

GOVERNMENT OF THE DISTRICT OF COLUMBIA

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OFFICE OF THE D.C. TAXICAB COMMISSION

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PUBLIC HEARING

PROPOSED RULEMAKING FOR ESTABLISHING
A NEW PRIVATE SEDAN CLASS OF PUBLIC
VEHICLES-FOR-HIRE AND RULES PERTAINING
TO DISPATCH SERVICES

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WEDNESDAY
APRIL 30, 2014

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The Commission met in the Old City
Council Chambers, 441 4th Street, N.W.,
Washington, D.C., at 10:00 a.m., Ron M. Linton,
Chairperson, presiding.

COMMISSIONERS PRESENT:

RON M. LINTON, Chairperson
ANTHONY MUHAMMAD, Commissioner
BETTY SMALLS, Commissioner
STANLEY TAPSCOTT, Commissioner

STAFF PRESENT:

JACQUES LERNER, ESQ., General Counsel
MONIQUE BABCOCK, ESQ., Assistant
General Counsel

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TABLE OF CONTENTS

PRESENTERS:

Ride for Hire	
Dona Burney	7
DC Professional Taxicab Drivers Association	
Carolyn Robinson	29
Nathan Price	64
International Brotherhood of Teamsters	
Royale Simms	50
Property Casualty Insurers Association of America	
Kevin Wrege	67
American Insurance Association	
Eric Goldberg	87
Yellow Cab Company of DC, Inc.	
Roy Spooner	95
Sidecar	
Elizabeth Stevens	121
Public comment	155
Adjourn	

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P-R-O-C-E-E-D-I-N-G-S

10:10 a.m.

CHAIRPERSON LINTON: I'd like to call to order this public hearing scheduled by the District of Columbia Taxicab Commission, in the Old Council Chambers on Wednesday, April 30th, 2014. The time is now 10 minutes past 10, and we have before us for comment by interested parties proposed rulemaking for establishing a new private sedan class of public vehicles-for-hire and rules pertaining to dispatch services.

I want to emphasize that these are proposed rulemakings. They will be subject to significant review and evaluation and change based largely upon the comments that those who have chosen to come before the Commission today make to us, and to written material that may be sent to the Commission no later than -- what is, Mr. Counsel, the closing date for the recipient of written comments?

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1 PARTICIPANT: That would be 30 days
2 from publication so it's probably 30 days from
3 next Friday.

4 CHAIRPERSON LINTON: Yes, we
5 anticipate publication on the 9th of May;
6 therefore, comments will be accepted through
7 the close of business on June the 8th.

8 The hearing, as we have in the past,
9 has been divided into two parts, and the first
10 part are the representatives of associations
11 and companies that are involved in either
12 delivering this new type of service, or
13 delivering existing service.

14 Each of these groups are divided
15 into three panels, and the first panel will be
16 the panel of people representing driver
17 organizations. There are three organizations.
18 Each organization may have up to 30 minutes to
19 make their presentation. If that takes us past
20 or up to 1:00, we will take a break at that time
21 before going to the second part of the hearing,

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1 which will be the presentations by citizens who
2 have signed up to make five-minute statements
3 to the panel.

4 Again, I want to emphasize that
5 we're here to hear what it is that you're
6 concerned about in these rules, either what's
7 in them that you feel needs to be addressed, or
8 what is not in them that you feel should be in
9 them. We're not here to debate or to get into
10 a discussion of how they should be finally
11 shown, but to get from you the guidance based
12 on your experience, your issues, and what you
13 want us to understand.

14 With that, let me invite the members
15 of the first panel, the driver panel. We have
16 representing the organization Ride For Hire,
17 Mrs. Dona Burney, representing DC Professional
18 Taxicab Drivers Association, Mr. Nathan Price
19 and Ms. Carolyn Robinson, and representing the
20 International Brotherhood of Teamsters, Mr.
21 Royale Sims. I invite you all to the table to

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1 sit here. Do we have microphones for the table,
2 Neville?

3 MS. ROBINSON: I have a question --

4 CHAIRPERSON LINTON: Yes?

5 MS. ROBINSON: -- before we start.

6 With this half hour, apparently, Mr. Linton,
7 this is the same scenario as before. The panel
8 has a half an hour --

9 CHAIRPERSON LINTON: No, no, no. You
10 have a half hour for your association.

11 MS. ROBINSON: All right, thank you.

12 CHAIRPERSON LINTON: Ms. Burney has
13 a half hour for her association. Mr. Sims has
14 a half hour for his association. I was hoping
15 that in setting this up our staff had provided
16 microphones so everybody could hear you,
17 including those of us who want to hear you. So,
18 if you'll bear with us for just a moment.

19 (Off the record comments.)

20 CHAIRPERSON LINTON: My apologies,
21 and with that the first person on the list, Ride

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1 For Hire, Ms. Dona Burney. Ms. Burney, the
2 microphone is yours.

3 MS. BURNEY: Thank you, Chairman. I
4 want to thank you --

5 CHAIRPERSON LINTON: Can you pull it
6 a little closer? I do have some hearing
7 difficulties.

8 MS. BURNEY: Thank you. Is that
9 adequate?

10 CHAIRPERSON LINTON: It's not up
11 very high.

12 (Off the record comments.)

13 MS. BURNEY: First of all, I want to
14 thank the Commission for undertaking what is a
15 thankless task. At this point in time, I
16 certainly understand what it is to try to
17 accomplish a task when you have a hand tied
18 behind your back. And I feel like that is the
19 kind of task that was given to the Commission
20 in developing these regulations.

21 I am here on behalf of a website

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1 called Ride For Hire. It was set up, it's a
2 collaborative effort by several taxicab
3 drivers. It was set up to fill that gap of
4 insurance notification. It is intended to
5 provide the insurance carriers of notification
6 when a vehicle, a private vehicle is observed
7 in an apparent commercial for-hire activity.

8 Now, I have placed the revised
9 copies of my testimony on the podium for the
10 esteemed members, and the difference between
11 that and the one that was filed with you, I was
12 not able to get the various attachments to you.
13 And the very first attachment shows the front
14 page of the Ride For Hire website, and it also
15 shows the letters that went out to the various
16 insurance carriers and the insurance
17 commissioners of several states, as well as the
18 DC Trial Lawyers Association so that they all
19 are on the same page in being aware of this
20 website that notifies the insurance carriers of
21 the vehicles that are being operated without

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1 commercial coverage in an apparent commercial
2 enterprise.

3 Now, the gentleman in the back with
4 the red jacket has copies of the forms that he
5 can distribute to any drivers here to submit
6 copies of these tags so that they can be placed
7 on the website. Currently, there are about 600
8 vehicles already listed on that website. There
9 is a need for 6-10,000 vehicles to be listed on
10 that website because this is the estimated
11 number now operating in the District of
12 Columbia without the proper insurance.

13 Now, let me forward to my comments
14 pertaining to the regulations. First of all, I
15 am concerned pertaining to the lack of
16 mandatory insurance coverage, commercial
17 insurance for private vehicles in a private
18 endeavor. What the regulations state as
19 drafted, the proposed regulations, is that the
20 driver is only required to provide to the DC
21 Taxicab Commission a copy of the front and the

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1 back of his or her insurance card on that
2 private vehicle.

3 This is inadequate. In my view, this
4 should be expanded to include verification from
5 that insurance company that they are aware that
6 this vehicle is being used as a for-hire
7 vehicle. For the Commission to accept this
8 information and to not complete the circle of
9 full information to the insurance carriers may
10 well skip the bounds of aiding and abetting
11 fraud because it certainly constitutes fraud
12 against the insurance carriers if the
13 individual drivers are attempting to use a
14 private vehicle for a commercial activity
15 outside of the bounds of that insurance policy.
16 So, this needs some serious reconsideration to
17 close that loop and go full circle, and be sure
18 that the insurance carrier whose name is on that
19 insurance card is a party to that process, and
20 they are aware and give their permission.

21 Now, the second point I want to go

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1 on also pertains to insurance, and it relates
2 to the part of the regulations that state that
3 the master policy of the company involved in the
4 service, i.e., whether it be Uber, Sidecar,
5 Lyft, that their insurance policy only extend
6 to the vehicle at the time that it is on line
7 with their system to take or is taking calls.
8 Again, this suffers from the same defect as the
9 lack of information to the insurance company.
10 It does not go full circle and close the
11 information loop.

12 Now, what we are seeing on the
13 street is that the vehicles for hire amass at
14 certain points in the city and they sit and wait
15 for fares. They may be logged into the system,
16 they may not be logged into the system.

