



**2004 Annual Report
to the
New York City Council**

New York City Taxi & Limousine Commission

**Michael R. Bloomberg, Mayor
Matthew W. Daus, Commissioner/Chair**

**LICENSED
TAXICAB**

9R29

**NEW YORK CITY
TAXI & LIMOUSINE**

**LICENSED
TAXICAB**

LIMOUSINE COMMISSION

**TAXI
5924
DRIVER**

RENAULT

TAXI SERVICE

55

PUBLIC HACK

**CITY
NEW**

6C8

2M30

7S34

January 10, 2005

Honorable A. Gifford Miller
Speaker
New York City Council
City Hall
New York, New York 10007

Dear Speaker Miller:

I am pleased to submit the New York City Taxi and Limousine Commission's Annual Report to the City Council, as prescribed by the New York City Charter.

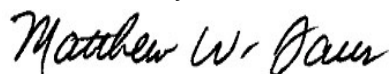
The annexed report details TLC's activities and achievements from January to December 2004, and offers an outline, where appropriate, of the agency's tasks and goals for 2005.

TLC has enjoyed a momentous and productive year, the highlights of which are detailed herein. Among others, this report details:

- ◆ The implementation of the sale of additional New York City taxicab medallions in Fiscal 2003 and 2004, as approved by the City Council;
- ◆ The passage of a medallion taxicab rate of fare increase, accompanied by several important passenger service improvements;
- ◆ The installation and implementation of state-of-the-art On-Board Diagnostic emissions testing technology at TLC's central inspection facility;
- ◆ Additional customer service initiatives for both the riding public and our licensees.

It continues to be a privilege to collaborate with our government partners to benefit our licensees and the riding public by ensuring safe, efficient and reliable transportation for the people of the City of New York. We anticipate working with you, your staff and all the Members of the City Council and its Transportation Committee to further our progress during the new year.

Sincerely,



Matthew W. Daus
Commissioner/Chair

TABLE OF CONTENTS



MISSION OF THE NEW YORK CITY TAXI & LIMOUSINE COMMISSION	3
Commission Structure.....	3
Changes on the Commission in 2004.....	3
TLC’S REGULATORY MANDATE	3
THE YEAR IN REVIEW	3
Significant New Initiatives.....	4
Enhancing Communication.....	5
Improving Customer Service.....	5
Streamlining Operations.....	5
Focusing Enforcement Efforts.....	6
Priorities for 2005.....	6
INDUSTRY AND AGENCY OVERVIEW	6
MAJOR AGENCY INITIATIVES OF 2004	9
Medallion Sales.....	9
Enabling Legislation and Environmental Review Process.....	9
<u>Medallion Sale of April 2004</u>	10
Commission Action for April Sale.....	10
Medallion Sale Outreach.....	10
Informational Seminars and Technical Workshops.....	10
Advertising Campaign.....	10
Upset Prices and Integrity Assurance.....	11
Bid Acceptance and Openings.....	11
– Bid Opening of April 16th.....	11
– Bid Opening of April 23rd	12
Medallion Closings and New Taxicab “Hack-Ups”.....	12
<u>Medallion Sale of October 2004</u>	13
Commission Action for October Sale.....	13
Medallion Sale Outreach and Technical Workshops.....	13
Upset Prices and Integrity Assurance.....	13
Bid Acceptance and Openings.....	13
Medallion Closings and New Taxicab “Hack Ups”.....	15
Taxicab Fare Increase.....	16
Issue History.....	16
Public Hearings and Commission Action.....	17
New Taxicab Rate of Fare.....	17
Preparing the Industry and Public.....	18
Fare Increase Analysis.....	19
Taxicab Service Improvements.....	20
Project Goals and Objectives.....	20
Informational Exchange Conference.....	20
Focus Groups and RFP Issuance.....	20

CUSTOMER SERVICE INITIATIVES FOR THE PUBLIC	21
Feedback on Group Riding Options.....	21
Website Enhancements.....	21
Wheelchair Accessibility.....	22
Accessible Taxicabs.....	22
FHV Accessibility Regulations Upheld by New York State Supreme Court.....	22
Specialty Bases.....	23
Implementation of TLC’s Accessible Vehicle Rule.....	23
Clean-Air Taxicabs.....	24
Medallion Sale.....	24
TLC Joint Venture with NYSERDA.....	24
<i>Alternative Fuels Technologies Corporation</i>	24
<i>GSM Vehicles, Inc.</i>	24
OBD II Testing for Taxicab Emissions.....	25
Newer and Larger Taxicabs.....	25
Stretch Crown Victoria.....	25
Pilot Program to Test the Toyota Sienna.....	25
Correspondence Unit.....	25
CUSTOMER SERVICE INITIATIVES FOR TLC LICENSEES	26
OBD II Seminars for Medallion Industry.....	26
Licensing Division Reforms.....	26
Revisions to Training and Testing Materials and New Course Offered.....	26
Ribbon Cutting at New FHV/Bus Hold at JFK Airport.....	27
DRIVER PROGRAMS AND EVENTS	27
Taxicab Job Fair and Scholarship Program.....	27
2004 Driver Recognition Ceremony.....	27
TLC Health Insurance Program.....	28
ENFORCEMENT	28
New York City’s Proudest Expands.....	28
Operation Refusal.....	29
Operation Street Hail.....	29
Cell Phone Enforcement.....	29
TLC AND CITYWIDE ISSUES	29
Command/Green Bus Lines Labor Action.....	29
Republican National Convention.....	29
CITY COUNCIL HEARINGS	30
Hearing Regarding the Preliminary Budget.....	30
Hearing Regarding the Executive Budget.....	30
PUBLIC HEARINGS AND MEETINGS	30
Public Hearing on Taxi School Approval Process and Licensing Reforms.....	30
Public Hearing on Insurance Issues.....	30
RULEMAKING	30
New Medallion Licenses.....	30
New Taxicab Rate of Fare and Service Enhancements.....	30
SPECIAL EVENTS	31
Sister Cities Mayoral Summit.....	31
M.A.D.D. Safety Awareness Event.....	31
ABOUT THE COMMISSIONERS	32
ENDNOTES	33

MISSION OF THE NEW YORK CITY TAXI & LIMOUSINE COMMISSION

The New York City Taxi and Limousine Commission (TLC) was created by Local Law No. 12 of 1971, and is charged with “furthering the development and improvement of taxi and livery service in New York City, establishing an overall public transportation policy governing taxi, coach and car services and wheelchair-accessible vans, and to establish certain rates and standards.”

Commission Structure

The Board of the Taxi and Limousine Commission is comprised of nine (9) members, eight (8) of whom are unsalaried Commissioners. Each member of the Commission is appointed by the Mayor of the City of New York, with the advice and consent of the City Council. Five (5) of the Commission’s members, one (1) resident from each of the City’s boroughs, are recommended for appointment by a majority vote of the Councilmembers of their respective borough.



The TLC’s salaried Commissioner/Chair, Matthew W. Daus, was appointed in 2001 to fulfill the remainder of a term concluding January 31, 2003. In 2003, Commissioner Daus was unanimously approved by the City Council’s Committee on Rules, Privileges and Elections, and re-appointed by Mayor Michael R. Bloomberg to serve a full term expiring January 31, 2010. The TLC Commissioner/Chair presides over public meetings of the Commission, and serves as the Chief Executive Officer of the agency.

Changes on the Commission in 2004

In 2004, two (2) of TLC’s most active Commissioners left the Board to explore new personal and professional endeavors:

Commissioner Stanley E. Michels, nominated by the City Council to represent the borough of Manhattan, served on the Commission since 2003. Prior to his appointment, he served on the City Council for over two decades, during which time he was Chairman of the Council’s Environmental Committee.

Commissioner Alberto Torres, the Board’s second-longest serving member, announced his decision to leave the Board in December. Recommended by the City Council to represent his home borough of the Bronx in 1996, Mr. Torres is a practicing lawyer.

TLC’S REGULATORY MANDATE

In licensing and supervising the business and industry of transportation of persons by authorized vehicles for hire in New York City, TLC’s regulatory mandate includes:

- Licensing vehicles, drivers and businesses authorized to transport passengers for-hire;
- Establishing licensing criteria and standards of conduct;
- Establishing and enforcing standards for vehicle and public safety, as well as business accountability;
- Developing a comprehensive transportation policy applicable to vehicles for-hire; and
- Setting taxicab rates of fare.

THE YEAR IN REVIEW

By any objective measure, 2004 was a significant year in TLC history. In addition to successfully furthering the goals articulated by the Commissioner upon his appointment—goals which included better and more effective ways of communicating with the agency’s regulated industries, enhancing customer service, streamlining agency operations, and focused enforcement against illegal for-hire

activity—TLC also sold new taxicab medallions (licenses), for only the second time in 67 years. In 2004, the Board of Commissioners voted to raise the medallion taxicab rate of fare for the first time since 1996, as well as mandating technological service enhancements for the riding public to be implemented within two (2) years. Moreover, TLC opened four (4) new, state-of-the-art inspection lanes at its Safety and Emissions facility in Woodside, Queens, becoming the first facility in New York State to conduct “On-Board Diagnostic” II (OBD II) emissions testing protocols. Now managing a total of six (6) lanes, each lane equipped with OBD testing capability, TLC completed full implementation of Phase I of this testing in 2004 – and prepared the taxicab industry, via a series of on-site information sessions, for full OBD II implementation beginning in January 2005.

Significant New Initiatives

Since New York City’s taxicab industry emerged in 1907 with 65 gasoline-powered vehicles imported from France (Endnote 1), only twice has the City endeavored to sell new taxi licenses – in 1997 and 2004. The limit on the number of medallions has its genesis in the Haas Act, a 1937 ordinance passed by the City Board of Aldermen that capped the number of taxi licenses at 13,595, the number that had then been issued. (2) This prohibition came as an attempt to quell problems of oversupply caused by low entrance barriers into a growing, all cash business, and the subsequent traffic congestion, insufficient driver wages, uninsured vehicles and sometimes illegal activity that followed. As such, New York City mirrored Baltimore, Boston, Chicago, Philadelphia and other cities in that it placed a restriction on the number of its taxi licenses; most of these cities would not issue additional licenses for the next half -century or more. (3)

On May 19, 2003, New York State authorized TLC to issue up to 900 additional taxicab medallions to enhance the service and availability of taxicabs citywide. The subsequent Medallion Sales of 2004, in addition to being the first in seven (7) years and the second in nearly 70, were also the largest in the history of the New York City taxicab industry. Never before had more than 400 medallions been sold in one year, until TLC sold nearly 600 new taxicab licenses in dual April and October efforts. These sales, along with a third to come, will bring the number of yellow medallion taxicabs from 12,187 to 13,087, and are to take place, through a competitive sealed bidding process, over a three (3) fiscal year period.

Throughout the medallion sale process—which was the culmination of nearly two (2) years of preparation by dedicated staff—TLC saw itself not only as a seller of valuable commodities, but also as a communicator and facilitator. TLC reached as many people as possible, communicating the opportunity, advantages and information about taxicab ownership. New York City taxicab medallions have a long history as a solid investment with steady growth. Taxi medallions also provide both a reliable and consistent income and guaranteed employment. Moreover, a medallion may be used as collateral that can assist in home financing, college tuition, and a comfortable retirement. As an agency, TLC is proud of its efforts, and eagerly anticipates its next sale in the year to come.

On March 30, 2004, at its scheduled public hearing, the Taxi and Limousine Board of Commissioners unanimously voted for the first fare adjustment since 1996. Effective as of May 3, 2004, the rulemaking mandated a 26% increase per ride, and an eight-percent (8%) increase on the maximum lease rates that owners may charge to drivers. New among the fare structure was an increase in the initial charge (or “drop”) from \$2.00 to \$2.50, and a \$1.00 rush hour surcharge from 4pm-8pm on weekdays, intended to increase the amount of cabs available during that time. Before deciding to increase the rate of fare, TLC extensively reviewed and verified all available data. The staff at TLC and the Department of Transportation (DOT) worked hard to apply the law and analyze the public policy ramifications of these decisions before making recommendations to the Board of Commissioners. First among priorities in deliberating an increase in fares was to ensure that drivers could earn a livable wage.

