GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF FOR-HIRE VEHICLES

FOR-HIRE VEHICLE ADVISORY COUNCIL MEETING

WEDNESDAY
DECEMBER 12TH, 2018

The Council met in Suite 2032, 2235 Shannon Place, S.E., Washington, D.C., at 10:00 a.m., Linwood Jolly, Chairperson, presiding.

MEMBERS PRESENT:

DAVID DO, DIRECTOR
LINWOOD JOLLY, Chairperson
JEFFERY SCHAEFFER, Commissioner
DOTTI LOVE WADE, Commissioner
ANTHONY WASH, Commissioner
DAWIT DAGNEW, Commissioner

STAFF PRESENT:

CHAU TRAN, SECRETARY TO THE COUNCIL
DANIELLE GURKIN, ESQ., GENERAL COUNSEL
1 P-R-O-C-E-E-D-I-N-G-S

2 10:14 a.m.

3 CHAIRPERSON JOLLY: I'd like to call
4 this meeting to order.
5 Good morning. The time is 10:14 a.m.
6 We're at 2035 Shannon Place, Southeast in the
7 hearing room, Suite 2032.
8 I'd like to welcome everybody here.
9 Thank you all for taking time out to join us
10 today.
11 Let's first start with a moment
12 silence for those who aren't here.
13 (Moment of silence.)
14 CHAIRPERSON JOLLY: Thank you. So
15 this is a very exciting day today. We're going
16 to welcome a few new people.
17 First I'd like to start out by
18 thanking Ms. Mixon for coming and helping us
19 today and assuring some continuity. We miss you
20 already, but we thank you for coming. We
21 appreciate you. I'm sure Director Do appreciates
22 you.
Next is our director, our new director --

DIRECTOR DO: All right.

CHAIRPERSON JOLLY: -- David Do, who has joined us. And I had --

(Appplause.)

DIRECTOR DO: Thank you.

CHAIRPERSON JOLLY: -- the privilege of spending some time with him yesterday and talking through a lot of things that we've been working on, and there's a lot of good consensus about a lot of the issues that we've been working on previously. And Director Do has come in with a lot of excitement and enthusiasm and he's anxious to get some things moving forward. And today he's joining us to basically hear what we've been working on, not necessarily to take a position on anything, because as he told me yesterday, he's still in the process of gathering all the facts.

So a lot of people who might testify today, we as the Advisory Council will hear,
we'll have our discussions as always, but we're just not in a position today to make any decisions. But what we do and what we're mandated to do by law is to take into consideration what we've heard and then at the appropriate time we communicate that to the director as a recommendation from the Council.

So without any further ado, I'd like to turn the microphone over to Director Do and let him introduce himself and his new team.

DIRECTOR DO: All right. Great. Hello, everyone. Good morning. My name is David Do and I'm the interim director for the Department of For-Hire Vehicles. I'm so excited to be here today.

I was previously the director for the Mayor's Office on Asian and Pacific Islander Affairs where I focused on small businesses, on our elderly community and our senior communities. And I also serve on the Transportation Planning Board's Access for All Committee where we were brainstorming ideas on how to make our
transportation network more mobile and more accessible. And so I'm very excited to now take on this role as the Department of For-Hire Vehicles interim director.

And I'm so excited because -- and I want to start a story about myself, is that my parents were refugees of the Vietnam War. And I told this to my team previously. They came here with very little but they built their own small businesses so that their son could be the first in their family to graduate from college. And similar to our many operators and drivers, they're working so hard to make a small business living so that their family could be towards -- could get towards the middle class or have their kid become their first in their family to graduate from college. And so I'm so excited to kind of work and represent and be a part of that community.

So as I continue in this role I want to make sure that we continue to be innovative and better serve our community, find out a de-
regulatory scheme that promotes the public safety and also build a better relationship with our customers, like making our applications and renewals accessible online, small things like that. And so I'm so excited to be along the -- along with you and take this ride with you all. So thank you so much. I appreciate it.

CHAIRPERSON JOLLY: Thank you, Director Do.

(Applause.)

CHAIRPERSON JOLLY: Do you want to introduce some of your team members here?

DIRECTOR DO: Yes, yes. So we have a new executive assistant.

Chau, could you please stand up?

(Applause.)

DIRECTOR DO: And then our Interim Chief of Staff Dory Peters. And you can --

(Applause.)

DIRECTOR DO: And of course you'll recognize many of the other team members. If you can all kind of wave, from my team.
(Laughter.)

DIRECTOR DO: There you go. All right.

CHAIRPERSON JOLLY: All right. So on the -- we don't have a lot of things on the agenda, but there are some people here that are going to testify. We do have a few of our Advisory Council members that will also make some comments that need to be read into the record. So I think what we'll do is we'll start with the public comment first.