17 CHAIRPERSON LINTON: Excuse me.
18 You're talking about non-metered vehicles --

19 MS. BURNEY: Yes, I'm talking about
20 the private vehicles, sir. Yes, thank you. And
21 I'm talking about the part of the policy -- the

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1 regulations that address the master policy for
2 the companies.

3 CHAIRPERSON LINTON: Thank you.

4 MS. BURNEY: And the point here is
5 these drivers frequently go around, either they
6 are soliciting fares, cash fares off the
7 street. I've had it done in front of me many
8 times, or they can drive around and they can use
9 their own personal cell phone with their
10 consumer app for the service to look at it to
11 see where the clusters of the vehicles are
12 located to provide the service, and then they
13 go on to an area where there is not a cluster
14 of vehicles.

15 Well, under these proposed
16 regulations they're not required to be covered
17 for-hire vehicle when, in fact, they are
18 participating but just not logged in.

19 Now, this flies in the face of a
20 level playing field for all of the commercial
21 vehicles because it's well recognized that many

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1 of their activities are ongoing pursuant to
2 commercial activities whether they are
3 actually pursuing that fare or not. Whether
4 they're going to the gas station, whether
5 they're driving to the garage for maintenance,
6 it's all part of that process.

7 So, when you develop a set of
8 regulations that ignores the fact that they can
9 be logged on through another system to be
10 totally monitoring when or not they're going to
11 plug in to start taking calls, it circumvents
12 the process and, again, is kind of aiding and
13 abetting fraud against the consumer here
14 because they have another way of monitoring
15 rather than being logged onto the company's
16 system for-hire.

17 Now, let's move on.

18 CHAIRPERSON LINTON: Does that in
19 fact, Ms. Burney, allow them to steal rides from
20 others?

21 MS. BURNEY: Pardon?

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1 CHAIRPERSON LINTON: Would that
2 allow an individual to take a ride that was
3 really meant for someone else?

4 MS. BURNEY: What I'm saying here is
5 they are going on to their consumer part as if
6 they were going on to check to see if they were
7 going to hire one. All they have to do is press
8 to hire, but they don't actually hire. It pops
9 up and shows all of the --

10 CHAIRPERSON LINTON: Who is asking?

11 MS. BURNEY: Pardon?

12 CHAIRPERSON LINTON: It shows who is
13 asking for rides?

14 MS. BURNEY: Yes. And so they go --

15 CHAIRPERSON LINTON: All right.
16 Which they could do that regardless of what
17 company they were affiliated with.

18 MS. BURNEY: Well, all --

19 CHAIRPERSON LINTON: Because you get
20 all the apps and they could ask for anyone, so
21 they're affiliated with Company A, they could

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1 still look at Company B and see who is looking
2 for rides.

3 MS. BURNEY: Yes. Yes.

4 CHAIRPERSON LINTON: And then take
5 those rides.

6 MS. BURNEY: Well, I'm not dealing
7 with the crossover here.

8 CHAIRPERSON LINTON: I'm just
9 interested in the possibilities.

10 MS. BURNEY: And that's an
11 interesting spin because that is entirely
12 possible. My concern here is that when they go
13 to one of these apps on the consumer side and
14 they are doing it to monitor the level of
15 business activity, they are not mandated to be
16 under the commercial policy coverage, and that
17 part -- that loop needs to be closed. It's just
18 a shortcoming in the regulations as proposed
19 here.

20 CHAIRPERSON LINTON: Yes.

21 MS. BURNEY: Thank you. Now, going

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1 on, I don't want to take too much time because
2 we've got --

3 CHAIRPERSON LINTON: I'm not
4 charging you for my questions.

5 (Laughter.)

6 MS. BURNEY: Ask any questions you
7 have.

8
9 My next concern is this whole
10 process of the Commission issuing a license on
11 behalf of that vehicle to operate as a private
12 for-ride vehicle, or a private for-hire
13 vehicle, but it does not go through DMV. And,
14 to me, this is a serious breach of our Consumer
15 Protection laws throughout America and Canada.
16 Wherever you go, every state in the nation has
17 some process with the vehicle titling that
18 requires that if a vehicle is to be used under
19 an extensive usage, like whether it's a
20 taxicab, a police vehicle, a fleet rental,
21 these are all exceptional amounts of usage

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1 which will place extended usage and wear and
2 tear on that vehicle, so the states make a
3 notation of that on the title of the vehicle.
4 It's called a branded title. And once a vehicle
5 becomes branded, there is a brand on the title,
6 it can never be removed. That brand serves as
7 a warning in the subsequent use car market that
8 hey, beware, if you purchase this car it may
9 have run for four, six, eight, ten hours a day,
10 seven days a week in a heavily congested urban
11 area, i.e., you may be purchasing a lemon so you
12 are forewarned.

13 This is a very significant part of
14 the Consumer Protection laws in America to
15 avoid the consumers unknowingly purchasing
16 lemons. And by this license being issued only
17 through the DCTC, it short-circuits this, and
18 it aborts the entire intent of this consumer
19 protection aspect, so I think this needs to be
20 rethought. And if these private cars are going
21 to be used for hire, they've got to go through

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1 a titling process at DMV also.

2 Now, my next point, I was very upset
3 when I logged on to the DCist website, and I am
4 a great fan of DCist. I read them regularly. I
5 find out what's going on in the city. I know the
6 new hot venues, I know where there's going to
7 be a big activity at a club or a big show, so
8 I know where to go to look for fares.

9 I logged on there several days ago
10 and I saw a statement by Sidecar that they
11 perceived this set of regulations to be an
12 effort to run them out of business in the
13 District of Columbia. Well, I read further and
14 the rationale according to the DCist after
15 contacting Sidecar was that their drivers would
16 look at a call that was dispatched and they
17 would accept or reject it on the basis of
18 reasonableness.

19 I'm sorry, guys, this is a violation
20 of the DC Human Rights Act. It's a violation of
21 the Civil Rights Act, the civil rights of every

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1 person who is rejected a call based on that
2 driver's perceived reasonableness. It is a
3 violation of the federal civil rights laws.
4 And, in my view, Sidecar is just plain not
5 welcome in this jurisdiction if an integral
6 part of their business model is to come here and
7 to profile based on destination.

8 This is considered racial
9 discrimination under the law, and this is
10 considered a violation of civil rights, so this
11 is an absolute no-no. And we are skirting close
12 to the same type of discriminatory behavior by
13 some of the others.

14 Notably, when you get a company, and
15 I don't have to name the name, that uses as their
16 customer base only the persons having a large
17 enough credit card balance to maintain an open
18 account with them; this discriminates against
19 the more disadvantaged members of our
20 community. This is wrong.

21 One of the things that happened

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1 recently was that a person that I have regarded
2 well in my lifetime and many of the younger
3 people may not have the same sensibility that
4 I have, I'm here as a 70-year old grandmother.
5 I grew up during the civil rights era, and I have
6 been a strong supporter, at least mentally,
7 psychologically, in spirit of the efforts of
8 the greats in our society, including the
9 Reverend Jesse Jackson. And within the last two
10 weeks, Jesse Jackson came on board pointing out
11 that the likes of the Silicon Valley
12 establishment in California was behaving in
13 discriminatory practices in the hirings of
14 blacks, the hirings of Latinos, the
15 appointments to board memberships of blacks and
16 Latinos, and the funding of projects for black
17 and Latinos.

18 Okay, guys, we see the same thing
19 here. It is the same Silicon Valley crowd that
20 has so viciously attacked, their cyber attacks,
21 their cyber bully attacks upon DC City Council,

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1 and upon the Taxicab Commission to thwart the
2 regulatory process.

3 We've got the likes of Kalanick who
4 hired the Menlo Associates to conduct these
5 cyber bully attacks. And Menlo Associates
6 subsequently bragged publicly about their
7 success in thwarting regulation in DC. Come on,
8 Jesse Jackson, we need you here in DC right now
9 because we are facing the same issues. And with
10 the cherry picking that goes on through this
11 elitist service we are a thin hair away from the
12 same type of discriminatory practices that he
13 is alleging against these same individuals in
14 the Silicon Valley homestead.

15 Now, the final area that I have to
16 comment, and it'll probably get covered by so
17 many of the other people here, is the need for
18 the level playing field. And that level playing
19 field, we get into such issues as these
20 regulations do not require the complete medical
21 examination for these for-hire drivers. Most of

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1 these drivers that we're seeing on the street
2 are immigrant drivers who are coming here and
3 they may have tuberculosis, they may have
4 diabetes, et cetera. Taxi drivers are mandated
5 to be tested for these semiannually.