At the time the Board of Commissioners adopted an increase in taxi fares on March 30, it also promulgated regulations mandating service enhancements for each of the City's medallion taxicabs – service enhancements designed to further enrich the quality of the taxicab ride. Scratch-free partitions will enable riders to better view the driver's name and license, while improving rear window visibility for the driver as well. With the implementation of credit card machines in taxicabs, riders will be able to choose the payment method for the trip. Technology will be utilized for in-car mapping capabilities, electronic trip sheets and automated data collection. Navigational equipment can enable drivers to more easily determine the most direct route to be traveled, as well as allow passengers to visually track the taxicab's route on a map screen visible from the rear compartment. The communications system that is part of the new technology will offer numerous benefits, including the ability to interface directly with individual taxicabs to facilitate the return of lost property, and to notify drivers of business opportunities throughout the City. In sum, the data potentially received via these improvements will offer TLC an analytical tool of unparalleled proportions. It is anticipated that most service improvements will be implemented by November 2005.

Enhancing Communication

Time and again, the TLC website has proven among the most effective means of transmitting information to regulated industries and the riding public at large. The public can use the site to learn about passenger fare information, to find TLC-licensed businesses in their area, or to file compliments, service complaints, or lost property inquiries. Licensed industries can use it to transact agency business on-line instead of in-person – thereby helping to reduce foot traffic for certain transactions at TLC facilities and allowing the agency to serve more people, with fewer resources, in less time. In 2004, TLC's website witnessed a 30% increase in the number of hits as compared to the year before.

In order to respond to the increased number of e-mails sent to the agency website and improve responsiveness to the public, TLC created a Correspondence Unit in 2002, which has been successful in enhancing response time to all correspondence. Through 2004, an average of 99% of all correspondence is answered within 10 business days.

Improving Customer Service

In addition to researching, developing and ensuring installation of technological enhancements as described above, in 2004 TLC continued to oversee the phase-in of newer, larger and more comfortable taxicabs, and continues to encourage the use of minivans as taxis. TLC has progressed with implementation of its wheelchair-accessible rule, visiting over 700 of its licensed bases in 2004, summoning more than 200 for failing to demonstrate proof of compliance with the rule, and designating another 20 bases as approved providers for contract and provision of transportation for passengers with disabilities. It remains a TLC priority to continue its efforts to expand for-hire, wheelchair-accessible services.

TLC realizes that along with the riding public, its licensees are also among its many customers. Beyond the fare increase, in 2004 TLC made a concerted effort to reach out and assist these constituents as needed – and to recognize them for their efforts. From the Taxicab Job Fair to Driver Recognition Ceremony, from working to offer Spanish-language scholarships for taxi schools to modernizing the testing process, and from overseeing the improvement of student training materials to moving toward designation of a new training facility, TLC has had a positive impact on the lives of its licensees.

Streamlining Operations

TLC is also committed to maintaining high standards of customer service for the applicants and licensees who visit TLC's various facilities. Building upon the reductions in waiting time in the Adjudications Division in 2002, several modifications to the way applicants are served have resulted

in the significant reduction of waiting time in the agency's Licensing Division.

Focusing Enforcement Efforts

Finally, in setting out to preserve the high licensing standards implemented by TLC and the City Council over the years by curtailing illegal for-hire vehicle activity—which presents a safety risk for the public and a threat to the business of legitimate licensees—TLC has continued to make strides. An emphasis has been placed on holding licensed for-hire vehicle bases more accountable by instituting proceedings that may include the imposition of fines, license suspension and even revocation for dispatching unlicensed or suspended drivers, uninsured or underinsured vehicles, or for operating with a suspended base license. Specially-targeted operations have also been conducted to ensure that service to the public is of the utmost quality and availability from all licensed industries. TLC continues its Operation Refusal initiative, which focuses enforcement on drivers refusing service to passengers based on destination, age, race, disability and more.

Priorities for 2005

While 2004 proved quite busy and productive, 2005 promises to be equally so. As TLC builds on its successes, it also furthers its preparatory work for a final medallion sale and for implementation of technological enhancements in all taxicabs, while renewing its commitment to provide a still higher level of service for the whole of New York City's riding public. While maintaining and building on the successes contained in this report will be quite a task, TLC, as ever, remains ready to meet these challenges.



INDUSTRY AND AGENCY OVERVIEW

TLC is responsible for licensing and regulating the 12,741 medallion taxicabs currently authorized to accept hails from passengers within the five (5) boroughs of the City of New York, as well as for-hire vehicles, which are authorized to accept passengers by radio dispatch. For-hire vehicles (FHVs) include community car service vehicles, black cars (which primarily serve corporate clients), and luxury limousines with a seating capacity of up to 20 passengers. TLC also licenses and regulates wheelchair-accessible ambulettes (also known as paratransit vehicles), and commuter vans, which are vehicles with a seating capacity of between nine (9) and 20 passengers authorized to transport passengers by pre-arrangement within approved geographic areas.

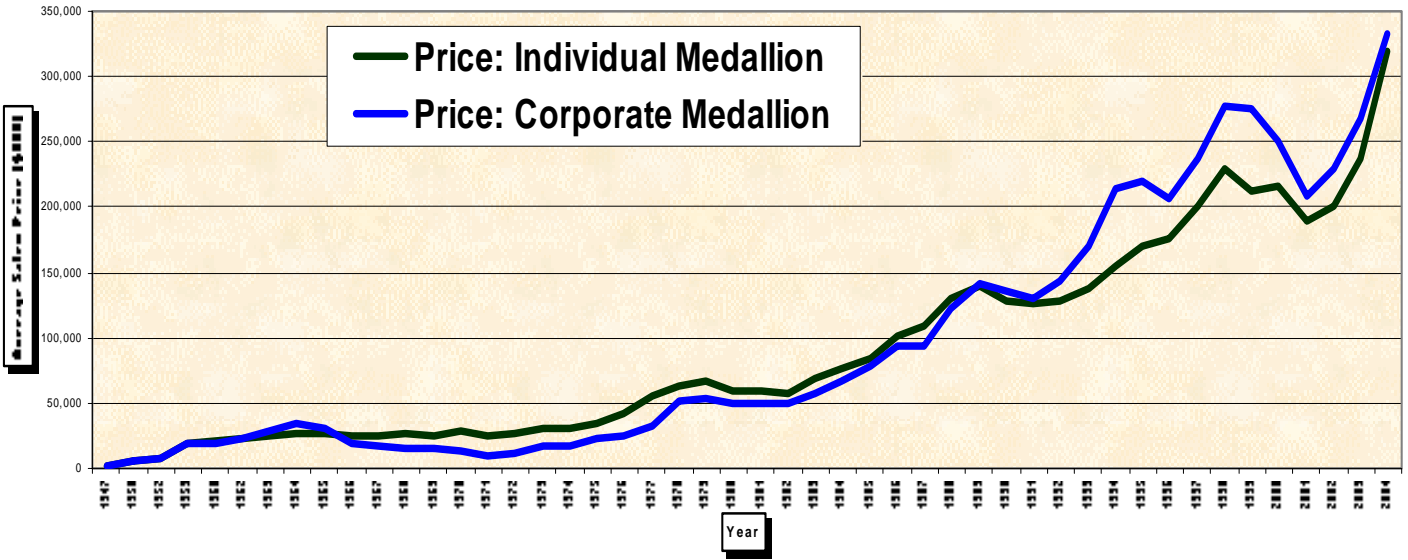
Finally, TLC also licenses and regulates businesses that manufacture, install or repair taximeters used in New York City taxicabs, brokers that assist buyers and sellers of taxicab medallions, and agents that operate taxicab medallions on behalf of owners. The following chart depicts the number of current licenses issued by TLC as of December 31, 2004, compared with the end of the previous year.

Table 1: Comparison of TLC License Types

LICENSE TYPE	ACTIVE LICENSES <i>(December 31, 2004)</i>	ACTIVE LICENSES <i>(December 31, 2003)</i>
<i>Business Licenses</i>		
For-Hire Vehicle Bases	539	517
Luxury Limousine Bases	115	118
Black Car Bases	69	60
Taximeter Businesses	27	26
Taxicab Brokers	24	27
Taxicab Agents	74	75
<i>Vehicle Licenses</i>		
Taxicab	12,741	12,187
For-Hire Vehicle (<i>Tier 1</i>)	40,074	42,466
Paratransit	2,408	2,352
Commuter Van	323	384
<i>Driver Licenses</i>		
Taxicab	42,311	41,428
For-Hire Vehicle	54,246	58,147
Paratransit	1,571	1,470
Commuter Van	273	350
TOTAL	154,795	159,607

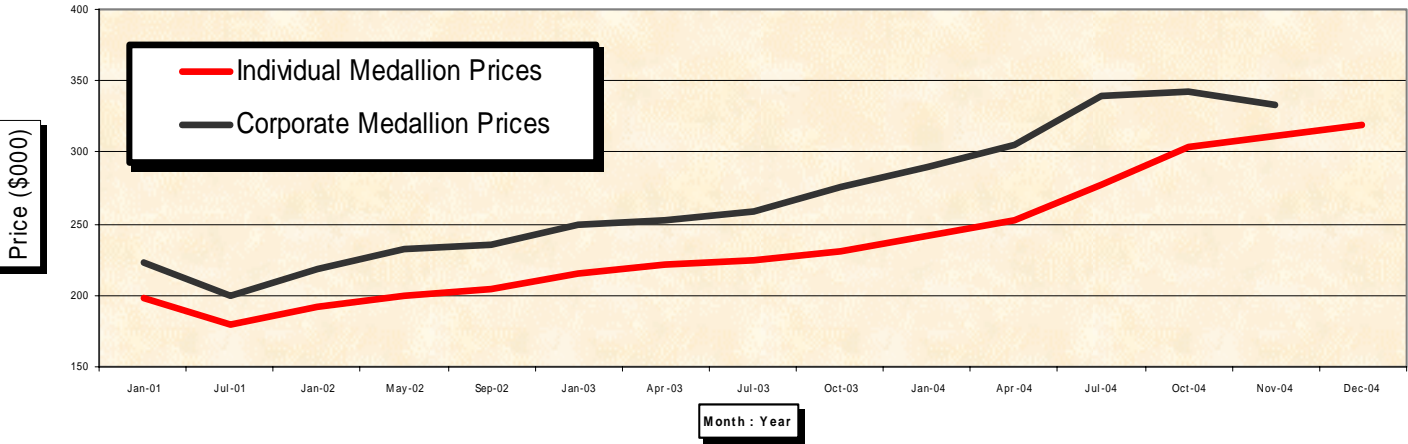
The industry most familiar to New Yorkers is the medallion taxicab industry. The number of taxicabs is fixed by law; a new law passed by the State and City in 2003 enables TLC to sell up to 300 new medallions in Fiscal 2004, 2005 and 2006, eventually increasing the set number of licensed taxicabs to 13,087. Unlike other licenses issued by TLC, taxicab licenses are transferable, and may be pledged as security for loans. Since this license provides the holder with the exclusive right to accept street hails in the City of New York, it has a considerable value. Although licenses are purchased and sold in private sales, TLC reviews and approves each transaction to ensure that the purchaser meets all of the criteria for licensure, and that the seller's creditors and claimants have been paid from the proceeds of the sale. While maintaining the price of the medallion is not a regulatory purpose of TLC, strong medallion values may be viewed as a barometer of the overall health of the industry. The following chart depicts average medallion sales prices from 1947 to the present. (4)

Medallion Sale Prices: 1947 to Present



In November 2004, the average sales price for a corporate medallion was \$333,000, an increase of 24% from the prior year. In December 2004, the average price of an individual medallion was \$320,000, an increase of 35% from the prior year. (5)

Taxicab Medallion Prices: January 2001-Present



Through the year, TLC accomplished its goals with a Fiscal 2004 budget of \$23,492,355 comprised of \$17,923,470 for personal services (PS) and \$5,568,885 for other than personal services (OTPS). In addition, TLC had an authorized headcount of 422, with an active headcount of 374 employees.