And then, Dawit, you have something you want to -- a few points you want to make.

But we'll start with the public comment first and then we'll go from there.

So I see we have one person here.

PARTICIPANT: Two.

CHAIRPERSON JOLLY: Two? Sorry.

Okay. So why don't you come up and you can say your name into the microphone for the record and then -- yes, say your name and spell it for the record, please. Thank you.
MR. SETEGN: My name is Degfae, D-E-G-F-A-E. Last name S-E-T-E-G-N. I'm the Chairman of United Ventures Consortium, Inc.

Thank you and, Mr. Director, welcome, and dear For-Hire Vehicle Advisory Council members. And the subject of my testifying is the vehicle retirement age.

In response to the District of Columbia Taxicab Service Improvement Amendment Act of 2012 and subsequent publications of the accompanying regulatory changes in the same, of Title 31, almost all of the companies and owners have upgraded their fleets to newer vehicles. We are happy the industry has undergone through a lot of improvement in the past few years, however, these improvements have been made with a lot of effort and a huge financial cost. Owners, operators and companies complied with the regulations by depleting their assets or borrowing money from the lenders in anticipation of getting their investment returned timely.

But you know, now that our industry is
suffering a wave of competitions from unrestricted digital apps and other transportation service, the excessive supply created by the sheer number of these competing services has brought the demand of taxicabs significantly down.

On the other hand, the taxicab vintage regulations has created an alarm in our part. To mention some of the concerns: The retirement age of our vehicle and the vehicles of our fleet members are approaching before even we make our investment returns.

The fall in demand has caused shortages of 40 percent rate for reduction and hence the vehicles do not accumulate mileage to be retired.

And third, vehicles formerly used as a taxi obviously have the lowest or zero resale of value.

Fourth, all the surrounding jurisdictions, mainly Maryland and Virginia, every for-hire vehicle that do business, those
are -- it's going to be the AL rides like Lyft, Uber or others in Washington, D.C. have a 10 years age limit. Whereas D.C. taxis are only -- the only one limited to eight years, especially at the airport where the Maryland and Virginia drivers are allowed to operate with a 10 years D.C. drivers are unable to operate due to this unfair eight years limit.

SECRETARY TRAN: Sir, you have 10 seconds left.

MR. SETEGN: Okay. So I will respectfully present the following: Six-oh-nine should be amended maximum ten years and they should have -- six-oh-nine-four should be amended the maximum mileage and it would have five years less retirement. Thank you.

CHAIRPERSON JOLLY: Mr. Setegn, just stay there at the microphone and let's start getting some responses. Let's start down on the left with Dawit.

Do you have any responses or any questions for Mr. Setegn?
MEMBER DAGNEW: No. Just clear, 10 years -- I mean, is it reasonable to ask for a response to the question I'm asking? And the issues that I have, the list of issues I gave you, this is one of them.

CHAIRPERSON JOLLY: That is one of them. Okay. So we covered that.

MEMBER DAGNEW: So Mr. -- the director will see it sometimes in the future, like I said yesterday.

CHAIRPERSON JOLLY: Okay.

MEMBER DAGNEW: We have a lot of issues among that list, so --

CHAIRPERSON JOLLY: Okay.

MEMBER DAGNEW: -- let's just leave it there --

CHAIRPERSON JOLLY: All right.

MEMBER DAGNEW: -- and we'll discuss it --

(Simultaneous speaking.)

CHAIRPERSON JOLLY: Mr. Wash, any comments?
MEMBER WASH: No, other than the 10 years stuck out and I understand why we should have an even playing field across the board. That's some of the challenges that we run into in other industries here.

CHAIRPERSON JOLLY: Yes.

MEMBER WASH: So I do understand that. I'd like to discuss that more particularly with the drivers.

CHAIRPERSON JOLLY: Okay. We're going to skip past Director Do and let's go to Mr. Schaeffer. Any comments? Any questions?

MEMBER SCHAEFFER: Well, certainly I've been hearing a lot from industry about the 10 years and I can understand the individual owner/operator who has to make an investment -- has to make a decision. There's 361 vehicles that are still listed in the DFHV/DC portal. And I've listed them by company right here, 361. The majority are owners. And I think the owners should get the ability if their car is under 300,000 miles, is -- passed vehicle inspections
-- they should be able to come by and get a
waiver to drive for another year or two, because
if not, that individual has to decide whether
he's going to retire or try to invest in another
vehicle.