6 We do not need a driver on the street
7 with an infectious disease to be transmitted
8 throughout our community. We do not need a
9 driver that is diabetic who is going to go into
10 a diabetic coma and kill a half a dozen people
11 at a busy intersection, or the same thing with
12 a heart condition. We do not need a driver with
13 poor peripheral vision who is going to make a
14 turn and wipe out some pedestrians. We don't
15 need it. There is a reason for these
16 requirements, and they need to be added in here.

17 There are so many expenses that have
18 been added on to cab drivers within the last two
19 years, and these have come at the hands of City
20 Council. These are not imposed upon the
21 for-hire vehicles.

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1 Now, for City Council to set and
2 impose these requirements on the DC taxi
3 drivers and then turn their head and say oh, but
4 competition can come in here. Dah, this is not
5 competition. This is unfair competition
6 because taxi drivers cannot vary their rates.
7 These rates are set by law. If a taxi driver
8 decides to charge anything other than that
9 metered rate, that taxi driver can lose his or
10 her license permanently.

11 Now, we allow UberX to come into
12 this community, Sidecar, Lyft, they can cut
13 their rates to below legally mandated taxi
14 rates. This is unfair competition. This should
15 be --

16 CHAIRPERSON LINTON: Ms. Burney, I
17 would call to your attention when you have a
18 chance to look at Chapter 8. In Chapter 8, the
19 proposed revisions would allow the digital
20 dispatch services to which metered cabs have
21 signed up with to go off meter to set rates

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1 equivalent to the way that it is proposed to
2 have the non-metered cab set rate.

3 MS. BURNEY: Yes.

4 CHAIRPERSON LINTON: So, they would
5 not -- it would only be street hails --

6 MS. BURNEY: Yes.

7 CHAIRPERSON LINTON: -- that would
8 be linked to the meter. But please continue, you
9 make a --

10 MS. BURNEY: Yes.

11 CHAIRPERSON LINTON: -- very good
12 point.

13 MS. BURNEY: Thank you, and I am
14 aware of that, and we will deal with that in
15 detail when the appropriate hearing is
16 scheduled. One thing I would note -- is there
17 not going to be a hearing on that?

18 CHAIRPERSON LINTON: This is it.

19 MS. BURNEY: Oh, this is it? I
20 thought that --

21 CHAIRPERSON LINTON: This is for all

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1 those proposed regulations.

2 MS. BURNEY: Oh.

3 CHAIRPERSON LINTON: You're free to
4 send us your written comments. We welcome them,
5 so I ask you to go back and look at that, and
6 make sure you supplement what you're telling us
7 here today --

8 MS. BURNEY: All right.

9 CHAIRPERSON LINTON: -- with your
10 comments on those other things.

11 MS. BURNEY: I do have a concern
12 there.

13 CHAIRPERSON LINTON: All right.

14 MS. BURNEY: One of my primary
15 concerns is that you have no control then over
16 rates. They may be bouncing all over town, and
17 the thinking behind this from what I have read
18 in the proposals and the panel study was that
19 this was a relatively small component of the
20 market, something like about 25 percent of the
21 market.

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1 Well, that 25 percent, give or take
2 a few percentage points, may have been valid six
3 months ago. It is not valid today, because the
4 thrust with all the discounts, et cetera, that
5 has been offered by UberX in an effort to thwart
6 the regulated rates has bumped this up probably
7 closer to 40 to 50 percent.

8 On a given Friday or Saturday night,
9 there are virtually no fares on the streets for
10 taxicab drivers until the bars close when there
11 is the thrust of persons, so I would concerned,
12 first of all, at the base assumption that
13 underlies the thinking here.

14 And then the second is, it is not in
15 the interest of the consumer not to have service
16 available to every person in the District of
17 Columbia at a reasonable rate. And I think the
18 little old lady that I picked up out off Benning
19 Road at about -- one of the upper streets about
20 two blocks on this side of the Maryland line,
21 she was going all the way to DuPont Circle at

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1 5:00 in the morning. She was a cook at a senior
2 citizens home, and the only way she had to get
3 to work at that hour because public transit was
4 not operating and it was an early Sunday
5 morning, her fare ran in excess of \$25.

6 Now, if we're going to surge, and
7 people like that -- and I already felt guilty
8 charging her that much to go to work for the type
9 of job that she was in. This was mandatory
10 transportation for her to get to work to feed
11 the senior citizens at a senior citizens home.
12 If you're going to surge that and it's going to
13 cost her \$50 to get a ride to work, this woman
14 can't afford to go to work on that day. It is
15 not in the public interest to surge these rates
16 because too many people in the outlying areas
17 rely on the radio business in order to get to
18 work. It's a basic transportation need.

19 Okay, I've said enough. Thank you.

20 CHAIRPERSON LINTON: Thank you, Ms.
21 Burney, very much. I trust that you are aware

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1 that the City Council will be holding a hearing
2 on the 12th of May on the legislation that's --

3 (Off the record comments.)

4 CHAIRPERSON LINTON: It's May 12th,
5 I believe, but you can check with them.

6 MS. BURNEY: Thank you.

7 CHAIRPERSON LINTON: And it's on the
8 bill introduced by Chairwoman Cheh and Council
9 member Grosso, which would significantly
10 modify the authorities of this Commission in
11 dealing with the private -- with what they call
12 ride shares, and we call private sedans.

13 MS. BURNEY: Yes.

14 CHAIRPERSON LINTON: Now, I would
15 just tell all of you so it's clearly understood,
16 we make a **fetish** of referring to this new
17 element as private sedan service for the simple
18 reason that the federal government has a
19 definition of ride share that affects a number
20 of things which are connected with federal
21 programs and affects the municipalities. What

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1 this service is does not meet the definition of
2 the federal ride share, so we do not call it or
3 refer to it as ride share. You want to call it
4 shared riding maybe, or as I refer to it
5 electronic hitchhiking, but it is not ride
6 sharing. It is private sedan service.

7 Thank you, Ms. Burney, and we'll
8 turn now -- let me ask, do any of the other
9 Commissioners have any questions that you'd
10 like to ask at this time? Mr. Tapscott?

11 COMMISSIONER TAPSCOTT: No, thank
12 you.

13 CHAIRPERSON LINTON: None. Mr.
14 Ferguson, Mr. Muhammad?

15 Thank you again for your comments.
16 They've been very helpful.

17 MS. BURNEY: Thank you.

18 CHAIRPERSON LINTON: I trust you
19 will give us a written supplement.

20 MS. BURNEY: Thank you.

21 CHAIRPERSON LINTON: At this point I

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1 would like to recognize Ms. Carolyn Robinson.

2 Has Mr. Price come in yet, Ms. Robinson?

3 MS. ROBINSON: I don't --

4 CHAIRPERSON LINTON: Nathan Price,
5 are you with us? No, he does not seem to be, so
6 I invite you to go ahead, ma'am, and present
7 your testimony.

8 MS. ROBINSON: Good morning,
9 Chairman Linton, and all the Commissioners.

10 CHAIRPERSON LINTON: I'm sorry.

11 MS. ROBINSON: Oh, you can't hear me?
12 Okay. Good morning, Chairman Linton.

13 CHAIRPERSON LINTON: Thank you.

14 MS. ROBINSON: And the Commissioners
15 present, Tapscott, Muhammad, Ferguson, and
16 Betty Smalls. And, of course, our General
17 Counsel, Jacques Lerner and his assistant.

18 I'm glad to be here today. The
19 proposed rulemakings for establishing a new
20 private sedan class of the public service
21 vehicle for hire rules and pertaining to

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1 dispatch, that's what we're supposed to be here
2 for today.

3 The proposed rulemakings are
4 Chapter 2, Definitions, Chapter 8, Operation of
5 Taxicabs, Chapter 12, Luxury Services Owners,
6 Operators and Vehicles, Chapter 14, Operation
7 of Sedans, Chapter 16, Dispatch Services, and
8 Chapter 17, Private Sedan Service, Businesses,
9 Operators, and Vehicles.

10 This indicates that there are
11 proposed and final changes and the creation and
12 revision of two new chapters regarding the new
13 private sedan class. Chapter 2, Definitions, in
14 essence, all of the definitions from the
15 Chapter Subsections 399, 499, 599, 699, 799,
16 899, 999, 1099, 1299, 1399, 1499, 1599, and 1699
17 were deleted and reserved.