MAJOR AGENCY INITIATIVES OF 2004

Medallion Sales

Among TLC's most significant accomplishments of 2004 were the sales of nearly 600 new taxicab medallions via two (2) sales during the year, in April and October. In addition to providing the opportunity for many individuals both within and beyond the New York City taxicab industry to start and run their own small business, these sales have resulted in anticipated revenue of nearly \$200 million. A third sale, scheduled for 2005, is expected to result in an additional 300 medallions sold, increasing the number of licensed taxicabs to over 13,000 citywide. These new medallion taxicabs have and will continue to better enable the industry meet the public demand for service, as well as affording investors (both within and beyond the industry) and individual owner-operators the opportunity to enter the taxicab business.

Enabling Legislation and Environmental Review Process

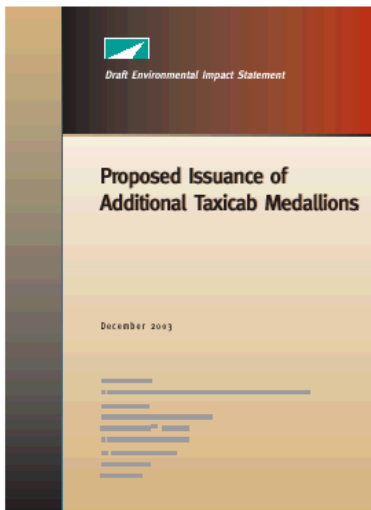
In 2003 TLC was conferred the authority to issue new licenses, pursuant to State Law in May 2003, local enabling legislation passed by the City Council in June, and signed into law by Mayor Bloomberg in July 2003. This Local Law further specified that at least nine-percent (9%) of any medallions issued be set aside for use with alternative fuel vehicles and wheelchair-accessible vehicles, provided the bid price for these restricted medallions was at least 90% of the average price achieved for standard medallions. As none of the set-asides were sold in the April sale—for failing to garner required 90% of selling price—this process was modified for the October sale by setting the minimum upset prices for such medallions at significantly reduced rates. Moreover, these minimum prices were not linked with those for standard medallions; TLC also accepted and opened bids for alternative fuel and accessible vehicle medallions before those for standard medallions.



In order to determine whether the sale of 900 additional taxicabs would impact on air quality, traffic conditions or other important socioeconomic and environmental concerns, TLC—as required pursuant to Executive Order 91 of 1977, as amended, the Rules of Procedure for City Environmental Quality Review, and Section 8 of the New York State Environmental Conservation Law—hired a consultant to conduct an environmental review and prepare an Environmental Impact Statement (EIS) regarding the issuance of additional taxicab medallions.

After a formal bid process, Urbitran Associates was chosen as the consultant to prepare the EIS. Urbitran Associates is a corporation that has over 200 engineers, planners, and architects who, for the last 30 years, have handled projects for municipalities across the United States as well as local New York City agencies.

In December 2003, Urbitran Associates prepared an analysis and issued a Draft Environmental Impact Statement (DEIS), holding that no significant adverse traffic, noise, air or other environmental impact would occur from the issuance of the additional medallions. Public hearings on the DEIS were held in early January, with written comments also accepted, in accordance with State and City environmental regulations, until January 23. The environmental/transportation consultant then completed its review and addressed all public comments received, and on February 25 TLC published a Notice of Completion of the Final Environmental Impact Statement (FEIS) for the proposed issuance of 900 medallions. In the FEIS, Urbitran concluded that the addition of these 900 vehicles would have no significant adverse impact upon air quality. The FEIS also concluded that the proposed action would have an impact upon traffic congestion at certain key intersections in the



central business district, which could be mitigated by making minor changes to traffic light sequences and pavement markings. The FEIS received extensive input from the Mayor's Office of Environmental Coordination and other interested City agencies. The entire process was completed on March 8, 2004, with the issuance of a Statement of Findings.

Commission Action for April Sale

On January 29, TLC's Board of Commissioners met and adopted procedures governing the issuance of additional taxicab medallions, which described the bid, auction and closing practices for the upcoming sale. The final rules were published in *The City Record* in early February, and became effective in early March.

Medallion Sale Outreach

To pique public interest in the medallion sale, TLC developed a comprehensive business, outreach and marketing plan. To this end, TLC targeted both industry insiders, including businesses that already owned taxicab medallions, and newcomers to the industry who were either looking for new career opportunities or a solid investment. TLC also launched a companion website on www.nyc.gov/taxi dedicated exclusively to the 2004 Medallion Sales.

Informational Seminars and Technical Workshops

In early March, TLC conducted free medallion sale information seminars in each of the City's five (5) boroughs. At these seminars, prospective buyers were presented with an overview of the medallion taxicab industry and provided with information regarding estimated income and expenses, as well as a history of return on investment for both individual and corporate medallions. These seminars also included comprehensive reviews of the medallion bidding process. TLC staff delivered informational presentations regarding the benefits of and qualifications for ownership, the bidding and closing processes, and financing options. Following the presentations—eventually attended by over 1,300 guests—attendees participated in question and answer sessions with TLC staff. In addition to Medallion Sale Information Kits and bid packages, other TLC materials were made available to attendees, including licensing applications, health insurance materials, and information on wheelchair-accessible and alternative fuel vehicles. As a follow-up, TLC also conducted technical workshops to walk potential buyers through the intricacies of the bidding process; technical seminars for lenders and brokers were also conducted. Completing the process, the agency conducted various workshops for the winning bidders shortly after the bid openings.



Advertising Campaign

To promote the upcoming medallion sale and related events, TLC also launched an advertising campaign consisting of two (2) print ads and professionally produced television and radio spots. The print portion of the campaign consisted of one (1) advertisement to promote TLC's series of medallion sale seminars in each of the five (5) boroughs and another follow-up advertisement emphasizing the positive aspects of medallion ownership. Each advertisement had a two (2)-week run in 25 major daily, weekly and ethnic publications, including Crain's New York Business, the New York Post, the Staten Island Advance and the three (3) major Spanish daily newspapers. TLC also engaged the services of a frequent NYC TV collaborator to produce



commercials for television and radio, with the assistance of a NYC TV camera crew to minimize production costs. The television portion of the campaign aired on NYC TV and free of charge on three (3) of the five (5) borough cable access channels—CTV (Staten Island), QPTV (Queens) and Bronxnet—with paid spots airing on NY1, Fox News, CNBC, MSNBC and MSG. On radio, TLC's commercial ran on 1010 WINS and WQXR. The results from this effort were encouraging, judging from the nearly 2,000 interested people who contacted TLC via e-mail, telephone or in person. To further stimulate and sustain interest as the bid package submission dates approached, TLC distributed reminder fliers at various locations citywide, and made phone calls to those who previously expressed interest, reminding them of the upcoming opportunity.

Upset Prices and Integrity Assurance

The minimum upset prices for the new medallions, sold via closed bid auction in April 2004, and in accordance with the rules promulgated by TLC's Commissioners, were established as follows: \$550,000 for each lot of two (2) standard corporate (minifleet) medallions; \$495,000 for each lot of two (2) alternative fuel/accessible vehicle corporate medallions; \$233,000 for each individual medallion; \$210,000 for each alternative fuel/accessible vehicle individual medallion. The minimum upset prices were set based upon a six (6)-month average of medallion prices, in consultation with DOT and the Mayor's Office of Management and Budget (OMB).

In preparation for receiving bids and the bid openings, TLC developed detailed standard operating procedures, which also outlined security measures to ensure the integrity of the process from beginning to end. In addition, staff developed a database to display the bids at the bid opening site and to identify the winning bids for each category of medallion. In the weeks leading to the bid openings, multiple mock bidding sessions and dry runs of the entire process were conducted to ensure a seamless event.

Bid Acceptance and Openings

On April 16 and 23, 2004, 670 sealed bids for the first new taxicab medallions available since 1997 were opened at the New School's Tishman Auditorium.

⇒ Bid Opening of April 16th

Bids for corporate medallions (sold in lots of two (2)) were accepted from interested parties from Monday, April 12 through Thursday, April 15 at TLC's Rector Street office. On April 16, TLC announced the unofficial winners of the auction by tallying the 87 highest bids received (all winners were made "official" upon clearance of their financing and other appropriate documentation). The lowest winning bid for this sale was \$681,100.99 with the highest totaling \$712,101.00; the average winning bid was \$688,846.00. Of the 400 bid packages received for this sale, 394 were for standard corporate medallions while six (6) were for medallions to be placed on wheelchair-accessible taxicabs; no bids were received for medallions to be used on compressed natural gas (CNG) or alternative fuel taxicabs. Each of the six (6) bid totals for the wheelchair-accessible medallions was below 90% of the average total sales price for standard medallions and, pursuant to local law, were placed back into the standard medallion pool.



TABLE 2: Medallion Auction Results (“Minifleet” Medallions)

Highest Winning Bid	\$712,101.00
Lowest Winning Bid	\$681,100.99
Average Winning Bid	\$688,846.00
Total No. of Bids Received	394
Number of "Valid" Bids	382
Number of "Below Bid" Bids	3
No. of "Incomplete" Bids	9

⇒ Bid Opening of April 23^d

Bids for 126 individual medallions, which must be affixed to taxicabs that are personally driven by their owners a minimum of 210 shifts per year, were accepted from interested parties at TLC’s Rector Street Office from Monday, April 19 through Thursday, April 22; bids were opened on April 23. At the conclusion of all bid openings, TLC announced the unofficial winners of the auction by tallying the 126 highest bids received. The lowest winning bid for this sale was \$283,299.99 with the highest totaling \$311,111.11; the average winning bid was \$292,580.86. It should also be noted that as none of the 270 bid packages received for this sale was submitted for wheelchair-accessible or CNG/alternative fuel medallions, all 126 individual medallions were sold as standard medallions, pursuant to local law.

TABLE 3: Medallion Auction Results (Individual Medallions)

Highest Winning Bid	\$311,111.11
Lowest Winning Bid	\$283,299.99
Average Winning Bid	\$292,580.86
Total No. of Bids Received	270
Number of "Valid" Bids	257
Number of "Below Bid" Bids	1
No. of "Incomplete" Bids	12

Medallion Closings and New Taxicab “Hack-Ups”

After the sale, owners of all 300 new medallions closed their sales with TLC by the end of Fiscal 2004 (June 30), resulting in approximately \$96.7 million in total revenue collected. The first hack-up of new taxicabs took place at TLC’s Woodside facility on May 5. As of September 1, all of the new taxicabs were hacked-up and placed into service. Of the 300 new medallions, 174 were corporate medallions and 126 were individual medallions.

Based on the high interest from the first sale, and to give those who were not successful or who did not submit a bid the opportunity to become an owner, TLC decided to schedule its second medallion sale soon after the first; there was also the goal of having more taxis available for the busy holiday season. Therefore, building on the success of April’s sale, TLC further refined agency coordination and community outreach in its sale scheduled for October.

Commission Action for October Sale

In late August, TLC conducted a public hearing regarding the proposed amendments to the rules governing the issuance and public sale of taxicab licenses. After hearing testimony from members of the industry and advocates from the disability community, the Board of Commissioners voted unanimously to adopt the rules as proposed, which were published in *The City Record* on September 3.

The amendments were geared to assist in the marketability of wheelchair-accessible and alternative fuel medallions. Amendments included elimination of the restriction on owning multiple individual medallions, and removal of the stipulation that a minifleet owner not have a financial interest in an individual medallion (provided the medallion is of the wheelchair-accessible or alternative fuel variety). The rules also provided for stand-alone auctions of the wheelchair-accessible and alternative fuel medallions, and eliminated the requirement that the medallion upset price be linked to the average price of standard medallions. It is also important to note that although there was some discussion about legislation to change the ownership ratio for the remaining medallions to be sold, the traditional ratio of 60% corporate (minifleet) and 40% individual medallions will be maintained for all remaining sales through 2005.