As far as the companies, this has been
in effect for a couple years now with the age
limitation and the operating authority has to be
turned in on Monday. So I've already cleaned
out my 2010s because they can't be on. Just like
the wheelchair-accessible vehicles, I've already
reached my 20 percent. And now last week an
administrative issuance came out saying you don't
need it. So you do have a little bit of unfair
for the companies that abide by the regulations
as opposed to those who procrastinate and don't
do it. So that's a concern of mine.

But the major concern is the
individuals who would be put out of business.
Out of those 361 I believe 60 to 70 percent of
those are owner/operators, if all those vehicles
are in fact active. This list doesn't tell me if
they're active or not actually working.

CHAIRPERSON JOLLY: So it sounds like there is some -- you have some consensus with the three recommendations, but are you suggesting an amendment or something? Are you --

MEMBER SCHAEFFER: Well, I don't think we should get rid of unlimited mileage. I think we did a lot of work on the previous -- I think the miles is 300,000. I don't think a vehicle should be on the street after 300,000 miles. At one point you're saying that you don't have enough time to get to the mileage and another you say you want to leave it on the mileage. So I don't think the 300,000 is going to be an issue.

I think the 10 years should be okay for an individual owner/operator --

CHAIRPERSON JOLLY: Yes.

MEMBER SCHAEFFER; -- but my opinion is for a fleet it should not -- the majority of fleets do not have all their vehicles running anyway. So if you got to take vehicles off, take out the older ones. I mean, you talk about an
even playing field; I understand, but we're never
going to be even, but we have to stand out --
with the FBI fingerprint, background clearance
the taxies have to stand out with, you know,
newer vehicles. They have to stand out with
whatever they can differentiate from to attract
business.

CHAIRPERSON JOLLY: Mr. Setegn, do you
have a response to that?

MR. SETEGN: Currently no. It's not
-- it shouldn't be only limited to owner --
driver owners. You know, the taxicab companies
as well, you know, due to this -- overwhelmed by
these new app-based businesses, you know, they
are losing and they are maintaining their
vehicles. And the mileage which these vehicles
accumulate within 10 years is not even 300,000.
So it should include both owners and companies as
well.

CHAIRPERSON JOLLY: Okay. And,
director, do you have any input?

DIRECTOR DO: No, I'm okay.
CHAIRPERSON JOLLY: Okay. So --

MEMBER WASH: Can I say one thing?

CHAIRPERSON JOLLY: Yes, please.

MEMBER WASH: I do understand your perspective and I do understand the owner/operator perspective. The one thing that -- the challenge for -- challenges for taxicab drivers, as I was telling the director here, who's been here and watched this city change, a lot of these drivers have put their children through school, owner/operators, and now they're in a city that costs twice as much as it cost when they did that. So purchasing another vehicle or retiring at a certain age isn't necessarily the option, especially when property taxes are going up. So I think we need to weigh that in as well. We need to take in consideration those drivers who've been here and who -- it's not easy owning a business, but to do that and put your children through school and be the breadwinner, I think we -- those are some of the things we need to consider --
CHAIRPERSON JOLLY: Okay.

MEMBER WASH: -- at least consider.

CHAIRPERSON JOLLY: And, Ms. Dotti Love Wade, is there any input on this for you?

MEMBER WADE: Well, I weigh in on both sides. Unfortunately I feel very strongly that passengers, especially our national and international passengers who visit this city deserve first class automobile traffic and comfort in vehicles. That is not very representative of our city to have dilapidated old vehicles greeting our national and international guests as well as the people who actually live here and work here and use our system every day.

So to that extent I think that we should always put our best foot forward and make sure our vehicles are the most up to date and best maintained in the country. I know we're often compared with other cities of a like size, but there are several factors that make us unique. One, we're not just a state capital. We
are the nation's capital and we are the
international capital of the world. So my effort
is always to make us look as great as we can
publicly and to be the face of D.C., because many
times you drivers are the first contact with our
city. And as a representative, as an ambassador
to our city I would think that you would always
want to have the best equipment that you could
have at your disposal.

And believe me, tips are better for
better vehicles. If you got a dilapidated
vehicle, they're not going to want to ride in
you. I tell you, people are very -- and you have
the -- second, on the other side of it is you
have the for-hire vehicles who are using their
personal vehicles who are current, up to date,
and super clean.

So I understand the cost of replacing
your vehicle, but it's also a cost of doing
business. So if -- do you want to run a business
that is not competitive, that doesn't look as
good, that doesn't attract as many customers, or
do you want a nice uniform standard, or you want
to compare yourself with other jurisdictions that
don't have the same distinction of being a
Washington, D.C. driver?