18 Now, in Chapter 2, Application and
19 Scope, 203 in the event of a conflict between
20 definition of this chapter and the definition
21 of another chapter of this type, the more

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1 specific definition shall apply. This is an
2 indication that definitions conflict from
3 chapter to chapter.

4 I have concerns with the
5 definitions for black car, black car service,
6 digital dispatch, digital services, DCTC
7 commercial operators license, DCTC operator's
8 license identification card, DCTC public
9 vehicle for hire license, a licensing document,
10 Commissioner which is interesting because the
11 Commissioner in the definitions relates to
12 DISB. I didn't know DISB was a Commissioner in
13 regard to the taxicab. I thought they were only
14 involved with insurance and the private sedan
15 service vehicle.

16 My concern is (B), and the private
17 sedan vehicle is no more than 10 years of age
18 at entry into service, and more than 12 years
19 of age while in service. My question is, why
20 private sedans, a newly created class, has a
21 different leverage regarding vintage than

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1 taxicabs, since the definition for public
2 vehicle for hire includes taxicab, limousine,
3 or sedan. I question if the amendment would
4 create the regulatory framework for licensing
5 and regulations for a new class of the public
6 vehicle for hire to be called private sedan
7 service.

8 My comments regarding Chapter 8
9 have been republished since 2012. I testified
10 on June 6th, 2012, and June 13th, 2012 when the
11 proposed amendments were republished on
12 December 23rd, 2011. I addressed limousines,
13 whether they're multi-jurisdictional,
14 licensed or unlicensed, Uber, Taxi Magic, Black
15 Car Service Sedans, the rest of the limousine
16 service, et cetera. The problems existed then
17 and continue to exist presently. Apparently,
18 DCTC is regulating to eliminate the taxicabs
19 who have paved the way for the new created
20 entities.

21 Chapter 12, Luxury Services Owner,

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1 Operators and Vehicles, taxicabs and public
2 vehicles for hire is amending subsections by
3 striking sedan and inserting black car.

4 My question regarding Section 1213,
5 Wheelchair Accessibility requirements for LSC
6 organizations providing sedan service/black
7 car, can you identify which black car service
8 is wheelchair accessible?

9 I am a member of the Regional
10 Taxicab Regulators Task Force which is under
11 the Council of Governments and a member of the
12 DCTC Disability Advisory Committee, and there
13 has been any discussion regarding black car
14 service and wheelchair accessibility.

15 Chapter 14, Operation of Black Cars
16 and Private Sedans, 1400. I do agree black cars
17 should be required to the collection and
18 payment of the District of Columbia passenger
19 surcharge. The Application and Scope, 1400.3,
20 Additional Requirements for the Owners and
21 Operators and Vehicles that participate in

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1 Black Car Service are contained in Chapter 12.
2 1400.4, Additional Requirements for the
3 Private Sedan Service are contained in Chapter
4 17. 1400.5, Additional Requirements for
5 Digital Dispatch Service are contained in
6 Chapter 16. 1400.7, this chapter shall apply to
7 private sedan services beginning when is the
8 implementation date. You have these amendments
9 but you don't have when the implementation date
10 is. Chapter 16, Dispatch Services.

11 CHAIRPERSON LINTON: Let me just
12 counsel you on that. The reason why these
13 proposed ones don't have implementation dates,
14 because that will depend upon when a final
15 decision is made. You can't put an
16 implementation date until you know when they're
17 going to go into effect. So, that traditionally
18 has been set with the final vote.

19 MS. ROBINSON: Okay. With the final
20 rulemakings, I thought they go into effect 30
21 days after they're published. Isn't that the

1 general procedure?

2 CHAIRPERSON LINTON: That's the
3 general procedure, yes.

4 MS. ROBINSON: Oh, okay. So, they're
5 published. Right?

6 CHAIRPERSON LINTON: When the final
7 rule is published.

8 MS. ROBINSON: Okay.

9 CHAIRPERSON LINTON: It generally
10 -- it will then contain the implementation
11 date.

12 MS. ROBINSON: Okay. Chapter 16,
13 Dispatch Services. These proposed rules are
14 intended and expected to deter and prevent
15 consumer fraud and abuse. This threat to the
16 safety of passengers and drivers and operators
17 from road services which will be able to make
18 their apps available to Smart Phone users,
19 enter the District, steal credit card
20 information, dispatch uninsured and unlicensed
21 drivers, operators and vehicles, and fail to

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1 collect or remit passenger surcharge, and
2 depart before the office has even been alerted
3 of their presence.

4 The Equal Protection Clause of the
5 14th Amendment commands that no state shall deny
6 any person within its jurisdiction the equal
7 protection of the laws, which is essentially
8 the direction that all persons similarly
9 situated should be treated alike.

10 Okay. Chapter 16, Mr. Price was
11 going to expound on. I'll read some of the stuff
12 that I have. He had other notes. 1601, I have
13 the General Requirements, 1602, Operating
14 Requirements, 1602.6, each DDS which processes
15 digital payment for the public vehicle for hire
16 should comply with the requirements with the
17 passenger rates and charges set forth in 801 for
18 taxicab service, and 1404.1 for Black Car and
19 Private Sedan Services.

20 1602.11, the following provisions
21 of this Chapter 5 shall apply to each dispatch

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1 service, 508, anti-discrimination, 511, fraud,
2 512, bribery, 513, threats and harassment.

3 1602.17, the inventory of Black Car
4 Operators and Vehicles. We have a real problem,
5 but I'll get to that later. 1602.18, Digital
6 Payment Systems for Black Car and Private Sedan
7 Service. Each DPS unit shall allow the operator
8 to provide the passenger with a written or
9 electronic receipt. The vehicle's electronic
10 manifest containing all quarterly reportable
11 trip data and all information required for
12 receipts within the prior 24 hours capable of
13 being printed and transmitted electronically.

14 My problem with that, Mr. Linton, is
15 if passenger -- public vehicles for hire,
16 taxicabs can't have electronic manifests, why
17 are you creating a new sedan service that can
18 use electronic manifests? And why are they
19 transmitting quarterly reports to TSIC instead
20 of daily reports? Corresponding with the
21 surcharge, are you going to charge them a

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1 surcharge? Pursuant to 1609.19, 1602, excuse
2 me, .19, a single data fee consistent to the
3 structure across all digital payment systems.
4 Will all these vehicles be under the surcharge,
5 and will they be reporting to DCTC? Passenger
6 surcharge for the Black Car and Sedan Service.

7 Chapter 17, the Private Sedan
8 Service, I have quite a few questions regarding
9 that. 1700.3, Additional Requirements
10 Applicable to the Drivers and Vehicles that
11 participate in the Private Sedan Service are
12 contained in Chapter 14. 1700.4, Additional
13 Requirements Applicable to Digital Dispatch
14 Service that participate in the Private Sedan
15 Service are contained in Chapter 16. 1700.6, I
16 think you explained how you are working with
17 those effective dates. 1700.7, AIn the event of
18 a conflict between a provision of this chapter
19 and provisions of another chapter of this
20 title, the more restricted provision shall
21 control.

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1 1713.2, Each operator shall at all
2 times be in compliance with Chapter 14 and this
3 chapter.@ You know, I have concerns, and quite
4 a few of these amendments and proposed
5 rulemakings are frequently repetitious in
6 several chapters which tends to be confusing,
7 and apparently written in a manner for
8 vagueness to accommodate the entity that
9 intends to do the business in the District of
10 Columbia without rules and regulations. This
11 matter, again, has the public vehicle for hire
12 industry competing against each other causing
13 conflict.

14
15 You know, there are a lot of things.
16 You know, we go through this with these proposed
17 rulemakings and, of course, you see I've read
18 all the amendments pertaining to these new
19 rules and regulations, and sometimes it's a
20 travesty, you know. You get the regulations,
21 you try to comply with them, you see what's

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1 going on, and as soon as you get that in sync,
2 then you have a new proposed regulation, and a
3 new time. And how do the drivers participate?
4 How do you -- and you refer to them as drivers
5 sometimes, you refer to them as operators. You
6 know, you cast out the sedan and you put black
7 car in its place, but then you have regulations
8 regarding black car and sedans. So, I want to
9 know how is the DCTC and God forbid if we go into
10 this new agency what will happen, you know. How
11 do you expect us to operate, you know? And from
12 what I see, and what I've observed it is
13 apparent this DCMR Title 31, that's for
14 taxicabs and public vehicles for hire that
15 hasn't been published since July 2004, and this
16 is, you might as well say May, 2014.