Medallion Sale Outreach and Technical Workshops

Much as it did in preparing for the April sale, TLC conducted outreach seminars for the potential purchasing public in mid-September, two (2) each in Manhattan and Queens; nearly 400 interested parties attended these events. Moreover, in late September, technical workshops, to instruct potential bidders in the preparation of their bid submissions, were conducted.

Upset Prices and Integrity Assurance

In furtherance of the medallion taxicab sales scheduled for October, TLC published a notice of bid collection and opening date, along with minimum upset prices, in *The City Record* in September. The minimum upset prices, sold via closed bid auction and in accordance with the rules promulgated by TLC's Commissioners, were published as follows: alternative fuel/accessible vehicle medallions, \$219,000; individual medallions, \$267,000; and minifleet medallions at \$630,000 per lot of two (2) medallions. These minimum upset prices were set in collaboration with OMB. TLC staff also employed the same standard operating procedure and chain-of-custody practices that had proved effective during the previous sale.



Bid Acceptance and Openings

Bids were accepted for accessible vehicle, alternative fuel, and standard individual medallions from Tuesday, October 12 through Thursday, October 14, while bids for standard minifleet medallions were received from Tuesday, October 19 through Thursday, October 21.

On October 15, TLC opened 89 bids for wheelchair-accessible taxicab medallions at its 40 Rector Street Offices. Twenty-seven wheelchair-accessible medallions were sold, at an average price of \$275,262.28; the highest winning bid was \$347,000.01 and the lowest was \$262,611.00. These successful bid openings marked the first time in New York City history that such designated taxicab medallions had been sold. In addition, there were bids, all of which met the minimum requirements, for 19 alternative fuel medallions. The average alternative fuel bid was \$222,742.59, with a high of \$225,111.20 and a low of \$220,111.00.

TABLE 4: Medallion Auction Results (*Accessible Vehicle Medallions*)

Highest Winning Bid	\$347,000.01
Lowest Winning Bid	\$262,611.00
Average Winning Bid	\$275,262.28
Total No. of Bids Received	89
Number of "Valid" Bids	89
Number of "Below Bid" Bids	0
No. of "Incomplete" Bids	0

TABLE 5: Medallion Auction Results (*Alternative Fuel Medallions*)

Highest Winning Bid	\$225,111.20
Lowest Winning Bid	\$220,111.00
Average Winning Bid	\$222,742.59
Total No. of Bids Received	10
Number of "Valid" Bids	10
Number of "Below Bid" Bids	0
No. of "Incomplete" Bids	0

On October 18, TLC opened 289 bids for individual medallions, which resulted in 116 medallions being sold at an average price of \$339,207.36, with a high bid of \$360,000.00 and a low of \$332,027.62

TABLE 6: Medallion Auction Results (*Individual Medallions - II*)

Highest Winning Bid	\$360,000.00
Lowest Winning Bid	\$332,027.62
Average Winning Bid	\$339,207.36
Total No. of Bids Received	289
Number of "Valid" Bids	288
No. of Incomplete Bids	1

October's number of 289 bids was an increase over the 270 bids for individual medallions received during the prior auction. The high bid at the April auction for individual medallions was \$311,111.11, a difference of \$48,888.89 as compared to October's winning bid. The lowest winning bid at the April auction for an individual medallion was \$283,299.99, representing a difference of \$48,727.63. The average winning bid for an individual medallion at the April auction was \$292,580.86, representing a difference of \$46,626.50.

Lastly, on October 22 TLC opened 229 bids for 130 available corporate medallions; the 65 winning bids had an average selling price of \$785,801.06, with a high bid of \$815,102.51 and a low of \$775,026.00.

TABLE 7: Medallion Auction Results (“Minifleet” Medallions - II)

Highest Winning Bid	\$815,102.51
Lowest Winning Bid	\$775,026.00
Average Winning Bid	\$785,801.06
Total No. of Bids Received	232
Number of "Valid" Bids	229
Number of "Invalid" Bids	3

The high bid at the April 16 auction for corporate medallions was \$712,101.00 for a lot of two (2), a difference of \$103,001.51, or 14%, as compared to October's high winning bid. The lowest winning bid at the April auction for a corporate medallion was \$681,100.99 for a lot of two (2), representing a difference of \$93,925.01, or 14%, as compared to October's lowest winning bid for a lot of two (2) medallions. The average winning bid for a lot of two (2) corporate medallions at the April auction was \$688,846.00, representing a difference of \$96,955.06, also 14%, as compared to October's average winning bid.

Individual and corporate medallion bid openings took place at the Saval Auditorium of St. John's University in Manhattan. Much like the process of opening the alternative fuel/accessible vehicle packages, the bid amounts were read aloud and processed by a team of trained TLC staff. A large screen flashed the ranking of the bids, allowing prospective new medallion owners to monitor their progress and ultimately determine whether they prevailed in their effort.

After all the final bids were opened, TLC conducted a Winners' Circle Workshop on October 27. All successful bidders who attended were instructed in the finalization of the closing process. TLC has also made expedited medallion closing and "hack-up" procedures available to winning bidders in order to facilitate their successful start-up.

Medallion Closings and New Taxicab “Hack-Ups”

Overall October Medallion Sales resulted in anticipated revenue at closing of over \$100 million, consisting of approximately \$51 million for corporate medallions, \$39 million for individual medallions, and \$11 million for alternative fuel and accessible vehicle medallions. As of December 29, 2004, closings for 254 medallions had taken place, 115 of which were individual and 139 of which were corporate. The first hack-up of new taxicabs commenced at TLC's Woodside facility on November 1; by the close of business on December 30, 230 new taxicabs (119 corporate and 111 individual) had been placed into service. Of the 292 new medallions sold in the October sale, 130 were corporate and 116 were individual; 27 were designated for use on wheelchair-accessible vehicles and 19 were designated for use on alternative fuel vehicles.



Taxicab Fare Increase

Issue History

On December 19, 2003, two (2) petitions regarding the rate of fare charged by New York City medallion taxicabs were accepted as to form by TLC's General Counsel. One (1) petition, filed by the Metropolitan Taxicab Board of Trade (MTBOT), an organization representing taxicab fleet owners, called for a 23% increase in fares. A second petition, filed by the Taxi Workers' Alliance (TWA), an organization of drivers, called for a 44% fare increase. These petitions also addressed the maximum rates that a medallion owner may charge a driver to lease a taxicab, which have been regulated by TLC since 1996. The MTBOT petition called for an increase in maximum lease rates, while TWA requested that lease rates be reduced.

In reviewing the petitions for an increase in the medallion taxicab rate of fare, TLC and DOT sought to balance the needs and considerations of drivers and owners with those of the riding public, informed by the histories of previous fare increases. In so doing, the agency was able to formulate a fair, reasonable and timely increase, with significant gains for owners, drivers, and passengers alike.

Prior to 2004, TLC had not increased the taxi fare in eight (8) years. The January 25, 1996 fare hike (effective March 1, 1996), at that time the first since 1990, increased taxi fares by 20%. Specifically, the charge for the first one-fifth mile was raised to \$2.00 (from \$1.50), and the rate for each additional one-fifth mile was increased to 30 cents (from 25 cents). The 20 cents stopped/slow traffic and 50 cents night surcharge remained unchanged, and TLC at the time estimated the average cab fare to increase from \$5.50 to \$6.60. The 1996 Fare Increase was coupled with a rule requiring mandatory vehicle retirement for all taxicabs after five (5) years, with certain applicable financial hardship exemptions.

After comprehensive review and analysis, on January 28 TLC and DOT issued a press release to announce TLC's proposed fare increase of 26%. In deciding on this increase, the following facts, along with an analysis of the costs of medallion operation and the effects of the 1996 fare hike on ridership and driver revenue, were considered:

- After adjusting for inflation, the current medallion taxi fare in New York City was at a 35-year low. (In 2003, the fare was at its lowest point since 1967, when it was \$6.46 in current dollars). (6)
- Compared with the public transit fare, the taxi fare was also at a post-World War II low. The average taxi fare was only 4.1 times the transit fare, compared with a multiple of about 5.0 through most of the past 15 years. (7)
- Historically, an increase in public transit fares has triggered an increase in the taxicab rates of fare, and public transit fares witnessed a 50-cent increase in May 2003. Prior to that increase, public transit rates had not increased since 1995, one year prior to the 1996 Fare Increase.
- The taxi fare for a 2.8-mile trip was lower in New York City (\$6.85) than in any of the 14 U.S. cities with 1,300 or more metered taxicabs. (8) San Francisco (\$10.85 average fare) and Boston (\$10.08) have the highest fares. Fares for a 2.8-mile trip are \$9.19 in Los Angeles and \$7.77 in Chicago. (9)
- Of the 15 cities with 1,300 or more taxicabs (including Washington, D.C., which uses a zone system), only two cities have gone longer than New York without a fare increase. (10)

The press release also detailed the four (4) service improvements that were being explored, including: GPS technology (to track and locate taxicabs, assist in navigation, and enhance communication with drivers and passengers); group ride stands (throughout the City, where taxicab riders going to common destinations would each pay less and drivers would earn more per trip);

credit/debit card capability (requiring taxicabs to accept most forms of debit and credit cards for payment); and better partitions (requiring all taxicabs to be equipped with new scratch and cloud-resistant partitions, allowing passengers to more clearly see the driver's license and further enhance visibility). After the press release, TLC staff also prepared, in consultation with the Law Department, draft rulemaking with respect to the fare increase, proposed service improvements, and adjustments to the maximum lease rates that may be charged drivers; all proposals were published in *The City Record* on February 27.

Public Hearings and Commission Action

On February 26, the TLC Board of Commissioners conducted a public meeting followed by an executive session. The New York City Police Department (NYPD) made a presentation showing a correlation between the prolonged decrease in medallion taxicab and FHV crime rates and the mandatory installation of partitions in both taxicabs and FHVs, and pointed toward the continued use of the partitions as a crime-prevention measure. In addition, a presentation regarding the fare increase proposal was made by DOT, analyzing the costs of operation of medallion taxicabs, changes in regulations and environment (such as mass transit fares), and their impacts upon both industry drivers and owners. Staff also discussed the effects of the 1996 Fare Increase in terms of ridership and driver revenue, as well as justifications for a fare increase.

TLC also scheduled a public hearing for March 30 to accept public comment with respect to all new rule proposals. At this hearing, after accepting public comment with respect to a series of rule proposals, rulemaking was passed unanimously. Among the new rules passed were the proposals to adjust maximum lease rates (see Table 8), to expand group riding, to require that taxicab partitions be scratch-resistant, and to require the installation of vehicle locator, data transmission and credit/debit card equipment. Pursuant to the rules as passed, these enhancements will be required of all new taxicabs coming into service on or after November 1, 2005, and for every existing taxicab by its first inspection subsequent to that date.

TABLE 8: New Limitations on Lease Rates Charged to Drivers

TYPE OF SHIFT	OLD LEASE CAP	NEW LEASE CAP
Daily Rates (<i>Day Shift</i>)	\$103	\$105
Daily Rates (<i>Night Shift: Sun., Mon., Tues.</i>)	\$103	\$115
Daily Rates (<i>Night Shift Weds.</i>)	\$103	\$120
Daily Rates (<i>Night Shift Thurs., Fri., Sat.</i>)	\$112	\$129
Weekly (<i>12-hour car and medallion</i>)	\$617	\$666
Weekly (<i>24-hour medallion only</i>)	\$741	\$800

New Taxicab Rate of Fare

Most imminent among the new rules passed on March 30, however, was an increase in the amount of the metered rate of fare, which after being published in *The City Record* on April 2, took effect on Monday, May 3, 2004. Specifically, the new fare structure included an increase in the minimum fare (or “drop”) from \$2.00 to \$2.50, an increase from 30 cents to 40 cents per one-fifth mile, an increase from \$35 to \$45 for the JFK-Manhattan flat fare, and a \$10 increase to the Newark Airport surcharge. In addition to the new \$1.00 peak pricing concept from 4pm-8pm on weekdays included in the new rate of fare rules as adopted, the existing 50 cents night surcharge was retained.