CHAIRPERSON JOLLY: so, Mr. Setegn,
first let me thank you for coming out to testify.
This is well-prepared. Appreciate you preparing
this. As you know, the revision for Title 31 has
been going on for several months now and the goal
-- and I spoke with the director about that
yesterday -- the goal is to pare Title 31 down to
something more realistic that sort of takes some
of the over-regulation off of drivers.

There are points that you presented
here today. We as the Advisory Council will
refer these as you have them here to the Director
in our next executive session. And from that
point on you probably will be contacted by the
director's office if they want more input or have
feedback for you. Is that fair?

MR. SETEGN: Yes, but --

CHAIRPERSON JOLLY: Thank you.
MR. SETEGN: -- shall I say one more thing?

CHAIRPERSON JOLLY: Yes, go ahead.

MR. SETEGN: Yes, in most cases, you know, since we have this Title 31 the age limits has been changed three or four times.

CHAIRPERSON JOLLY: Yes, we were trying to count it up yesterday --

MR. SETEGN: Yes.

CHAIRPERSON JOLLY: -- how many times it's been changed.

MR. SETEGN: Yes, without even, you know -- you know, without having any hearing at all. So my request is, you know, if we can do an administrative issuance because there are a lot of vehicles which are coming out of this and there is plenty of times, you know, we see there is an administrative issuance assurance given to those, you know, the 20 percent which are accessible, which is what -- under the regulation, if it is possible, it is an urgent case and they'll put it under demonstrative
assurance not in the 10 years, not leave this year.

CHAIRPERSON JOLLY: Yes, so maybe I should have said that a little clearer. Yes, I do get that you would recommend that this be done in an administrative issuance versus the longer process of Title 31. And I got that, yes. Thank you very much.

MR. SETEGN: Thank you.

CHAIRPERSON JOLLY: All right.

Yes, sir? Please say your name and spell it for the record.

MR. MOMEN: Good morning. My name is Mohammad Momen from the Silver Cab Company and member of the directory board of the union as well.

I have some concern and I do -- I go for the two issue for the Jeff issues and the Madame issue as well. Under one umbrella how come two law? The D.C. -- the taxi industry get eight years, the Uber and Lyft get -- which is under the same umbrella, 10 year. One city. Two
law. We should concern about that one. If it is
eight year, it should be for everybody, eight
year. I don't care. That is issue. Let them go
eight years, for Uber, for everything. But let's
goes concern always the law is attaching with
your neighbor. What is your all around the
surrounding neighbor is 10 years? Why D.C. cab
driver -- why we are treating -- or why the
government is treating us like their second adopt
child? Just all the trash, all the --- put for
the cab industry? We need you guys' help and we
will help you as well.

   Regarding the Jeff concern, which is
   -- is concerning of the mileage, let's put them
   on a -- just on a small calculation. Every cab
driver is driving 200 mile per day. Forget about
365 days. Make it 300 days. Sixty-five days
take it out. Time two it is going to be 60,000
mile per year. So you are not going to give me
10 years. Jeff or any member of the board, is
not going to give us eight year either. It's
going to be five year. Sixty thousand five is
three hundred thousand. So you are going to tell me, hello, not eight years. Get out from this industry in five year.

Regarding the Madame concern, this is the national capital. Did you -- do you have any data of the National Airport how many passenger is coming from National Airport to Washington, D.C.? There is more -- triple more than whatever the cab driver they work in D.C. If the Alexandria, Fairfax, Arlington, PG County, all the -- another five jurisdiction, they concern and they made the law for 10 years. Why not D.C. 10 years? Sometime be a reasonable person.

No. 2, as far as the 10 years if there is the -- the cab is dirty, the international people is coming, ABCD is coming, what about if they are taken with the Uber? They have 10 year. Do you think that 10 year car has -- if you are going to go by -- for by -- any Ford, Toyota, any vehicle industry, you can name it if that is the concern after 10 years, what is what she's saying, it should be an update out of those 10
years Uber, Lyft and ABCD, Alexandria, Arlington. They are not a reasonable car either.

But their head of the Department of the Transportation or head officer, or whatever they do, have it. They concern about those poor people. They feed up their kids. They send their kids. They have that much expense. Send their kid to college. Send their kids to school. Pay the rent.

SECRETARY TRAN: Sir, you have 10 seconds left.

MR. MOMEN: Fix their -- your car and pay this and that. And the -- on the top of all of them the fees? Come on. The fees from something -- from $194 is 300 something dollar for the renewal. Why we are not -- why you are not concerning about the fees that much and you are getting concern about the car dirty?

Secondly --

SECRETARY TRAN: Sir, you have your time is up.

MR. MOMEN: -- I want you guys to go
to the Union Station or bus station to see is the
cabs are dirty?

SECRETARY TRAN: Your time is up, sir.

