there is not

1762 Taxi.Limousine 091406
3 that many passengers. Unless you are using
4 that front seat all the time, there is not
5 really a lot of reason that the average owner
6 would do this.

7 MR. SHENCKMAN: Right. One of the
8 things that I specified is if there is a
9 window on the passenger sides, that most
10 drivers keep their lunch, their newspaper on
11 there. That they don't have to get out of the
12 car to walk around to get it. So the window
13 is big enough so that they can just reach
14 over. And on their way home or in between
15 pick ups, they can open it up. It opens up
16 about 12 by 24 inches.

17 CHAIRMAN DAUS: I think it's
18 important to recognize that this has been in
19 London. It is not like this is the first
20 time. It has been done before, and,
21 apparently, people are pleased with it over
22 there, from what I understand.

23 It is not every day that we copy
24 things that London does, but it's worth a try.
25 Like Noach pointed out, it is optional. I

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1 don't have an issue with it. I was a little
2 skeptical at first. When I saw it, seeing is
3 believing. When I saw the vehicle, if you
4 haven't seen it yet, I encourage you to take a
5 look at it. The guy was very excited. And I
6 think it looks good to me.

7 COMM. DEAR: I will make a motion
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8 that we accept this proposal.

9 CHAIRMAN DAUS: Do we have a second?

10 COMM. GIANNOULIS: Second.

11 CHAIRMAN DAUS: All in favor?

12 (Chorus of "Ayes.")

13 CHAIRMAN DAUS: It's unanimous.

14 MR. SHENCKMAN: I also want to
15 clarify that for the Toyota Sienas, next month
16 we will present another design. And that we
17 envision being an option of a half partition
18 or a changing of the poly carbonate to allow
19 for modification for the air bags to drop.

20 CHAIRMAN DAUS: Thank you for your
21 hard work on this, Peter. All of us are very
22 concerned about finding solutions for this.
23 So this is a first step in the right direction.

24 I to want thank the Commissioners, it
25 has been a long meeting. Good work. I would

□

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1 like to have a motion to close the meeting.

2 COMM. AROUT: Motion to close.

3 CHAIRMAN DAUS: Is there a second?

4 COMM. GIANNOULIS: Second.

5 CHAIRMAN DAUS: All in favor?

6 (Chorus of "Ayes.")

7 CHAIRMAN DAUS: The meeting is now
8 closed. We will see you on October 25th.
9 Thanks, everybody.

10 (Time noted 11:30 a.m.)

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

I, MARGARET EUSTACE, a Shorthand Reporter and a Notary Public, do hereby certify that the foregoing is a true and accurate transcription of my stenographic notes.

I further certify that I am not employed by nor related to any party to this action.

1762 Taxi.Limousine 091406

Shorthand Reporter

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