TABLE 9: New York City Taxi Fares Since 1952

				<i>Charge per -</i>	<i>Charge per-</i>	
HISTORY	INITIAL CHARGE	MILEAGE CHARGE	WAIT TIME	MILE	MINUTE	AVG. FARE*
Pre-July 1952	\$0.20 first 1/4 mi.	\$0.05 per 1/4 mi.	\$0.05 per 2 min.	\$0.20	\$0.03	\$0.83
July 1952	\$0.25 first 1/5 mi.	\$0.05 per 1/5 mi.	\$0.05 per 90 sec.	\$0.25	\$0.03	\$1.06
Dec. 1964	\$0.35 first 1/5 mi.	\$0.05 per 1/5 mi.	\$0.05 per 90 sec.	\$0.25	\$0.03	\$1.16
Jan. 1968	\$0.45 first 1/6 mi.	\$0.10 per 1/3 mi.	\$0.10 per 2 min.	\$0.30	\$0.05	\$1.48
Mar. 1971	\$0.60 first 1/5 mi.	\$0.10 per 1/5 mi.	\$0.10 per 72 sec.	\$0.50	\$0.08	\$2.30
Nov. 1974	\$0.65 first 1/6 mi.	\$0.10 per 1/6 mi.	\$0.10 per 60 sec.	\$0.60	\$0.10	\$2.71
Mar. 1977	\$0.75 first 1/7 mi.	\$0.10 per 1/7 mi.	\$0.10 per 60 sec.	\$0.70	\$0.10	\$3.09
July 1979	\$0.90 first 1/7 mi.	\$0.10 per 1/7 mi.	\$0.10 per 60 sec.	\$0.70	\$0.10	\$3.24
April 1980	\$1.00 first 1/9 mi.	\$0.10 per 1/9 mi.	\$0.10 per 45 sec.	\$0.90	\$0.13	\$4.06
July 1984	\$1.10 first 1/9 mi.	\$0.10 per 1/9 mi.	\$0.10 per 45 sec.	\$0.90	\$0.13	\$4.16
May 1987	\$1.15 first 1/8 mi.	\$0.15 per 1/8 mi.	\$0.15 per 60 sec.	\$1.20	\$0.15	\$5.08
Jan. 1990	\$1.50 first 1/5 mi.	\$0.25 per 1/5 mi.	\$0.25 per 75 sec.	\$1.25	\$0.20	\$5.70
Mar. 1996	\$2.00 first 1/5 mi.	\$0.30 per 1/5 mi.	\$0.30 per 90 sec.	\$1.50	\$0.20	\$6.85
May 2004	\$2.50 first 1/5 mi.	\$0.40 per 1/5 mi.	\$0.40 per 120 sec.	\$2.00	\$0.20	\$8.65

Source: *2004 NYC Taxicab Fact Book*, Schaller Consulting

Notes:

- A night surcharge, applying to trips beginning between 8pm and 6am, was added in May 1981. The surcharge was rescinded in January 1982 for all but the 2,300 fleet cabs. The surcharge was extended to the entire industry in May 1987.
- A \$1 surcharge for trips beginning between 4pm and 8pm was added in May 2004.
- A \$30 flat fare from JFK Airport to Manhattan, adopted in January 1996, was increased to \$35 in 2001 and \$45 in 2004.
- The surcharge for trips to Newark Airport was increased from \$10 to \$15 in May 2004.

*Average fare based on 2.8-mile trip with 4.77 minutes of wait time.

Preparing the Industry and Public

To prepare for a timely and efficient transition to the revised fares, TLC developed an implementation timeline and met with its licensed meter shops to brief them regarding steps to be taken prior to the implementation date. On April 16, TLC issued an industry notice to prepare the industry for the change. The notice, mailed to all medallion owners and made available on the TLC website, detailed the new rate of fare and provided information specific to taximeter re-calibration, as well as new door fare decals, plaques and stickers. On April 30, TLC also issued a press release to inform and remind the public of the new rates.

Fare Increase Analysis

Perhaps most importantly, the increase as enacted will go a long way toward successfully providing drivers with a living wage (approximately \$12 per hour), something that remained a priority for TLC and Board of Commissioners in deciding upon an appropriate rate of fare.

With the new fare, even as compared to other top cities (defined as those with 1,300 or more taxicabs), New York still ranks below San Francisco, Honolulu, Boston, Los Vegas and Los Angeles, and is competitive with Houston, Atlanta and Detroit.



TABLE 10: Relative New York City Taxi Fares, Then and Now

	<i>NYC AVG. TRIP</i>	<i>U.S. AVG. TRIP</i>
DISTANCE (miles)	2.80	5.00
WAIT TIME (minutes)	4.77	5.00
San Francisco	\$10.85	\$15.90
Honolulu	\$10.58	\$15.95
Boston	\$10.08	\$15.45
Las Vegas	\$9.30	\$13.35
Los Angeles	\$9.19	\$13.68
New York City (new)	\$8.65	\$13.10
Houston	\$8.40	\$12.10
Atlanta	\$8.08	\$12.00
Detroit	\$8.05	\$11.63
Miami	\$8.03	\$12.50
Chicago	\$7.77	\$11.37
Philadelphia	\$7.49	\$11.50
Dallas	\$7.35	\$10.93
New Orleans	\$7.09	\$9.80
New York City (old)	\$6.85	\$10.20
Washington, D.C.	Zone fares	Zone Fares

Source: "The NYC Taxi Fare Increase," Schaller Consulting

Notes:

- NYC average trip is 2.8 miles with 4.77 minutes of waiting time.
- U.S. average trip is estimated as 5 miles with 5 minutes of waiting time.

Taxicab Service Improvements

Since the final rules regarding shared ride locations, new taxicab partitions and various technological enhancements were passed on March 30, TLC has made significant strides toward their development and implementation, which it looks to fully accomplish in 2005.

Project Goals and Objectives

TLC's goals and objectives for its technological service enhancement project are:

- To enhance service for the riding public by implementing the electronic collection of trip data, credit/debit card payment capability and the installation of an interactive passenger information monitor in all New York City taxicabs.
- To develop and maintain the agency infrastructure required to efficiently store and access all information generated as a result of these technological enhancements.
- To ensure that solutions are practicable for all segments of the taxicab industry including fleets, individually-owned medallions and leased medallion operators.

The installation of technological enhancements will assist TLC in communicating with taxi drivers and tracking vehicle migration, and foster varied payment options for the riding public. Going forward, the potential for new applications of the technology for the public and the industry alike is abundant. Specifically, TLC anticipates that once installed, vehicle location technology will be an invaluable management tool in contributing to policy analysis, and will assist in formulating customized reports and archiving trip data.

In undertaking this vast and significant initiative, TLC endeavored to gather relevant information regarding the available technologies, and sought technological experts to inform TLC in processing and analyzing all incoming data. TLC issued a Request for Information (RFI) seeking feedback regarding the proposed technological improvements to 155 vendors and interested parties on June 21, responses to which were due in early August. After analyzing the 60 responses, TLC reported its preliminary conclusions at the end of that month.

Also to assist in the management of this project, specifically with respect to contracts with potential service providers, the Service Improvements Evaluation Committee, consisting of TLC, DOT, and Department of Information Technology and Telecommunications (DoITT) staff, selected CTGi as technological consultant. Based in Virginia, CTGi provides valuable services to myriad federal state and local government clients. As a result of a Request for Proposals (RFP) issued by TLC for a Project Monitoring/Quality Assurance Contractor, CTGi was chosen from a list of three (3) pre-approved DoITT contractors.

Informational Exchange Conference

On October 14, TLC, along with CTGi, conducted an Informational Exchange Conference at the Department of Citywide Administrative Services' Washington Street facility. The conference was attended by an international array of approximately 70 vendors, in addition to members of the taxicab industry and staff from DoITT, OMB, and the Mayor's Offices of Operations and Contract Services. The information gathered at this summit will play a substantial role in forming the basis of technical specifications to be included in the RFP for service enhancements. In addition, CTGi and TLC have made numerous field visits to garner feedback from various industry groups (taxicab fleets and agents, meter-shops, etc.).

Focus Groups and RFP Issuance

Also playing a vital role in RFP formulation are qualitative and quantitative analyses of passenger preferences and industry issues. To this end, CTGi planned passenger and driver focus groups to solicit input on various service improvement options and practices.

Passenger focus groups were conducted on November 17 and 18; participants in four (4) sections engaged in lively discussions about the proposed service enhancements, indicating a clear overall preference for debit/credit card payment capability. Subsequently, CTGi conducted driver focus groups on November 29, 30 and December 1 at TLC's Woodside facility; the sessions were well-attended by lease drivers, driver-owned vehicle operators and driver-owners alike. While the drivers were generally amenable to the proposed service enhancements, they voiced concern over the costs of the equipment, installation and ancillary expenses, such as service charges on credit cards.

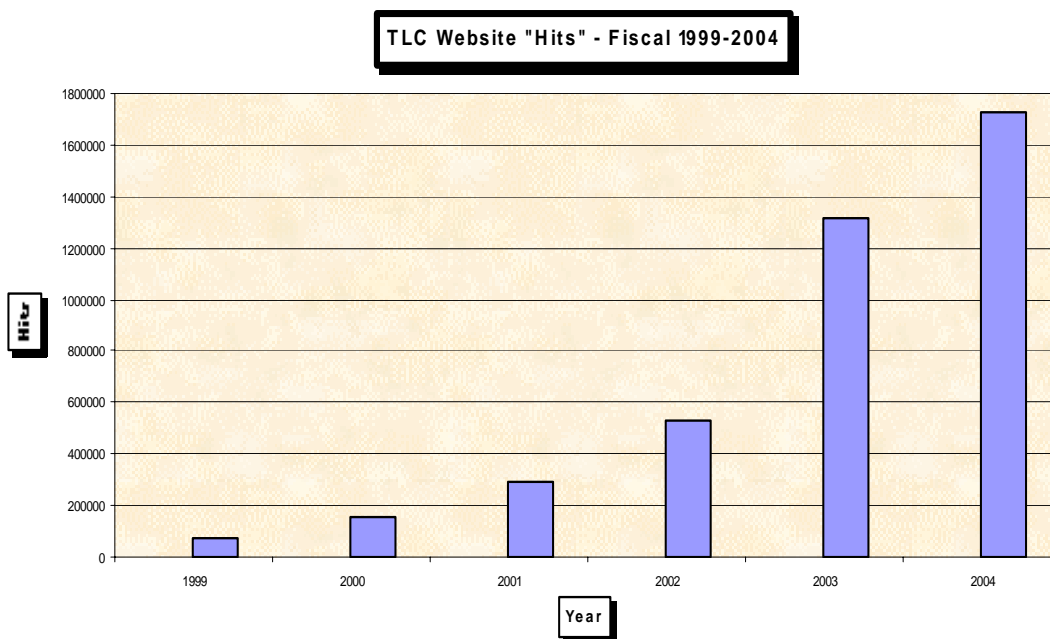
On December 17, TLC and CTGi issued a report on the findings of the passenger focus groups. Moreover, TLC continues to refine its draft RFP, and has set a target release date of January 31, 2005 for issuance of the final RFP. Finally, TLC continues collaboration with the New York City Marketing Development Corporation to explore the revenue potential of various advertising options for the proposed passenger information monitors, potentially to offset the purchase and installation costs for medallion owners.