MR. MOMEN: It might be five percent
dirty, but not anymore.

Thank you, ma'am.

CHAIRPERSON JOLLY: So, Mr. Momen,
first I want to -- there's a couple things that
you've said, but the main thing that you've said
is that there is a difference in how we are
regulating taxis versus Uber and Lyft, correct?
That's what you had implied. And I agree with
you. There is a difference. However, currently
the Department of For-Hire Vehicles is in the
process of increasing their ability to regulate
Uber and Lyft.

Now where that is, there is a bill
that's been signed. It came out of Council.
It's in the Mayor's Office. But -- let me
finish. Until that bill is signed there are just
some limits that we have on the type of
regulation and parity that you want to see.
MR. MOMEN: Well, and that regulation is advantages in, too? No.

CHAIRPERSON JOLLY: Pardon?

MR. MOMEN: Is the advantage for Uber and Lyft 10 years or 8 years, too? No.

CHAIRPERSON JOLLY: Not -- there's no --

MR. MOMEN: Yet you are concerning about --

CHAIRPERSON JOLLY: No, no.

MR. MOMEN: -- something else.

CHAIRPERSON JOLLY: There's no --

MR. MOMEN: I don't mind -- I'm not against Uber. I'm not against Lyft or anybody. If you treat somebody, treat them equal across the board.

CHAIRPERSON JOLLY: Yes, so what you want to see is what this legislation will allow to happen, but currently it cannot happen.

MR. MOMEN: Well, in that case, I request --

CHAIRPERSON JOLLY: So --
MR. MOMEN: -- I was talking to him before --

CHAIRPERSON JOLLY: Yes.

MR. MOMEN: -- to come to the podium.

I requested if he cannot force the law until we get this side of the aisle and or this side. Eight year or ten year, at least those poor cab driver can work for a while to --

(Simultaneous speaking.)

CHAIRPERSON JOLLY: So here is what we can do:

MR. MOMEN: -- so they can make sure what is going on.

CHAIRPERSON JOLLY: And I get what you're saying. Here's what we can do: We can work and try to fix and suggest fixes based on what you're recommending to the director for what we can fix today. Yes?

MR. MOMEN: Okay.

CHAIRPERSON JOLLY: And that -- your primary concern about what needs to be fixed today is the issue of the aging and the miles on
the taxis, correct?

MR. MOMEN: This doesn't come overnight.

CHAIRPERSON JOLLY: Pardon me?

MR. MOMEN: I know that one.

CHAIRPERSON JOLLY: Yes, yes.

MR. MOMEN: And --

(Simultaneous speaking.)

CHAIRPERSON JOLLY: But we agree -- but let's -- we agree that we can work on that.

MR. MOMEN: Okay.

CHAIRPERSON JOLLY: Correct? Okay.

So let me just get input. Let's start with Mr. Schaeffer.

Do you have any questions?

MEMBER SCHAEFFER: No, thank you.

CHAIRPERSON JOLLY: Dotti?

MEMBER WADE: No, he was clear. Thank you.

CHAIRPERSON JOLLY: Okay. Well,

Mr. --

MEMBER DAGNEW: I want to just share
-- I want to share more concern that he presented
deregulating status. You say that it is pending,
there is pending regulation authority stuff we
are expecting from the government, but I'm just
waiting for that to come. And I just wanted to
mention we've been raising this issue for the
past -- the business -- for the Uber and Lyft,
taxi had never been heard from. The main thing
should be the primary concern for us to protect
the taxi industry.

CHAIRPERSON JOLLY: We all agree on

that.

MEMBER DAGNEW: Exactly.

CHAIRPERSON JOLLY: We all agree.

MEMBER DAGNEW: So that is an elephant

in the room.

CHAIRPERSON JOLLY: Yes.

MEMBER DAGNEW: That is a big thing.

We need to see taxi drivers are suffering that
have not paid their investment because Uber and
Lyft are taking the business.

Listen, this is an example. I want to
put this on the record once more. Union Station,
taxi drivers sit 45 minutes to pick up a fare
whereas Uber can drop a passenger, pick right
there and go back out. Would you call that fair?
Would you call that a sharing business? That is
one thing that needs to be added to that. And I
just want this to be clear on the record.

The second thing is the -- I wanted to
be updated about the Hitch and Bay Cab status.
Hitch -- we were told the previous administration
Hitch was important to pay back the money that we
lost. Drivers were forced to sign that. The
companies that are -- by government. And this
government needs to take responsibility, pay back
the lost money for the drivers.

CHAIRPERSON JOLLY: Okay. So let me
pause for a second.

MEMBER DAGNEW: Okay.