17 You know, it's not a good scene, Mr.
18 Linton. And, of course, you know with my
19 experience, I've been a public service vehicle
20 operator since 1975, and I have been in
21 attendance to most meetings, most hearings,

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1 most committees, most everything, and I see
2 where the industry is going. And it upsets me
3 to no end to see that we're just going through
4 the motion, spitting out stuff. You got people
5 making regulations that have no knowledge of
6 even history. They never -- even though you do
7 have two public service vehicle operators on
8 the Commission, it is apparent that you are not
9 getting feedback or correct information from
10 the two drivers that could help the drivers
11 here.

12 The Taxicab Commission was
13 established to assist the drivers, not to put
14 the drivers out of business. And, apparently,
15 this is the real turnaround with the Generation
16 Y, K, whatever other generation that's coming
17 into existence and making all these plans, and
18 putting us out.

19 I am also a senior citizen. I'm
20 66-years old, you know, and I'm a
21 fourth-generation Washingtonian, and it really

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1 upsets me to see the new age and the new things
2 that are happening that are really casting us
3 aside. Thank you.

4 CHAIRPERSON LINTON: Thank you, Ms.
5 Robinson, for your testimony. I trust that you
6 will take advantage of supplementing it with
7 any further written comments you have, that you
8 also will take notice of the City Council's
9 hearing on May 12th, and take advantage of that.

10 MS. ROBINSON: I already signed up.

11 CHAIRPERSON LINTON: There are a
12 number of things you've raised, particularly in
13 the area of selectivity of who gets a ride and
14 who doesn't, and I assure you we will take a very
15 careful look at it based on your suggestions.

16 Are there any questions that anyone
17 has for Ms. Robinson? Mr. Ferguson?

18 MR. FERGUSON: I do have one
19 question. At our last deliberation we did talk
20 about the differentiation between
21 classification of sedan's life span when you

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1 last met. And I was wondering if that was --

2 CHAIRPERSON LINTON: And it is
3 something which I would expect that we will
4 continue to review and analyze as we move
5 forward.

6 MR. FERGUSON: Okay.

7 CHAIRPERSON LINTON: These are not
8 the final regulations. We've already begun to
9 have discussions regarding the modernization
10 approach. Commissioner Muhammad.

11 COMMISSIONER MUHAMMAD: Yes. Ms.
12 Robinson, would you suggest that the taxicab
13 get rid of paper manifests and use the
14 electronic one as it's being proposed by
15 sedans?

16 MS. ROBINSON: Well, Commissioner
17 Muhammad, this is the 21st century, and if most
18 of the applications, most of the other entities
19 that are trying to do business in the District
20 of Columbia are using Smart Phones, websites
21 and things like that, it would be more apparent

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1 that we do get rid of the written manifest. What
2 purpose does it serve?

3 The Commission gets all of our data
4 on a 24-hour basis, so they know what they're
5 doing. Big Brother is watching us all the time,
6 you know, so it shouldn't be any issue with
7 that. And I'll give you an example.

8 Some time ago, I was unfortunate to
9 be stopped by one of the public vehicle for hire
10 inspectors regarding a manifest, and he wrote
11 me a citation, and I had a hearing. And I went
12 to the hearing, and I had my Title 31, and I also
13 told the hearing examiner that other entities,
14 the limousine service and all those, they use
15 electronic manifests, and the District of
16 Columbia Government needs to come up to speed
17 to the 21st century, you know. And if they can
18 do it, why can't I?

19 Well, fortunately, with my
20 conversation the ticket was dismissed, and she
21 told me I need to start doing the manifest. But

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1 these are the kind of things, if you're going
2 to do it for one, you've got to do it for
3 everybody.

4 COMMISSIONER MUHAMMAD: And, also,
5 do you remember when we implemented the MTS
6 system?

7 MS. ROBINSON: Oh, absolutely.

8 COMMISSIONER MUHAMMAD: This
9 Commission voted to allow taxis to go through
10 inspections for one year at DMV. It has never
11 --

12 MS. ROBINSON: Been implemented.

13 COMMISSIONER MUHAMMAD: -- been
14 implemented. I suggest you go to City Council,
15 get all the testimony and you can input it for
16 their consideration of what we're saying today.
17 Also, remind them of the plan that was presented
18 by Council Member Bowser, so we will not have
19 Council Members investing in Uber and the rest
20 of the sedan services that are coming into
21 Washington, D.C., and on their boards.

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1 MS. ROBINSON: Well, that's true,
2 Mr. Muhammad. And I'm sure you're familiar,
3 too, because you also are on the DCTC
4 Accessibility Advisory Committee. And that was
5 something that we brought up in our meeting. I
6 mentioned to the representative from Council
7 Member Cheh's office that with the change, if
8 they're going to do the Agency, they tried to
9 do this before when Dan Tangherlini was the
10 Director of DDOT. And at that time, we had more
11 unity with drivers, and we protested because
12 they were going to make us under the
13 transportation czar with DDOT. And that was
14 before, but I did mention to Council Member
15 Cheh's representative at the meeting that that
16 was then, this is now. And I'm sure that with
17 all of her persuasion, this will take place this
18 time. So, I wonder sometimes, you know, who's
19 watching who, but who's zooming who?

20 CHAIRPERSON LINTON: For the record,
21 let me just note that the implementation of the

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1 once a year inspection would require a change
2 of their regulations. I think they're going to
3 change them in the coming year, however.

4 MS. ROBINSON: Well, Mr. Linton,
5 Chairman Linton, that means it's fruitless to
6 make decisions, have them on record, and then
7 they're never implemented, because I brought
8 that up with the Task Force from Council Member
9 --

10 (Simultaneous speech.)

11 MS. ROBINSON: We do this all the
12 time.

13 CHAIRPERSON LINTON: There are
14 certain circumstances where we don't have the
15 authority to override them. In this case, we've
16 adopted the regulation where we only require
17 once a year inspection. They have declined to
18 change their regulations to implement it.

19 MS. ROBINSON: Well, DMV, you send
20 Ronnie over there to DMV for our registrations
21 and stuff, so they - it's just - it's really sad

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1 what the District of Columbia Government is not
2 doing --

3 (Simultaneous speech.)

4 CHAIRPERSON LINTON: -- the Mayor
5 and the Council.

6 MS. ROBINSON: Well, they're
7 familiar with me, too. The Transportation
8 Committee, most of them know me. I worked on the
9 campaign for Council Member Grosso, so -- and
10 Ms. Cheh knows me. I've been in her office many,
11 many, almost too many times, you know. And
12 that's part of the problem with the Taxicab
13 Commission, because we originally were under
14 Transportation under Council Member Graham,
15 then it was Fraud, then we went to Michael
16 Brown, then we went to Vic Alexander, then we
17 went to Tom Wells, you know, and now we're under
18 -- and they got rid of him, and now we're under
19 Mary Cheh, so how can the Council even think
20 about doing anything to help us when you're
21 shifting everything around, throwing things,

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1 you know, like we're in the zoo and you're
2 feeding the monkeys or whatever.

3 CHAIRPERSON LINTON: Well, I invite
4 you to testify before --

5 (Laughter.)

6 CHAIRPERSON LINTON: Thank you,
7 ladies and gentlemen --

8 (Off microphone comment.)

9 COMMISSIONER TAPSCOTT: I commend
10 the ladies for testifying today. I think you
11 brought out a lot of good points, a lot of good
12 points. And we as the cab drivers in this city
13 are doomed. Everyone else is getting respect
14 except us. I've been on this council. I voted
15 against a lot of regulations since I've been
16 back, but one or two votes is not going to get
17 anything. And what the City Council, as far as
18 I'm concerned, is doing to cab drivers, I don't
19 know how they have a conscience to wake up and
20 look in the mirror.

21 And it's not getting any better,

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1 it's getting worse, because everyone -- every
2 time one of these other companies pick up a
3 driver -- a passenger, they're picking up your
4 passenger. And they're putting you out of
5 business. And no one seems to care about it. But
6 I appreciate your all's testimony.

7 MS. ROBINSON: Well, we're cab
8 drivers for life. Right?

9 CHAIRPERSON LINTON: Thank you very
10 much, Ms. Robinson. I would invite you, Mr.
11 Sims, now for your testimony on behalf of the
12 International Brotherhood of Teamsters and the
13 drivers it represents.

14 MR. SIMMS: Thank you, Council,
15 thank you Commission Chairman. I'd also like to
16 thank my fellow panelists.

17 My name is Royale Simms. I'm a
18 Business Agent for Teamsters 922. My primary
19 responsibility is representing the Washington,
20 D.C. Metro Taxi Operators Association and the
21 more than 2,200 members.