CUSTOMER SERVICE INITIATIVES FOR THE PUBLIC

Feedback on Group Riding Options

During the summer and fall of 2004, as TLC and its technological service enhancements consultant were gathering information and moving toward issuance of an RFP to potential service providers, TLC staff worked with governmental entities to garner public feedback on the planned service improvements, particularly with respect to group riding options and practices. After meeting with the Grand Central and 34th Street Partnerships, and later, the management of the Port Authority Bus Terminal, TLC worked to administer passenger surveys and compile and analyze the results. Specifically, the survey inquired as to whether the individual would be interested in group ride options at different time intervals daily, and if so, to and from which general locations. While analysis of these responses continues, preliminary results have indicated that the public at large would prefer, by a significant margin, to share a taxicab with other passengers to similar destinations for a reduced price. In September, staff also convened a driver focus group to solicit feedback from this stakeholder group.

Website Enhancements



In 2004, TLC's website continued to be an invaluable resource. The number of website "hits" has increased from approximately 77,000 during Fiscal 1999 to over 1.7 million in Fiscal 2004. In comparison to the past fiscal year, the number of hits has increased by more than 31%, or by more hits (413,790) than in all of Fiscal 2001. In an increasingly technology-proficient world, the increase in website usage by licensees and the riding public is due to marked and continued improvement in its quality and content.

In 2004, TLC worked to make additional improvements to its website, including streaming video capability, whereby licensees and the public may observe different events hosted and conducted by the agency. Built to comply with DoITT's style guide, TLC's site is in a portal format with separate sections devoted to industry and passenger information, to allow for easier accessibility to information for primary site visitors. Other sections include "TLC News", "Employment Opportunities" and "Frequently Asked Questions" (FAQs), as well as biographical sketches of the TLC Commissioners and information pertaining to wheelchair-accessible transportation. In 2004, TLC launched a companion website for its medallion sales, which contained news and updates for prospective bidders, notice of informational seminars, the results of each auction, and instructions for new medallion owners with respect to closing and hand-up procedures. The website also contained an e-mail link whereby interested parties could send any medallion sale related question to TLC. There were also links available to download copies of the Medallion Sale Brochure and the Medallion Sale Information Kit.

Aside from medallion sale information, the TLC website also served as a vital tool for disseminating information pertinent to the rate of fare increase, and is the primary means by which the agency updates the public about the upcoming taxicab technological enhancements. TLC will continue to add content and explore ways in which more agency services can be transacted on-line.

Wheelchair Accessibility

As 2004 came to a close, there was more availability of accessible for-hire transportation in New York City than there had ever been. Accordingly, TLC will continue to work with its regulated industries and the disability community to identify and implement ways to further enhance service.

Accessible Taxicabs

Pursuant to Local Law No. 51 of 2003, TLC was conferred the authority to issue new licenses pursuant to State Law. The law further specified that at least nine-percent (9%) of these new medallions were to be for use on wheelchair-accessible taxicabs, provided the bid price for these restricted medallions was at least 90% of the average price achieved for a standard medallion. As none of these set-asides were sold in TLC's Medallion Sale of April 2004—for failing to garner the required price—this process was subsequently modified by conducting a stand-alone auction in October, and by setting the minimum upset prices for such medallions at significantly reduced rates. In mid-October, TLC opened 89 bids for wheelchair-accessible taxicab medallions at its 40 Rector Street Offices. Twenty-seven wheelchair-accessible medallions were sold, at an average price of \$275,262.28; the high bid was \$347,000.01.

FHV Accessibility Regulations Upheld by New York State Supreme Court

During 2004, in the case of *Transportation Unlimited Car Service v. TLC*, Justice Ling-Cohan of State Supreme Court, New York County, rendered a decision dismissing a suit brought by several FHV bases seeking to challenge TLC's For-Hire Vehicle Rule 6-07(f). In addition to requiring that all TLC-licensed FHV bases provide wheelchair-accessible transportation upon request, the rule also sets forth an equivalency standard, i.e., service to persons with disabilities must be provided at the same cost, hours of operation and level of service as provided non-disabled passengers. Several bases had challenged the statute, alleging that requiring a base to provide accessible service without additional compensation constituted a taking of property. The New York State Supreme Court

rejected this argument, noting that the regulation applied to all bases equally and that bases were free to charge any price necessary to all its customers to absorb the additional costs of providing accessible transportation.

Specialty Bases

The base station application for “A Ride for All, LLC” was submitted to TLC during the summer of 2003 and subsequently forwarded, via the Mayor’s Office of City Legislative Affairs, to the City Council for its consideration. A Ride for All (ARFA), New York City’s first demand-responsive, exclusively wheelchair-accessible vehicle livery base, was approved by the Council Transportation Committee and the full Council on September 17, 2003, and signed into law by Mayor Bloomberg at a City Hall ceremony held on October 1, 2003. As of December 31, 2004,



ARFA had conducted 5,588 passenger trips, since inception averaging more than 90 trips per week and 97 per week over the past month. Finally, more than 230 FHV bases have contracted with ARFA for provision of wheelchair-accessible service upon request. In addition to ARFA, a number of other TLC-licensed bases have come forward to provide wheelchair accessible service to other licensed bases by contract.

Implementation of TLC’s Accessible Vehicle Rule

Providing equal and affordable access to for-hire transportation for persons with disabilities has long been a goal of TLC, and in 2004 the agency made significant progress in this regard. Subsequent to creation of ARFA, the first New York City livery base exclusively dispatching accessible vehicles, the agency made major strides toward its goal of fully implementing FHV Rule 6-07(f).

In addition to new content on its website providing details and information about wheelchair-accessible service and compliance with the accessible vehicle rule, TLC issued an industry notice on January 2, 2004, informing all bases that by January 31, 2004, they would need to produce proof of compliance with the rule upon TLC request. Included in this notice were various options for compliance and FAQs regarding the rule.

Starting February 2, an implementation team, consisting of officers from TLC’s Enforcement Division, began visiting FHV bases throughout the City and requesting the proof as described. FHV base stations could have demonstrated compliance with this rule by purchasing their own wheelchair-accessible vehicle(s), co-opting with other bases to jointly purchase vehicle(s) for shared use, or contracting with another TLC-licensed base for provision of the service upon request. If the base failed to provide proof of its ability to provide demand-responsive accessible service, it was issued a 30-day Notice to Correct, and summonses were issued to those bases that failed to comply with the Notices in a timely manner.

Between February and November, TLC was responsible for visiting virtually all of the agency’s more than 700 bases and issuing more than 260 notices, along with 220 summonses for failure to comply with notices. Going forward, in 2005 TLC will conduct sting operations to ascertain the level at which already-compliant bases can actually provide wheelchair-accessible service as mandated; summonses will be issued to those bases failing to provide service as requested.

Clean-Air Taxicabs

In 2004, the following measures supplemented the agency's previous efforts in assisting with New York City's clean-air initiatives.

Medallion Sale

As it had for wheelchair-accessible accessible vehicle medallions, Local Law No. 51 of 2003 specified that at least nine-percent (9%) of the new medallions sold be used for operation of either CNG or hybrid-electric vehicles, provided the bid price for these medallions was at least 90% of the average price achieved for a standard medallion. As none of these set-asides were sold in TLC's Medallion Sale of April 2004—for failing to garner the required price—this process was subsequently modified by conducting a stand-alone auction in October, and by setting the minimum upset prices for such medallions at significantly reduced rates. As a result, on October 15, there were bids, all of which met the minimum requirements, for 19 alternative fuel medallions. The average alternative fuel bid was \$222,742.59, with a high of \$225,111.20. Unfortunately, the sales of these medallions have not yet been consummated due to the unavailability of appropriate alternative fuel vehicles.

TLC Joint Venture with NYSERDA



In its continuing focus on ensuring the provision of a sufficient number of safe and energy-efficient wheelchair-accessible vehicles in the FHV industry, TLC has entered into an innovative partnership with the New York State Energy Research and Development Authority (NYSERDA). The program will foster, through NYSERDA funding, the manufacture of wheelchair-accessible, fuel-efficient vehicles for taxicab and/or livery use. Under the terms of the RFP (#754) that was jointly issued on September 2, 2003, NYSERDA will provide a total of \$600,000 for multiple contracts to pay for engineering tests and other evaluations toward the development of suitable vehicles. TLC is functioning as technical advisor in the program, which currently has two (2) participating manufacturers:

Alternative Fuels Technologies Corporation (AFTCO), a New York State-based firm, has been working with General Motors (GM) and supplier firms to develop the "MetroKing" taxi, based on GM's new Colorado/Canyon pickup truck chassis. This vehicle will incorporate an ADA-compliant wheelchair ramp, wide-entry door and wheelchair safety restraints. The initial model will store the ramp in its trunk. Without a wheelchair, the MetroKing can seat at least four (4) ambulatory persons behind its partition. Safety and destructive ("crash") testing, which include tests on factors specific to taxi service, such as partition strength, jump-seat seatbelt anchors, etc., are now being performed on components added by AFTCO, i.e., the rear frame, passenger module and modified fuel system. Finally, a new fuel system is being developed by a specialist firm in California that performs the same service for other GM-approved vehicle modifications.

GSM Vehicles, Inc., is developing a "Manhattan" taxi, with unique all-composite unibody construction and GM mechanicals (engine, transmission, suspension, brakes, etc.). The Manhattan taxi will incorporate an ADA-compliant wheelchair ramp (to be stored in the door pocket), wide-entry doors and wheelchair safety restraints. Without a wheelchair, the vehicle can seat at least four (4) ambulatory persons behind the partition. The Manhattan taxi differs from the AFTCO design in that it has a lower floor and shorter overall length. On-road (non-revenue) durability tests are now being performed prior to finalizing design details, at which point crash testing will begin. The Metropolitan Transportation Authority (MTA) plans to test one (1) of these vehicles in its Access-a-Ride program.

OBDII Testing for Taxicab Emissions

In Fiscal 2002, TLC began renovations at its centralized inspection facility in Woodside, Queens, to equip it with a new state-of-the-art taxicab inspection/diagnostic system in place of the conventional tailpipe emissions test. On December 8, 2003, TLC opened the first two (2) of six (6) planned lanes at its Centralized Inspection Facility, which replaced obsolete lanes that first opened in May 1989.



TLC continued this initiative in 2004 by completing and opening the final four (4) lanes, and completed the first phase of On-Board Diagnostic II implementation. In so doing, TLC became the first facility in New York State to conduct OBD II emissions testing protocols, which works by connecting directly to a vehicle's on-board computers to run various tests of emissions control systems. High-mileage vehicles, such as taxicabs and FHV's, which go undetected for emissions systems failures are potential polluters of the metropolitan area environment. OBD II testing, designed to detect such problems early on, will significantly reduce faulty emissions. Additionally, the new system has diagnostic equipment to test a vehicles' suspension system (shocks and springs) to further enhance a passenger's riding experience in a New York City taxicab, and expands the visual items tested from 186 to 246 items. In 2004, TLC also assumed responsibility for the required New York State inspection of all medallion taxis; TLC now transmits taxicab inspection data directly to the State Department of Motor Vehicles (DMV), without requiring vehicle owners to have their taxis inspected at a private facility annually. All New York City taxicabs will continue to undergo TLC's rigorous inspection process thrice annually, as full implementation of OBD II testing commenced on January 3, 2005.

Newer and Larger Taxicabs

Stretch Crown Victoria

TLC has responded to the demands of consumers for larger, roomier and more comfortable taxicabs by working with a vehicle manufacturer and the taxicab industry to develop a purpose built taxicab. In 2001, TLC approved the Ford "Stretch" Crown Victoria, which featured six (6) inches of additional legroom. Response has been highly favorable, and at present, 8,960 of these vehicles have been introduced into service. In December 2001, the Board of Commissioners enacted a rule amendment mandating that all future vehicles placed into service be at least as large as the new "Stretch" Crown Victoria.

