

Monday, June 29, 2009

Tali Aronsky/Elizabeth Miller
Department of Consumer Affairs
(212) 487-4283

**DEPARTMENT OF CONSUMER AFFAIRS COMMISSIONER JONATHAN MINTZ
OUTLINES ROAD TO PEDICAB LICENSING**

Consumer Affairs Details Timing of Next Steps and Implementation of Safety Requirements

The following is Commissioner Mintz's Testimony at City Council's Hearing on Local Law 19 as prepared.

"Good morning, Chairman Comrie and members of the Consumer Affairs Committee. I am Jonathan Mintz, Commissioner of the Department of Consumer Affairs. I am pleased to have the opportunity to comment in support of the proposed amendments to the pedicab licensing law. We were delighted to work with the Speaker, her staff, and others on the Council to identify a way to break the logjam that has led to the last two years' frustration in our mutual efforts to license this industry, hold its members accountable to the public, and increase public safety through insurance requirements, pedicab equipment requirements and inspections, and other appropriate provisions of Local Law 19.

"It's worth noting that despite the many good faith disagreements that preceded this point in time, there is significant agreement among members of the Council, the Administration, and the pedicab industry itself, that a sensible and enforceable approach to regulation was, and continues to be, desirable and in everyone's best interests. I can also add on behalf of the Department of Consumer Affairs, specifically, that we have been championing at the bit to be enabled to ensure that this industry is held accountable to the public for safe operations. These proposed amendments go a long way toward making that happen. With the exception of a couple inadvertent drafting glitches, which I will address later, the path toward enabling DCA to do its job now seems clear.

"First, the bill substitutes the original approach to a license cap with a 60-day window during which pedicab owners can apply for their business licenses and as many as 30 pedicab registration plates each. After the 60 days, the window closes on the registration of additional pedicab vehicles until this provision of the law sunsets in 18 months. I would note that the current language inadvertently fails to include the 30-cab cap per licensee in that same sunset provision. I would also note that the proposed cap does not limit the number or timing for pedicab driver licenses.

"Additionally, the bill provides for the orderly transfer of registration plates. Given the limited application window, a sensible transfer provision is of vital importance. The current bill creates a smart transfer system by allowing pedicab owners, with the Commissioner's approval, the opportunity to sell or purchase licensed pedicab vehicles as their businesses respond to market forces.

"This bill strives to balance the public's need for speedy transition to licensing and safety requirements with the smooth operational transition for those currently engaged day in and day out in the industry. It seeks to cushion the impact of implementation by providing for 40 days' notice after it takes effect before the 60-day licensing window opens to pedicab businesses. Presumably and hopefully, to the

extent that they haven't already, this will allow industry members the time they need to take all steps necessary to settle their business plans, secure insurance, and retrofit their vehicles in preparation for DCA inspections. After the 40 days, the Department would begin accepting and reviewing applications for licenses and pedicab registrations, inspecting pedicabs for compliance with the safety equipment and insurance requirements, issuing the business and driver licenses, and affixing pedicab registration plates to pedicabs that have passed DCA's inspection scrutiny.

"Unfortunately, the current draft of this bill would place pedicab businesses and drivers in an unnecessary and in fact impossible business situation. It requires that businesses be licensed before the start of the 60-day license application period. While I have always been inordinately proud of the DCA Licensing Center's prowess, even we cannot bend time and space to make that feasible! To avoid putting hardworking pedicab businesses and drivers out of work for months and also creating chaos in a Licensing Center that already serves over 120,000 businesses a year, the Administration has a simple recommendation. While the amended bill should hold pedicab businesses and drivers still responsible for the safety requirements, the requirement for holding licenses should be held specifically in abeyance until the close of the 60-day license application window.

"One other minor timing issue bears mentioning. The law specifies that business licenses and plates may not be issued for more than one year. As the licensing system was initially constructed over two years ago, however, licenses for pedicab businesses are slated to expire at the beginning of November each year. Given the proximity between the presumed issuance of the first year of pedicab business licenses and the November 1 expiration date, the bill before you needs to be amended to allow the initial licenses and plates to be good for a period longer than a year so that they would expire in 2010 rather than a few months from now. Additionally, the Administration proposes some language that will tighten the efficiency of the pedicab inspection process, including holding businesses responsible for failing to produce a pedicab at a scheduled inspection.

"Thanks to the hard work of Council and Administration staff, with the support of so many in the pedicab industry, and with these minor tweaks, New Yorkers and our many millions of visitors will be able very soon to enjoy a safer, more accountable pedicab experience. A DCA-licensed business and driver will know to adhere to the rules of fair play as well as the rules of the road; and a DCA-licensed pedicab vehicle will be equipped with seat belts, proper brakes, and turn signals and will have to prove it to us and our colleagues in the Police Department on a regular basis.

"Thank you. I'd be happy to take any of your questions."