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1 So, these companies, Private Sedan
2 Service companies have ignored and outright
3 broken laws here in the District of Columbia,
4 and also around the country, and they haven't
5 earned the public's trust for the privilege of
6 self-regulation.

7 The proposed regulations improve
8 safety by requiring Private Sedan companies to
9 carry umbrella insurance, report background
10 checks to the Commission, and place an
11 obligation on licensing and driving record
12 checks with the Commission. The regulations
13 insure responsible drivers are safely hauling
14 visitors and citizens of the District of
15 Columbia. We have a few issues, though.

16 At a foundational level, requiring
17 Private Sedan drivers to receive training
18 before they're eligible to operate is a must to
19 insure drivers are operating in a safe manner,
20 but this regulation should also include strict
21 guidelines for operating any and all devices

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1 required for their operation, so this includes
2 their handheld devices, any other thing they
3 use in the Private Sedan service operation.

4 The insurance requirements, the
5 balloon service policy is a big step in
6 protecting persons and property; however, in
7 addition to the balloon service, I'm sorry, in
8 addition to the balloon policy required by the
9 Private Sedan service companies, each driver
10 should be required to notify their primary
11 personal insurance company of the use of their
12 vehicle in the for-hire transportation
13 industry. This will insure that all insurance
14 providers have been notified and are aware of
15 the risk involved. It will speed up the process
16 of any claims that may arise from incident or
17 accident from use of a vehicle in Private Sedan
18 services.

19 The background checks will help
20 maintain a cadre of Private Sedan operators
21 with good moral character. Furthermore,

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1 Private Sedan operators are screened for the
2 use of illegal intoxicants. This screening
3 should be reported to the Commission in some
4 fashion. It shouldn't be trusted for the
5 companies to do it by themselves. This step
6 further prevents unqualified operators from
7 being behind the wheel and putting passengers
8 in danger.

9 Another safety regulation that
10 shields passengers from unqualified operators
11 is a duty of DCTC to inspect the complete
12 driving records of all applicants. We commend
13 the Commission for handling this operation. We
14 believe it allows efficient and thorough
15 government-to-government communication. This
16 check you confirm whether or not the applicant
17 has a valid driver's license and a clean record
18 avoiding incidents where unqualified operators
19 are able to enter the market and drive.

20 We are worried about consumer
21 protection. By creating the regulatory

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1 structure for this new class of service, DCTC
2 has taken a positive step to protect consumers.
3 Without regulation, companies will be allowed
4 to enter the market. We should not fool
5 ourselves and think that only three companies
6 will enter this market. It's a growing market,
7 and we should have regulations. And by
8 implementing these regulations, DCTC is
9 showing true foresight.

10 However, these regulations protect
11 the data and the proprietary information of
12 Private Sedan companies, but it also limits
13 FOIA. We do recognize that there should be some
14 limits to FOIA, but any information that is
15 available for a taxicab company through the
16 DCTC under FOIA should also be available for
17 Private Sedan service companies.

18 The Private Sedan businesses do not
19 want to play by the rules. They have taken
20 advantage of a legal ambiguity for profit sake
21 even though there is no new business model here.

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1 As the panel industry cited in a January 2014
2 report, there is nothing new about this new
3 business model. Offering for-hire
4 transportation services through the mechanism
5 of a Smart Phone application that justifies
6 abandoning the fundamental regulatory
7 structure of the Transportation For-Hire
8 industry, or that changes the level of
9 regulatory concern. The underlying principle
10 continues to be insuring public safety.
11 Regulation is the safety net that the public
12 should rely on for its protection.@"

13 The members of the Washington, D.C.
14 Metro Taxi Operators Association agree in
15 principle for the need for regulation in this
16 new class of service. We also feel that
17 regulations go a long way in correcting a broken
18 system.

19 Our final concerns are if the DCTC
20 is accepting 100 applications per week per
21 company wishing to operate this service, there

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1 should be a limit to the number of Private Sedan
2 vehicles that are allowed to operate per
3 company. Right now it says there's 500
4 applications maximum, but the regulations
5 leave an ambiguity whether each company can
6 provide more than 500 vehicles flooding the
7 market, and really taking business away from
8 taxicab drivers.

9 Secondly, since the surrounding
10 jurisdictions are regulating Private Sedan
11 services in a different way that really will
12 restrict reciprocity between District
13 residents we suggest that all licensing for
14 Private Sedan services be limited to D.C.
15 residents with D.C. registered vehicles.

16 Thirdly, we want to reiterate the
17 need for notification of each driver in the
18 Private Sedan service class to report his
19 primary insurance company to the vehicle to
20 clear any confusion about the responsibility of
21 coverage. Fourthly, we're really concerned

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1 about surge pricing. This practice has been
2 reported in the media to go 10 times the normal
3 rate. We feel this practice will hurt consumers
4 who may not understand the practice and may be
5 a victim of price gouging.

6 Next, there should also be a set age
7 limit for vehicles used in the Private Sedan
8 service. And, finally, we're concerned about
9 the enforcement under this new class of
10 vehicles entering the market. We demand equal
11 enforcement for all drivers, vehicles,
12 companies, PSPs, DDS services operating in the
13 jurisdiction of the DCTC.

14 In conclusion, the Washington, D.C.
15 Metro Taxi Operators Association recognizes
16 the difficulty in setting policy with strong
17 business interest pushing against public
18 safety. Three San Francisco companies are
19 currently vying for the market share in the
20 District of Columbia. They're operating
21 without regulation or enforcement. Lyft has

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1 raised over \$250 million in one year. Sidecar
2 has raised over \$20 million in venture capital,
3 and Uber, the oldest and biggest company in the
4 market has revenue of \$20 million a week. These
5 companies do not want a level playing field.
6 They argue against regulations, and they do not
7 want to conform to the Transportation For-Hire
8 industry regulations.

9 The taxi industry here in D.C. is
10 the little guy. Until recently, they were
11 individuals operating independently. With the
12 Teamsters help, we have a voice. These
13 regulations, if implemented, go a long way in
14 insuring public safety and create a transparent
15 set of rules and regulations and enforcement
16 against Private Sedan companies.

17 The Washington, D.C. Metro Taxi
18 Operators Association supports the regulations
19 in principle as a foundation for leveling the
20 playing field in the vehicle for-hire
21 transportation industry here in our nation's

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1 capitol.

2 Thank you for allowing me to speak
3 again, and we are ready to respond to any
4 questions.

5 CHAIRPERSON LINTON: (Off
6 microphone comment) legislation that would
7 deal with this class of taxi services. Do the
8 Commissioners have any questions for Mr. Simms
9 at this time?

10 COMMISSIONER MUHAMMAD: I have a
11 question.

12 CHAIRPERSON LINTON: Commissioner
13 Muhammad.

14 COMMISSIONER MUHAMMAD: Would the
15 Teamsters represent Uber or Sidecar, Lyft
16 drivers? Would the Teamsters represent them if
17 they decide that they want to be a part of the
18 Teamsters union?

19 MR. SIMMS: Currently, I don't have
20 an answer for that question. I can respond at
21 a later date. Is there --

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1 CHAIRPERSON LINTON: Well, I think
2 it's an interesting question.

3 MR. SIMMS: It's a real interesting
4 question that we are the representative --

5 (Simultaneous speech.)

6 CHAIRPERSON LINTON: Basically, you
7 don't represent the drivers --

8 (Off microphone comment.)

9 MR. SIMMS: Correct.

10 CHAIRPERSON LINTON: You provide
11 counsel and advice to their organizations.

12 (Simultaneous speech.)

13 (Off microphone comment.)

14 CHAIRPERSON LINTON: As I understand
15 it, you can correct me if I'm wrong, your
16 organization is not -- the drivers are not
17 Teamsters by membership. They are in their own
18 organization which you have a contract with to
19 advise and give them assistance. The question
20 really is will that organization accept into
21 its membership drivers that drive for these

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1 other kinds of vehicles? That's what I think we
2 need to know.

3 MR. SIMMS: And that's also an
4 interesting question, but it could be the
5 drivers themselves want to form their separate
6 organization, and so if they form the separate
7 organization with different interests than who
8 we're already representing, then we wouldn't
9 have any conflict of interest. We wouldn't want
10 to set ourselves up for that, but we haven't
11 been presented any of those issues right now,
12 so we haven't really went down that road. But
13 I can get back -- I can get those answers to you.