Pilot Program to Test the Toyota Sienna

TLC has also granted taxicab owners permission to hack-up Toyota Sienna minivans as part of a pilot program to test and evaluate this vehicle in service, toward its eventual approval as a medallion taxicab. Thus far, 382 Toyota Siennas have been hacked-up and are on the road providing service. The Sienna has power roll-down windows in the passenger compartment, compared to the typical pop-out windows found in other minivans. An additional advantage is the cost to the owner, which is approximately \$5,000 less than a similarly equipped Honda minivan.

Correspondence Unit

In order to respond to the increased number of emails sent to the TLC website and improve agency responsiveness to the public, TLC created a Correspondence Unit, which has been successful in enhancing agency response time to all correspondence. Since the creation of this unit, for example, an average of 99% of all correspondence is answered within 10 business days. The increase in email correspondence is attributable in part to the continued rise in the number of agency website hits: in Fiscal 2004, agency website hits increased by 31% as compared to Fiscal 2003, but by 226% and nearly 500% when compared to Fiscal 2002 and Fiscal 2001, respectively.

CUSTOMER SERVICE INITIATIVES FOR TLC LICENSEES

OBD II Seminars for Medallion Industry

TLC has been working with the taxicab industry in preparation for full implementation of OBD II testing for all medallion taxicabs, which commenced on Monday, January 3, 2005. Part of New York State's Vehicle Inspection Program, aimed at assisting the State in meeting federal Clean Air requirements to decrease motor vehicle emissions and reduce air pollution, OBD II works by connecting directly to a vehicle's on-board computers to run various tests of emissions control systems. On November 20, cooperatively with DMV, the State Department of Environmental Conservation, and the Ford Motor Company, TLC conducted an OBD II information session for approximately 150 taxicab fleet mechanics and agents at its Woodside facility. A similar session for over 500 taxicab owner-drivers was facilitated on Saturday, December 4; a separate question and answer period followed thereafter. These seminars were also made available on TLC's website, courtesy of NYC TV.

Licensing Division Reforms

TLC was able to reduce waiting time in its Licensing Division in 2003, while sustaining and even continuing these reductions in 2004. From a high of over 90 minutes per applicant in April/May



2003, TLC reduced waiting time to as few as 21 minutes in February 2004; the average numbers for both Fiscal 2004 (under 39 minutes) and Fiscal 2005 to



date (under 33 minutes) are substantially reduced from the 97-minute average in Fiscal 2003. The department has also significantly reduced the average time for processing both a medallion and FHV operator's license. The changes are due to myriad new initiatives, including the staffing of additional customer service windows, and streamlining of daily departmental operations and the license application process. In addition, TLC recently completed the integration phase of the LAN/WAN capital improvements project, which links the agency's driver license photographs with both the CAMIS database and electronic fingerprints of

the licensee. This accomplishment will carry benefits in improved efficiencies and integrity control.

Revisions to Training and Testing Materials and New Course Offered

TLC, in the interest of improving the process by which it tests prospective licensees, implemented a new multiple-choice format in its taxi driver final examination. The first new tests were conducted on January 5 and January 9, 2004, and are now exclusively in multiple-choice format. Sample test questions and answers were posted on TLC's website, and the TLC-designated taxi driver training facilities have developed and published new and revamped study materials. In addition, beginning in 2004, should they fail the final examination portion, but pass the English Proficiency Test (EPT), it is no longer necessary for applicants to retake the EPT during their next exam.

Also for the first time in 2004, the TLC-approved taxi driver training course was offered in Spanish for those who are more proficient in that language than in English. The final exam, required of all applicants, will continue to be administered exclusively in English. The first classes conducted in Spanish began at the HANAC/New York State Federation of Taxi Drivers Academy on June 7.

Ribbon Cutting at New FHV/Bus Hold at JFK Airport

As encouraged and supported by TLC, a long-awaited staging area for FHVs (including stretch limousines) and buses had its ribbon cutting at JFK Airport on June 17. Along with members of the Port Authority of New York & New Jersey, TLC attended the ceremony and toured the area, which is designed to accommodate 59 black cars or livery vehicles, 22 stretch limousines and 15 buses. There is a cafeteria and rest room for the use of drivers and, in the very near future, Flight Information Displays will be included so that drivers may view the arrival time of their passengers' flights.

DRIVER PROGRAMS AND EVENTS

TLC is enormously proud of its many thousand intrepid drivers and industry professionals who serve the public with courtesy and good will on a daily basis – they are among the very best in the world at what they do.

Taxicab Job Fair and Scholarship Program

On May 25, TLC, MTBOT and the HANAC/New York State Federation of Taxi Drivers Academy hosted a job fair in midtown Manhattan. Applicants for medallion operator licensure were offered “one-stop shopping” at the event, as they were able to complete driver applications, have their fingerprints taken for the requisite background check and enroll in classes at one (1) of TLC’s three (3) designated taxi driver training facilities. Moreover, one (1) of TLC’s designated drug-testing facilities is located across the street from the fair, which enabled applicants to fulfill all requirements for licensure on or near site, except actual class attendance and passage of the final exam. At a joint press conference during the event, the HANAC/New York State Federation of Taxi Drivers Academy announced a program whereby MTBOT would offer 500 scholarships of \$175 each to encourage women to become medallion taxicab operators. Additionally, the academy announced that it would offer the TLC-approved taxi driver training course in Spanish for the first time, allowing applicants who can speak English, but have trouble learning the details of the course in English, to obtain their hack licenses.



2004 Driver Recognition Ceremony

On Wednesday, August 4, TLC held its 2004 Driver Recognition Ceremony to honor those licensees from among the agency’s regulated industries whose exemplary actions placed them in the spotlight. Going beyond the call of duty was the theme of the day, whether by assisting people stranded at roadside in inclement weather when their car broke down, going to great lengths to return valuable lost property, or simply achieving stellar longevity in the business. Mayor Bloomberg’s appearance, including remarks and presentation of an integrity citation to Nestor Sulpico, whose return of \$78,000 in rare black pearls made headlines, helped to make this event a success. Held at the luxurious Sheraton Hotel and Towers, the ceremony was co-sponsored by NYC & Company, whose president and CEO, Cristyne L. Nicholas, also presented several key awards.



Flanked by award presenters Commissioner Weinshall of DOT (left) and Cristyne Nicholas of NYC & Company (right), Mayor Bloomberg presents an integrity award to Nestor Sulpico, one of New York City’s most honest cabbies, at TLC’s Driver Recognition Ceremony in August.

TLC Health Insurance Program

TLC has continued to contribute time and resources to the City's HealthStat initiative, which is a program designed to increase access to public health insurance for uninsured New Yorkers. Through the program, TLC has been facilitating access to healthcare providers who are present at TLC's Long Island City and Woodside facilities. The cost to the applicant is relatively low, or at no charge, and is based upon the applicant's income. An ancillary benefit to the main goal of providing healthcare to those in need is the retention of experienced drivers through establishing taxi or FHV driving as an attractive, long-term career option. Due to its outreach and commitment, TLC was awarded the "Opening Doors" Award by the Mayor's Office of Health Insurance Access in 2004, for the third year running. In Fiscal 2004, TLC facilitated 2,031 enrollments in this program; overall, approximately 7,800 people have been enrolled as a result of TLC's continuing commitment to this important initiative. "Cover the Uninsured Week," held in May, also recognized TLC for its commitment and outreach efforts to uninsured New Yorkers. A congratulatory letter and certificate of appreciation were received from Cover the Uninsured Week's Field Organizer, as well as from the President and CEO of The Robert Wood Johnson Foundation.



ENFORCEMENT

The TLC Uniformed Services Bureau (USB) is primarily responsible for enforcing Administrative Code provisions prohibiting for-hire activity without a TLC license, as well as rules and regulations pertaining to the for-hire industry. USB inspectors also conduct safety and emission inspections for medallion taxicabs, and participate in special enforcement operations affecting all TLC regulated industries. During Fiscal 2004, TLC enforcement inspectors were able to sustain a level of 59,071 vehicle stops (consisting of 38,087 FHV's and 19,984 medallion taxicabs), resulting in the issuance of 46,952 summonses. These figures represent a 21% increase in the number of vehicle stops and a four-percent (4%) increase in summonses issued as compared to Fiscal 2003. In Fiscal 2004, USB also seized 1,962 vehicles that were operating without a license.

New York City's Proudest Expands

TLC welcomed 36 new inspectors and promoted eight (8) officers at a graduation and promotion ceremony on August 13. The new inspectors completed a seven (7)-week training course, which began with an orientation providing information on employee benefits and City and TLC policies, and included guest lecturers from the Department of Investigation, Conflict of Interest Board, and TLC's Disciplinary Units. They were then instructed in TLC rules and regulations regarding FHV's (owners, drivers, bases) medallions taxis (owners, drivers, meters), summons and notice writing, and car stop procedures, and had the opportunity to go on field patrol to observe seasoned inspectors. Finally, the new inspectors received practice in the adjudications process by observing actual hearings and participating in mock proceedings.



Commissioner Daus (left), Deputy Commissioner Midolo (center back), and First Deputy Commissioner Salkin pose with one of the newest members of New York City's Proudest.

Operation Refusal

In 2004, TLC Inspectors continued to conduct several special operations focused on the medallion taxicab industry. Specifically, TLC continued its "Operation Refusal" initiative, whereby undercover inspectors posing as prospective passengers hail taxicabs. The "passengers" may be individuals with babies in carriages, visually impaired persons with service dogs, or wheelchair users, and are of varied race, ethnicity and gender. On-duty taxicab drivers who refuse to stop for a passenger's hail, or refuse to accept a passenger once stopped, are issued summonses with penalties that may include substantial fines and/or license suspension or revocation. Operation Refusal netted 3,469 tests during Fiscal 2004, with a 95% compliance rate by drivers, up from 93% in Fiscal 2003.

Operation Street Hail

"Operation Street Hail" is an undercover initiative designed to enforce against both licensed and unlicensed drivers and vehicle owners who accept passengers by means other than pre-arrangement. In Fiscal 2004, TLC inspectors issued 4,453 summonses for illegal street hails, an increase of 25% from the 3,553 summonses issued in Fiscal 2003, and a 72% increase over the 2,587 summonses issued in Fiscal 2002. Additionally, TLC closed 11 FHV bases for operating illegally during the same period, an increase of 22% over the nine (9) bases shut down during Fiscal 2003.

Cell Phone Enforcement

TLC was at the forefront of addressing another public safety issue when it first banned the use of cellular telephones by licensed drivers in 1999. The TLC ban is more comprehensive than many similar prohibitions, inasmuch as it prohibits the use of either hand-held or hands-free devices. TLC's goal is to ensure that its licensed drivers are attentive to driving the vehicle, the needs of the customer, and to fulfilling the passenger's right to a noise-free trip. As of November 30, 2004, nearly 4,000 summonses have been issued for illegal cell phone usage. From a low of 30 cell phone summonses in issued in January 2003, there was an increase to 393 summonses issued in November 2003 and 966 in December 2003; TLC Enforcement Officers issued 2,661 summonses for illegal cell phone usage in Fiscal 2004 alone. To date, nearly 4,000 cell phone summonses have been issued.



TLC AND CITYWIDE ISSUES

Command/Green Bus Lines Labor Action

In response to the labor action by employees of Brooklyn's Command Bus and Queens' Green Bus Lines in late December, TLC coordinated outreach, in consultation with the Office of Emergency Management (OEM) and DOT, to the commuter van industry subsequent to the Mayor's Executive Order. All TLC-licensed commuter van authorities were notified of permission to pick up passengers without pre-arrangement along the affected bus routes for \$1.50 each.

Republican National Convention

New York City welcomed the Republican National Convention from Monday, August 30, 2004 through Thursday, September 2, 2004. At the end of July, TLC met with NYPD and DOT to discuss the planned relocation of taxi stands immediately surrounding the Convention site. Subsequently, TLC worked closely with all parties to ensure the proper and orderly operation of such stands during the convention. To prepare and inform its regulated industries prior to the event, TLC issued a series of industry notices outlining the convention's schedule, and describing street closures, the temporary relocation of a number of taxi stands, and locations at which taxicabs might be needed. In addition, TLC assigned staff to OEM's Command Center to assist as needed.