CHAIRPERSON JOLLY: Mr. Momen, I think
we've completed your issue, so thank you very
much.

MEMBER DAGNEW: Okay.
MR. MOMEN: Thank you.

CHAIRPERSON JOLLY: So now you can continue, because this is -- you're moving into digital taxi meters.

MEMBER DAGNEW: Exactly.

CHAIRPERSON JOLLY: This is a different topic.

MEMBER DAGNEW: Digital -- two things on digital meter system. Taxi drivers were forced to sign up certain companies by government. Now these two companies are -- the four went bankrupt. That's public money, drivers' money. It's so sad to see this. And nobody's saying anything about it. We need to mention these things over and over, find a way how to drivers to be reimbursed who lost money.

Second, we have to find a way going forward for drivers to find out -- to use their phones maybe to connect maybe. Just don't want to afford to lose money no more from here. We just cannot afford to lose money --

(Simultaneous speaking.)
CHAIRPERSON JOLLY: So there have been a few things done. One is that we've been looking into raising the bond because the bond amount for those two companies in that case was extremely low. And two, from an innovation point of view there are some interests in looking at other ways that drivers can collect their money and also maintain the fees that come here.

So we -- look, I think we all -- most -- a lot of drivers that came to me, that came to the former director felt as though the District had some liability in that. And the fact is the driver had a contract with that company, so the onus is on that company to make that loss right. And the only legal means that they had was bankruptcy. So drivers unfortunately have to pursue that route.

What can the Advisory Council do, because I'm not speaking on behalf of the Department of -- but what we can do is definitely have recommendations around raising the bond amount to better protect drivers so they're not
at risk if that process continues where they're
under -- I think there's three or four companies
now.

I did speak to the director about
that. He is aware of these issues, so -- and I
know at the appropriate time he'll make some
comments on that as well. So for the record we
had that discussion yesterday. And then in
executive session you were on the phone with us
and we talked about some technology solutions
that may mitigate some of those issues.

MEMBER DAGNEW: Thank you, but that's
for the -- that list. I'm talking about the lost
money, already lost money. The previous
administration knowingly -- of course it is
pending now. We were told Hitch is in court.
The director himself once told us it should be
mitigated by the -- in the court. What is the
status of that? We didn't stop there.

Bay Cab came and is just telling these
cab drivers again to take them to court. That
just don't sound right.
CHAIRPERSON JOLLY: Yes.

MEMBER DAGNEW: It just doesn't sound right. We have to find a way to compensate the lost money to those drivers. Government lost money also, I think, on the surcharges. That is a bond problem. Where did it go? If there's a bond, we have to pay drivers who lost money. That's what it says.

CHAIRPERSON JOLLY: Okay. Is there any other input on that? Director?

DIRECTOR DO: I'll just add that we are working on increasing the surety bond for our drivers and we're going to continue looking into that. Right now it's 150,000 and we're looking at increasing that so that you have a little bit more protection.

In terms of the vintage cabs, I'm going to bring all the stakeholders into the room and then we're going to talk about how we can find a good solution for all of our stakeholders. Is that okay?

MEMBER SCHAEFFER: Yes, I just
commented on that both of the companies that went under were not companies that were established and running for longevity and had roots tied down. I mean, Hitch just came into town overnight and Bay Cab grew up from a small company to a larger company in a very short period of time. So I don't think the amount of the bond -- I think in addition to that -- you said increasing the bond, but in addition to that I think you have to have notification if that bond lapses.

CHAIRPERSON JOLLY: Okay.

DIRECTOR DO: There should be some kind of notification where you're -- D.C. is on the bond and there's some correspondence back and forth if something lapses. But both of them were companies that weren't tied to it. And I believe there are six DTSs at the present time that are all major companies that are up and standing.

And if something fell -- I'm not saying it can't happen.

CHAIRPERSON JOLLY: I just -- I think
drivers really want to see some additional preventative measures there, and what you said is definitely one of them. And they want to better understand the mechanics of how the money is transferred and what other triggers could be in place so that they are notified, hey, the surety bond has lapsed or this company -- they're Dunn & Bradstreet rating is going down, something to indicate -- because drivers have choice of which one of the six they can go to. So --

MEMBER SCHAEFFER: Right.

CHAIRPERSON JOLLY: -- maybe just better information out there so that they can make a better decision.

MEMBER SCHAEFFER: And sometimes you're attracted to a low number.

CHAIRPERSON JOLLY: Exactly. Yes. Yes. Yes, sometimes --

MEMBER WADE: You get what you pay for.

(Laughter.)

CHAIRPERSON JOLLY: -- sometimes you
get you pay for, yes. Okay.