14 CHAIRPERSON LINTON: Thank you.

15 COMMISSIONER MUHAMMAD: But you
16 would represent anybody who's paying
17 transportation rides for-hire. Correct?

18 MR. SIMMS: Right now we represent
19 taxi drivers in the Washington, D.C.
20 Metropolitan area.

21 COMMISSIONER MUHAMMAD: The

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1 Teamsters represent the subways too. Correct?

2 CHAIRPERSON LINTON: I think we need
3 to stay on topic. The drivers in our private
4 vehicle for-hire taxis, metered taxis are not
5 employers, employees, they're independent
6 agents, and they are not eligible for direct
7 union membership as taxi drivers or owners.
8 They have formed their own association, and
9 that association has retained the Teamsters as
10 an advisor and consultant to them. There's no
11 NLRB connection with the drivers through the
12 Teamsters.

13 MR. SIMMS: It's a private
14 association for the DC Metropolitan taxi
15 drivers, so the Teamsters are not representing
16 them directly. We're just advising and
17 consulting with their consent.

18 CHAIRPERSON LINTON: And speaking
19 for them.

20 MR. SIMMS: Yes.

21 COMMISSIONER MUHAMMAD: So, if I

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1 call a group of Uber drivers or Lyft drivers and
2 we form an organization and employee the
3 Teamsters to represent us, and we come with a
4 number of drivers, two or three thousand, four
5 or five thousand, and we pay \$25 a month would
6 you represent us?

7 MR. SIMMS: I disagree with the
8 premise about payment, it's about labor and -

9 COMMISSIONER MUHAMMAD: You're
10 talking about dues. These are not --

11 MR. SIMMS: We're not talking about
12 dues, we're talking about the interest of the
13 worker. We represent this organization because
14 they're the workers here, and they have been
15 oppressed, they haven't had a voice. So, what
16 we're doing is we're advising them on how to
17 better represent themselves, and how to
18 organize, and how to fight for their rights.

19 If there is another organization
20 that created a conflict of interest with their
21 rights, we would not represent them.

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1 COMMISSIONER MUHAMMAD: Do they have
2 to pay dues, the drivers?

3 MR. SIMMS: They pay dues to the
4 organization that they're associated with, so
5 their dues go to their association, the
6 Washington, D.C. Metro Taxi Drivers Operators
7 Association.

8 COMMISSIONER MUHAMMAD: Do the
9 Teamsters receive any money from their
10 association?

11 MR. SIMMS: Yes, as a part of our
12 advisement and consulting.

13 COMMISSIONER MUHAMMAD: Thank you.

14 (Off microphone comment.)

15 CHAIRPERSON LINTON: Thank you for
16 your testimony. You've been very helpful. There
17 is some time left on this panel time, and I see
18 that Mr. Price has arrived. While Ms. Robinson
19 has made a very excellent presentation, if you
20 wanted to add --

21 (Simultaneous speech.)

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1 MR. PRICE: Yes, sorry for being
2 late, but coming out of Tysons, the traffic is
3 --

4 (Off microphone comment.)

5 CHAIRPERSON LINTON: And we did give
6 Ms. Robinson a lot of your time, so I would
7 appreciate your summarizing what you have to
8 say to us.

9 MR. PRICE: I don't have a lot to say,
10 anyway. The main thing that struck me with this
11 deal was our rights of equal treatment as we are
12 granted under the constitution.

13 I like the idea that the Commission
14 has taken on these so called nonprofit
15 vehicles, and I don't see anything nonprofit
16 about them so, therefore, I implore this
17 Commission to look at anything, because people
18 don't work for zero, you know. Even when we had
19 people -- drivers at the Safeway in their
20 private cars taking passengers back home with
21 their groceries, they got paid. And what was sad

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1 sometimes they made more than cab drivers in a
2 day's time. So, we want the same protection.

3 And the reporting that they have to
4 do for their surcharge, even though I totally
5 disagree that we should be paying the 25 cents,
6 now that we have been paying it, so should
7 everybody, and the mechanism should be in place
8 to collect that 25 cents, you know.

9 To me, if you level of the playing
10 field and you track their movements like our
11 movements are tracked, then maybe you can hold
12 your head up at the end of the day, where right
13 now we are being fleeced. And that's basically
14 all I have to say.

15 CHAIRPERSON LINTON: And Ms.
16 Robinson gave us a great deal to consider, so
17 we'll include your interest in support of what
18 she had to say. And I thank the panel, you've
19 been very helpful in the matters that you've
20 brought before us. And, again, remember the
21 City Council hearing.

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1 I will now invite the insurance
2 panel, the Property Casualty Insurers
3 Association of America, Mr. Kevin Wrege. And
4 the American Insurance Association, Mr. Eric
5 Goldberg, if they would join us at the table
6 here. And I see there are more than two of you
7 that are listed, so I'm going to ask if you would
8 introduce your colleagues as you're going
9 forward.

10 MR. WREGE: Sure, Mr. Chairman, and
11 thank you. I have with me a member of the trade
12 association I represent, Property Casualty
13 Insurers Association of America, GEICO
14 Insurance Company representative, Senior
15 Counsel, Larry Hinton. And Mr. Hinton is here
16 to also assist in answering any questions that
17 might come up from the Commission.

18 CHAIRPERSON LINTON: And you have
19 with you?

20 MR. GOLDBERG: Eric Goldberg with
21 American Insurance Association. I'm joined by

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1 Rachel Jensen who's an attorney in our law
2 department and an expert in automobile
3 insurance issues.

4 CHAIRPERSON LINTON: Thank you. Each
5 of you have -- each group has 30 minutes each,
6 so I'll allow you to decide who's going to make
7 that presentation. Of course, if you don't have
8 to take the 30 minutes, I don't think anybody
9 here in the audience or us would object to it.

10 MR. WREGE: Thank you, Chairman
11 Linton. Good morning, Mr. Chairman, members of
12 the Commission and staff. My name is Kevin
13 Wrege, and I'm an attorney and a founder and
14 President of Pulse Issues and Advocacy. I
15 represent the Property Casualty Insurers
16 Association of America, also known as PCI. On
17 behalf of over 1,000 member companies who
18 together write more than 47 percent of the auto
19 insurance written in the District of Columbia
20 representing over \$147 million in premium. I
21 thank you for the opportunity to speak to you

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1 today and share our views on proposed Private
2 Sedan services.

3 I want to take a moment before I get
4 into the written testimony just to make one
5 point very clear. I'm well aware of the broader
6 debate that's unfolding this morning raising
7 broader regulatory issues around Private Sedan
8 services and the traditional taxicab industry
9 services provided in the District. We are not
10 here to speak to that broader debate. In fact,
11 we're not opposed to the market entry of
12 entities such as Sidecar, Lyft, and Uber.

13 Our sole concern this morning, and
14 my written formal testimony will reflect this,
15 is a liability insurance issue that is not only
16 one that's arisen here in the District, but has
17 come up all over the country. Let me redirect
18 you to my formal testimony to describe that
19 issue.

20 Over the past -- and following the
21 emergence of a market innovation introducing

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1 web and Smart Phone-based tools allowing
2 individuals to share goods and property. As
3 some of these tools have morphed into
4 commercial enterprises, questions are being
5 raised regarding insurance coverages.

6 Commercial ride sharing which the
7 DCTC proposes to regulate as Private Sedan
8 services has taken the shared expense car pool
9 concept several steps further by not only
10 matching riders with drivers, but setting
11 standards for participation and facilitating
12 payment by credit card while taking a fee on
13 each fare. These services have become a viable
14 alternative to taxis in jurisdictions across
15 the country.

16 These service offerings present a
17 number of insurance issues that need to be
18 addressed to protect the interests of Private
19 Sedan services, drivers, passengers, other
20 drivers on the roads, and Private Sedan
21 companies, as well as automobile insurers. To

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1 do that requires that all stakeholders have a
2 clear expectation of what insurance coverage is
3 being provided, when it is being provided, and
4 by whom. That has been the basis for PCI's
5 engagement on this issue across the country.

6 Many automobile insurance policies
7 contain exclusions for vehicles being operated
8 as a livery, or to carry persons or property for
9 a fee. As the DC Taxicab Commission's January
10 24th, 2014 Findings and Recommendations on Ride
11 Sharing explicitly stated, there would likely
12 be no coverage on the driver's personal auto
13 policy for injuries or damage arising out of an
14 accident that occurred while involved in
15 Private Sedan services activities. Coverage
16 would likely also be excluded for damage to the
17 vehicle, medical payments, and uninsured or
18 under-insured motorist coverage. The reason
19 for the exclusion is simple. These kinds of
20 activities present a significantly different
21 and increased exposure to loss than personal

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1 automobile policies are intended to cover.@

2 The emerging Private Sedan services
3 companies have been providing insurance
4 coverage but often say it is on an excess, or
5 contingent, or umbrella basis, or that it drops
6 down - should the driver's coverage not apply.
7 They also provide different coverage limits
8 under different circumstances depending on if
9 the driver has accepted a ride or not.