CITY COUNCIL HEARINGS

Hearing Regarding the Preliminary Budget

On March 18, Commissioner Daus testified before the City Council's Transportation Committee regarding TLC's Fiscal 2005 Preliminary Budget. The testimony also described the agency's role in several citywide issues, such as the taxicab fare increase, the medallion sale's development, outreach and bidding processes, as well as a detail of the planned service improvements for the medallion industry. The Commissioner further reported upon several of TLC's recent technological initiatives, including integration of its (212) NYC-TAXI hotline into the City's 311 Citizen Service Center and development of improved methods of taxicab inspection.

Hearing Regarding the Executive Budget

On May 13, Commissioner Daus testified before the City Council's Transportation Committee regarding TLC's Fiscal 2005 Executive Budget. His testimony detailed the events related to, and fiscal implications of, the April Medallion Sale, and the rate of fare increase for taxicabs that had recently become effective. Also touched upon were the medallion taxicab service improvements, scheduled to go into effect in late 2005.

PUBLIC HEARINGS AND MEETINGS

The TLC Board of Commissioners met regularly in 2004, to discuss and propose solutions to a number of issues facing the agency's regulated industries. In addition to public hearings with respect to the DEIS and rulemaking for medallion sales in April and October, and the February and March hearings regarding the increase in the taxicab rates of fare (all of which are described above), TLC held the following public meetings in 2004:

Public Hearing on Taxi School Approval Process and Licensing Reforms

On Monday, June 21, the TLC Board of Commissioners conducted a public meeting to present an update, specifically on the application of Kingsborough Community College to become a TLC-designated taxi driver training facility, and generally on the process of reviewing and certifying new taxi schools. There also was a presentation by the Licensing Division updating the Commissioners on the EZLicense Program and reforms recently implemented to streamline license processing and waiting time at TLC's Long Island City facility.

Public Hearing on Insurance Issues

On Monday, October 25, the TLC Board of Commissioners held a public hearing to receive testimony from various stakeholders regarding the insurance issues affecting TLC-regulated industries. Public comment was encouraged and heard on a number of matters including insurance availability, cost, insuring vehicles engaged in the transport of people with disabilities, and regulatory initiatives. Members from all regulated industries offered input at the meeting, as did representatives of insurers and the New York State Insurance Department.

RULEMAKING

In 2004, several rules were proposed and approved by the Board of Commissioners subsequent to public hearings. The following is a summary of rulemaking initiatives enacted during 2004.

New Medallion Licenses

When New York State authorized the City to issue up to 900 additional taxicab medallions in May 2003, this was only the second time since 1937 that new hack licenses were offered for sale. The sales are to take place through a competitive sealed bidding process, over a three (3) fiscal year period that began on or about April 1, 2004, and continues through June 30, 2006.

On Thursday, January 29, 2004, the TLC Board of Commissioners voted unanimously to pass rulemaking specific to the medallion auction procedures for the April 2004 sale of up to 300 taxicab licensees, which described the bid, auction and closing practices for the sale.

On Wednesday, August 25, the TLC Board of Commissioners, after listening to testimony from members of the industry and advocates from the disability community, voted unanimously to adopt the rules governing the October 2004 Medallion Sale. The amendments were aimed at contributing to the marketability of wheelchair-accessible and alternative fuel medallions. Amendments included the elimination of the prohibition on owning multiple individual medallions, and the requirement that a minifleet owner not have a financial interest in an individual medallion was lifted, provided the individual medallion is dedicated to a wheelchair-accessible or alternative fuel vehicle. The rules also provided for separate auctions of the wheelchair-accessible and alternative fuel medallions, and eliminated the requirement that the medallion upset price be linked to the average price of standard medallions.

New Taxicab Rate of Fare and Service Enhancements

At a public hearing on Tuesday, March 30, the TLC Board of Commissioners, after accepting public comment with respect to a series of rule proposals, passed rulemaking unanimously. Among the new rules passed were the proposals to adjust maximum lease rates, to expand group riding, to require that taxicabs be equipped with scratch-resistant partitions, and to require the installation of vehicle locator, data transmission and credit/debit card equipment. Also among these new rules was included an increase in the amount of the metered rate of fare. Specifically, the new fare structure included an increase in the minimum fare from \$2.00 to \$2.50, an increase from 30 cents to 40 cents per one-fifth mile, an increase from \$35 to \$45 for the JFK-Manhattan flat fare, and a \$10 increase to the Newark Airport surcharge. In addition to the new \$1.00 peak pricing concept from 4pm-8pm on weekdays included in the new rate of fare rules as adopted, the existing 50 cents night surcharge was retained via amendment.

SPECIAL EVENTS

Sister Cities Mayoral Summit

TLC was represented at the Sister Cities Program's Mayoral Summit, entitled "Transforming Government Through Technology," through a presentation by First Deputy Commissioner Andrew Salkin on the agency's taxicab technology upgrade initiative. The summit, held on June 24-25, provided an excellent opportunity to converse with other major municipalities regarding technological enhancements, while also serving to familiarize TLC's participants with new technologies being employed by sister agencies.

M.A.D.D. Safety Awareness Event

On November 15, 2004, TLC joined with leaders of the New York City taxicab industry to help Mothers Against Drunk Driving (MADD) promote awareness of its safety campaign, "*Tie One On For Safety.*" At the event, Commissioner Daus joined New York State M.A.D.D. Executive Director Donna Kopec in tying on the first of what was to be many ribbons affixed to New York City's medallion taxicabs in time for the holidays. A trio of major taxicab industry organizations was represented at the event, indicating their willingness to participate in the campaign. Participating industry groups included MTBOT, the League of Mutual Taxi Owners, and the Committee for Taxi Safety.

ABOUT THE COMMISSIONERS

The New York City Taxi and Limousine Commission consists of nine (9) members appointed by the Mayor with the advice and consent of the City Council. Five (5) of the Commission's members, one (1) resident from each of the boroughs of New York City, are recommended for appointment by a majority vote of the Councilmembers of their respective borough. The jurisdiction, powers and duties of the Commission include the regulation and supervision of the business and industry of transportation of persons by licensed vehicles for hire in the City.



MATTHEW W. DAUS COMMISSIONER/CHAIR

Re-appointed by the Mayor to a seven year term in 2003, Commissioner Daus has been the TLC Chair since August 2001. Prior to his appointment, he served as General Counsel since 1998 and as Special Counsel from 1996-1998.



ELIAS AROUT

Appointed by the Council, Commissioner Arout has represented Staten Island on the Commission since 1988. Commissioner Arout was instrumental in the opening of TLC's Staten Island satellite office.

HARRY RUBINSTEIN

Appointed by the Mayor to a seven year term in 1998, Commissioner Rubinstein is currently self-employed. He held many unique jobs before finding his present niche, including his having driven a taxicab in the years during and just after college.



NOACH DEAR

Appointed by the Council, Commissioner Dear represents the borough of Brooklyn on the Commission. Appointed in 2001 for a seven year term, Commissioner Dear served on the New York City Council for nearly 20 years before his appointment, including a tenure as Transportation Committee Chairperson.

ELLIOT G. "LEE" SANDER

Appointed by the Mayor to a seven year term in 1998, Commissioner Sander served as the Department of Transportation Commissioner from 1994-1996. Most recently, he serves as Director of the Rudin Center for Transportation Policy and Management at the at the Robert F. Wagner School of Public Service at New York University.



HARRY GIANNOULIS

Appointed by the City Council, Commissioner Giannoulis has represented the borough of Queens Since 1998. Most recently he is a founding partner of the Parkside Group, a governmental relations and public affairs consulting firm.

IRIS WEINSHALL

The Commissioner of the Department of Transportation, Commissioner Weinshall was appointed by the Mayor in 2003 for a seven year term. Prior to her appointment as DOT Commissioner, she served as First Deputy Commissioner of the Department of Citywide Administrative Services from 1988-1996.



ENDNOTES

- (1) 2004 NYC Fact Book, Schaller Consulting.
- (2) *Ibid.* (Through the 1940s and 50s, taxicab companies continued to allow outstanding licenses to expire, eventually shrinking the number of City cabs to fewer than 12,000.)
- (3) In 1997, TLC offered new medallions on the market for the first time, issuing 400 and increasing the total number of New York City taxicabs to 12,187. Though this was the first instance of the City selling new taxi licenses, it was not the first time new licenses had been issued. After World War II, in response to legislation passed by the City Council, the City issued 183 taxi licenses to returning servicemen who had forfeited their permits during the war. These medallions, however, were non-transferable, and returned to the City upon the driver's retirement. (*The New York Times*, May 16, 1962)
- (4) This chart does not take into account the medallion sale prices generated at auction in April and October 2004; relevant figures for these sales are found in Tables 3-7.
- (5) The November 2004 average sales price is compared with the average sales price for December 2003; the November 2004 figure is cited as there were no corporate medallion sales in December 2004.
- (6) 2003 NYC Taxicab Fact Book, Schaller Consulting.
- (7) *Ibid.* (After the 2004 increase, the average taxi fare is now 5.2 times the transit fare.)
- (8) Washington, D.C., also has over 1,300 taxis, but employs a zone system, rather than taximeters, to calculate fares.
- (9) 2004 NYC Taxicab Fact Book, Schaller Consulting.
- (10) 2004 NYC Taxicab Fact Book, Schaller Consulting.



NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

TLC HEADQUARTERS
40 Rector Street, 5th Floor
New York, New York 10006
(212) 676-1000
TTY/TDD (212) 341-9596
Customer Service Hotline: (212) NYC-TAXI

LICENSING & ADJUDICATIONS
32-02 Queens Boulevard
Long Island City, New York 11101
(718) 391-5550

UNIFORMED SERVICES BUREAU
24-55 Brooklyn Queens Expressway West
Woodside, New York 11377
(718) 267-4500

STATEN ISLAND FACILITY
1893 Richmond Terrace
Staten Island, New York 10314
(718) 815-3736

BOARD OF COMMISSIONERS

Matthew W. Daus, *Chair*

Elias Arout
Noach Dear
Harry Giannoulis
Harry Rubinstein
Elliot G. Sander
Iris Weinshall

Commissioner/Chair
First Deputy Commissioner
Chief of Staff
Deputy Commissioner, Finance & Administration
Deputy Commissioner, Uniformed Services
Deputy Commissioner, Public Affairs
Deputy Commissioner, Policy and Programs
Deputy Commissioner, Licensing/Adjudications
Acting General Counsel
Special Assistant to the Chair/
Executive Director, Consumer Relations/Adjudications
Assistant Commissioner, Administrative Services
Assistant Commissioner, Enforcement Division
Assistant Commissioner, Licensing Division
Assistant Commissioner, Adjudications

Matthew W. Daus
Andrew Salkin
Ira Goldstein
Louis Tazzi
Joseph Midolo
Allan Fromberg
Barbara Schechter
Joseph Eckstein
Charles Tortorici
Vincent Grippo Jr.

Nicholas Venezia
Robert Lentol
Desiree Blackwood
Peter Tumminelli

<u>Telephone</u>	<u>Facsimile</u>
(212) 676-1003	(212) 676-1100
(212) 676-1147	(212) 676-1082
(212) 676-1017	(212) 676-2002
(212) 676-1035	(212) 676-1038
(718) 267-4514	(718) 267-4625
(212) 676-1013	(212) 676-1101
(212) 676-1010	(212) 676-2004
(718) 391-5666	(718) 391-5615
(212) 676-1107	(212) 676-1102
(212) 676-1177	(212) 676-1206
(212) 676-1049	(212) 676-1153
(718) 267-4517	(718) 267-4625
(718) 391-5605	(718) 391-5615
(718) 391-5702	(718) 391-5684

www.nyc.gov/taxi