MEMBER WADE: And keep in mind that
the increased bond coverage means an increased
bond fee and it just --

CHAIRPERSON JOLLY: And that's passed
onto drivers.

MEMBER WADE: -- balloons. Yes, it
just doesn't get higher and you don't pay for
higher.

MEMBER SCHAEFFER: And sometimes it's
not achievable.

CHAIRPERSON JOLLY: Yes.

MEMBER WADE: Yes.

CHAIRPERSON JOLLY: Okay. Let me just
ask, is there anybody that wanted to testify that
I didn't call on? I know that we had two today.

(No audible response.)

CHAIRPERSON JOLLY: We don't? Okay.

In the interest of time, because I want to close
out at 11:00 because there is some work that's
going to go on in here, I'll do one more question
from you, Mr. Setegn.

MR. SETEGN: Yes, my comment is on the
DTS surety bond increasement. I think first of
all, you know, the way how the DTSs were selected
in my opinion was not right. It is not the bond
amount. And instead of raising the bond amount I
would rather recommend a different way where
drivers swipe their credit -- the riders swipe
credit card, let that money goes to the driver's
account instead of going to the company's.

You know, in our case we don't take --
we don't involve in driver's account where the
largest data is. We directly put it on drivers'
account. We let driver sign for us to withdraw
our weekly fee from their bank. That's it. And
this way you don't take, you know, that much
money from the drivers and who's -- significant
price. So this option would be better than, you
know, having to raise it. You know, it is very
costly for companies, you know, to purchase, you
know the bond itself.

For some responsible companies who did
wrong, who are not going to -- who shouldn't be
punished for that, but we have to have an
alternate route. Thank you.

CHAIRPERSON JOLLY: Thank you. Thank
you very much.

Mr. Momen, I saw your hand, so to be
fair you can have the last comment.

MR. MOMEN: Well, my comment was I was
asking Mr. Harness several time because I was
with Hitch and I was with Bay Cab. The minute I
find out what happen, I called and I left a
message. I did all my -- where is that bond?
What does that bond mean? A hundred fifty
thousand dollars on the bond and a thousand
dollars money gone. At least if that 150,000
divided by 1,000, 150 -- at least something is
better than nothing. The driver will get it.

And the same with the Bay Cab. The
same. They do have $150,000 bond. Where is that
bond? We company -- the first thing, even if we
bring the copy of the bond, the Department does
not accept it. They want original. Where is the
original copy of the -- and Bay Cab bond? And where is that money? Who took it? My concern was that and I was asking. And today I'm going to ask the same -- the new administration, Mr. -- the new chair if he can look into where is that money? At least those poor cab driver, a Christmas gift, $150 is a good one. Thank you.

CHAIRPERSON JOLLY: Thank you very much.

So in closing I will say -- and are there any other comments here?

MEMBER SCHAEFFER: I wanted to comment to -- Ms. Setegn had mentioned that his preference is for the money to go directly to the driver's account and in return the drivers sign a waiver to give you access to his account. And I'm in disagreement with that because my biggest thing is I have drivers coming all the time, are you taking money out of my account? No, I can't touch your account, nor do I ever want to touch your account.

CHAIRPERSON JOLLY: Okay.
MEMBER SCHAEFFER: I'm collecting the credit card. My name's on your contract, money or whatever it is that you're earning and what you agreed to weekly comes out and all the rest goes straight to you as opposed to me going to your account, because then you might have a joint account, his wife's account. You're taking money. He agreed to this. He's sick. You're still taking it out. I don't want access to the driver's account.

So currently the way we operate, we collect the funds, take whatever their weekly fees are and give them the rest. So I'm not touching their account. I'm touching the money that's coming in off of what they've run through the credit card machine.

CHAIRPERSON JOLLY: Good.

MEMBER DAGNEW: Chairman Jolly?

CHAIRPERSON JOLLY: Yes?

MEMBER DAGNEW: I have to weigh in here.

CHAIRPERSON JOLLY: Okay. You got a
MEMBER DAGNEW: The thing that I was suggesting is let the drivers take the driver's seat. There is no collecting their money. Why do we have to pay third party to collect money, my money? Why don't I collect my own money directly with my bank? Can I deal with my bank directly? Yes, I can do that.

CHAIRPERSON JOLLY: Yes.

MEMBER DAGNEW: Can I ask my banks to give me equipment? They probably will give me. Only thing is collecting the surcharge. That's why we are hitting a third party.

Well, let me tell you this: If there is somebody who have to pay for third party, it has to be the government who's benefitting for a surcharge. The government have to pay --

CHAIRPERSON JOLLY: I mean --

MEMBER DAGNEW: -- the fees to collect the surcharge --

(Simultaneous speaking.)

CHAIRPERSON JOLLY: I get what you're
saying. There are just a few steps in there that need to be sorted out for that idea to even be worthwhile looking into.

MEMBER DAGNEW: Yes.

CHAIRPERSON JOLLY: I mean, I get -- we all get the point that there probably is technology that allows drivers to do that. It's available today. We know that. However -- but you're right, the surcharge, that's got to be something that -- and that's not the Advisory Council. That's Department of For-Hire Vehicles. But in -- and the director is here, he's listening to this, right? But in us making a recommendation to the Department we probably at best can recommend that we look at other ways of doing it that might enhance -- and in my opinion; this is just me speaking, provide more protection for drivers and at the same time look at maybe bringing the cost down. But these are things that we should recommend. And the Department has to --

MEMBER DAGNEW: Okay.
CHAIRPERSON JOLLY: I mean, today we're not -- we're just not in a position to really get deep into it. And mind you also with Bay Cab and with Hitch, those are legal issues that we can't even really publicly comment on, you know? So we know what's going on, but they're legal matters and for --

MEMBER DAGNEW: Well, I'm afraid --

CHAIRPERSON JOLLY: yes.

MEMBER DAGNEW: -- there's another legal issue because drivers only forced -- the drivers are forced to sign up with a third party. Drivers are forced to sign up.

CHAIRPERSON JOLLY: They're forced to use one of the approved vendors.

MEMBER DAGNEW: Yes.

CHAIRPERSON JOLLY: Yes.

MEMBER DAGNEW: So they could have had their choice. They could have done it differently.

CHAIRPERSON JOLLY: Yes. Yes. Yes.

Okay. So --
MEMBER WADE: The downside is always great, but I don't believe that when we made those decisions that they were made in a punitive manner, that we were striving to get the best rate and the best coverage for as many drivers based on what you guys said you wanted. So to try to then turn around and somehow make us liable for choices that you had options to make, I mean, we don't sit up here and at any time strive to do anything that will hinder the success of the industry. To the contrary. We do everything we can to try to benefit and improve and enhance this industry. We're public servants who serve and give our time to try to help. So I take a little offense when it appears that we're not considerate of the decisions that we make and that we willfully or willy-nilly force drivers to do anything in a business situation.

You have options. You could opt out or you can take responsibility for options that you do choose. Sometimes they're good options;
sometimes they're bad options. And business guarantees are non-existent. There are no guarantees in business. There's no guarantees in non-profits. There are just no guarantees.

So when you make an informed decision based on information that we give you, which is based on information that's provided to us, then we are acting in the best interest of all concerned, we're acting in the best interest of the government whose job it is to regulate, we're acting in the best interest of our citizens who are using the services and we're trying to act in the best interest of our drivers who are providing the service. It's a tight rope to walk trying to appease all three. We're trying to do that.

So I would just ask you to temper the comments as if we were in some way negligent or responsible for anything that may have occurred. A legal issue is just that. We have no legal authority to even comment on an issue that's before a legal body. We can't do that.
And as an advisor you need to temper that. I'm sorry to have to tell you that, but as an advisor you are representing now the District. You're wearing two hats; I'm wearing two hats. You represent the taxi industry, but you also represent the city. I represent the riding public, but I also represent the city. So it's important that we let our public know, both those sitting here and those listening, that this is very important and very serious business and we're about the business of helping everyone in this room.

We have nothing personal to gain. We're not paid, so we clearly don't have anything to personally gain. So we want to help. We solicit your recommendations. We listen to them. We discuss them. We make recommendations based on them. And as a team we need the dissention, but just not up here.

CHAIRPERSON JOLLY: Thank you.

MEMBER DAGNEW: And --

(Simultaneous speaking.)
CHAIRPERSON JOLLY: Okay. We're going to have to cut -- we're at the 11:00 hour and I promised we would end at 11:00. We'll continue this.

MEMBER DAGNEW: Okay. Okay.

CHAIRPERSON JOLLY: So for MR. Setegn and Mr. Momen, what I can do for you is promise that at our next hearing I will get you an update on both of the issues, at least where they stand, aging of vehicles and we'll get an update on the digital taxi meter situation. Is that fair?

(No audible response.)

MR. SETEGN: Yes.

CHAIRPERSON JOLLY: At the next meeting we'll get an update. Once again let me thank everybody for coming. It is 11:01 and we're adjourned.

(Whereupon, the above-entitled matter went off the record at 11:01 a.m.)
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CERTIFICATE

This is to certify that the foregoing transcript

In the matter of: Council Meeting

Before: DC DFHV

Date: 12-12-18

Place: Washington, DC

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

__________________________
Court Reporter