10 These issues are a source of
11 confusion for drivers and passengers who either
12 erroneously believe that the personal
13 automobile policy will provide coverage, or
14 realize that it does not and are simply hoping
15 for the best. This confusion is likely to result
16 in costly coverage disputes and delayed
17 compensation for accident victims.

18 While Private Sedan services have
19 been around for several years, there have been
20 very little in the way of legislation of
21 regulatory activity regarding these programs

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1 until this year. California's Public Utility
2 Commission, the CPUC, which also regulates
3 taxis and limousines, established the first and
4 so far only regulatory regime for the essential
5 equivalent of Private Sedan services last fall.
6 The CPUC regulations characterize companies
7 offering these services as transportation
8 network companies, or TNCs, and regulates TNCs
9 as common carriers. The CPUC requires safety
10 inspections of TNC vehicles, background checks
11 on drivers, and notably mandates insurance
12 coverage to be provided by the TNC on a primary,
13 as opposed to a secondary or umbrella basis if
14 the driver does not have applicable coverage.

15 The CPUC regulations do not define
16 when a driver is engaged in TNC activity.
17 Significantly, the issue of when a TNC driver
18 is engaged in commercial activity took on great
19 urgency after a tragic accident in San
20 Francisco on New Year's Eve. A young girl was
21 struck and killed by a driver who had been

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1 enrolled as a TNC driver. There is a dispute
2 concerning whether or not the driver was
3 engaged in commercial activity at the time of
4 the accident, and lawsuits are recently filed
5 against all of the parties involved. That
6 incident has precipitated a number of
7 legislative and regulatory proceedings. Cities
8 such as Chicago, Dallas, Seattle, Milwaukee,
9 and Nashville are either discussing or have
10 proposed ordinances regulating these services.
11 States that have considered legislation in this
12 area include Arizona, California, Colorado,
13 Florida, Georgia, Maryland, Oklahoma, Virginia
14 and Washington State.

15 As I said earlier, PCI does not
16 oppose the Private Sedan services business
17 model. Our members provide commercial as well
18 as personal automobile coverage, and these new
19 programs present an opportunity for commercial
20 writers, as well. However, we do believe that
21 there are some essential elements that need to

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1 be addressed to deal with the insurance issues
2 surrounding Private Sedan services.

3 First, the current case law
4 regarding private passenger auto policy livery
5 exclusion must not be undermined. As you may
6 know, insurance is unique and that the ultimate
7 cost of providing the product is not known.
8 Insurers use historical loss costs and must
9 make assumptions to project those costs into
10 the future to price their products
11 appropriately. Changes in the law can mean that
12 those assumptions will no longer be valid.

13 Some legislation or rules
14 introduced in other states have attempted to
15 undermine the livery exclusion by changing the
16 definition of Private Sedan services or their
17 equivalent, a private passenger auto, or
18 personal automobile coverage, in effect
19 requiring all drivers to pay for coverage for
20 Private Sedan services' activities.

21 There is little question that these

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1 drivers are engaged in a commercial activity,
2 one that changes the fundamental nature of the
3 risk being insured. This is precisely the
4 reason that there are separate policies and
5 pricing for taxis and limousines and other
6 vehicles that carry passengers for a fee.
7 Private Sedan services and their drivers should
8 have coverage that is primary and ideally
9 applies on a 24 by 7 basis throughout the year.

10 We also believe that Private Sedan
11 services operators should provide clear
12 disclosures to their drivers regarding the
13 insurance coverages they provide and notify
14 them that their personal auto policy will not
15 provide coverage for injuries or damage
16 resulting from commercial activity. It is also
17 important that the driver's personal auto
18 insurer be made aware of their participation in
19 such programs either from the driver or the
20 Private Sedan services operator so that
21 duplicate claims aren't made for accidents.

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1 Finally, as I have said earlier,
2 this new and innovative programs represent an
3 opportunity for our members so we could
4 encourage regulators to be careful not to
5 preclude innovation in the insurance industry
6 to respond to changes in how the transportation
7 services market evolves, and how consumers use
8 their vehicles in the future.

9 Once again I would like to thank the
10 Commission for the opportunity to share our
11 views on this issue. We have concerns about the
12 way Private Sedan services insurance
13 requirements are currently written; however,
14 we believe that there is a way for the insurance
15 issues to be addressed, and we look forward to
16 the opportunity to work with all stakeholders
17 as we move forward. I'd be happy to try to answer
18 any questions the members of the Commission may
19 have. Thank you.

20 CHAIRPERSON LINTON: Thank you, Mr.
21 Wrege. I have a couple of questions. Would you

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1 suggest that the individual drivers enlisting
2 to become drivers for these various Digital
3 Dispatch companies be required to have the
4 insurance themselves, that they take out the
5 insurance?

6 MR. WREGE: As to the commercial, the
7 primary commercial coverage, no, Mr.
8 Commissioner. We would suggest that the Private
9 Sedan services companies themselves provide
10 that coverage on behalf of B-

11 CHAIRPERSON LINTON: Why wouldn't
12 you have the individual driver who is using
13 their own vehicle be responsible for their
14 insurance? The owner of a metered vehicle is
15 responsible for the insurance on that vehicle.

16 MR. WREGE: Right.

17 CHAIRPERSON LINTON: Now, why would
18 we not consider that in terms of this mode of
19 transportation?

20 MR. WREGE: Well, I think it's a fair
21 question, and I B- it's my understanding that

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1 say, for example, in the California situation,
2 the California Public Utilities Commission
3 directed that the companies themselves in this
4 space, the TNCs provide the coverage on behalf
5 of those drivers.

6 The regulatory regime may be
7 different in detailed ways here in the District
8 than in California, so what I would do is why
9 don't I supplement my response to that question
10 to make sure that we're getting you the right
11 information in terms of our position about who
12 specifically should be providing that
13 coverage.

14 CHAIRPERSON LINTON: I would
15 appreciate it.

16 MR. WREGE: Sure. I just want to make
17 it clear that I believe that coverage should be
18 in place to protect all of the stakeholders on
19 the streets.

20 CHAIRPERSON LINTON: I appreciate it
21 if in providing it you keep in mind, this is the

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1 District of Columbia, not California. And too
2 often I have been told since I have been in the
3 position well, look what California is doing,
4 look what New York is doing, look what they're
5 doing, but we're not those jurisdictions. And
6 we have some very specific geographical
7 differences, we have some very specific
8 situations in governance because we're a small
9 jurisdiction bordered by two states that are
10 totally independent of us, can do what they
11 want, so it's not what they're doing in
12 California. It's what given the conditions in
13 the District of Columbia why the driver and
14 owner of a vehicle that is enlisted in these
15 Private Sedan services should not be treated
16 from an insurance standpoint exactly as the
17 driver -

18 MR. WREGG: Chairman, all points
19 well taken. That's why I suggested that there
20 may be differences in the way the industry
21 operates here. I am not an expert on the

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1 insurance industry or the regulatory B-

2 CHAIRPERSON LINTON: No, I
3 appreciate that.

4 MR. WREGE: I'm sorry, I'm not an
5 expert on the taxicab industry. I'm actually
6 not an expert on either, but I should say I know
7 much less about the taxicab industry, and I'm
8 not intimately familiar with the regulatory
9 regime there. So, what I would say is we will
10 provide information on PCI's position on that
11 issue about who should be purchasing the
12 coverage. Larry, if you have other thoughts on
13 that?

14 MR. HINTON: I think what you're
15 saying is adequate. We will provide a little
16 more research as to who should have the coverage
17 on that. The primary point that Mr. Wrege wanted
18 to say is that whomever is required to have it,
19 that the insurance must B- it must be
20 commercial insurance to protect the residents
21 of the District of Columbia. And being a

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1 national company, Mr. Wrege was not trying to
2 disrespect the District of Columbia.

3 CHAIRPERSON LINTON: No, I
4 understand that. I just -

5 MR. HINTON: We both understand and
6 appreciate your comments, and many times -

7 CHAIRPERSON LINTON: We want him
8 to understand that too often people look at us
9 as a trailer.

10 MR. HINTON: No, we love the
11 District. We play here, live here, spend our
12 money here, and Mr. Wrege has a residence here.
13 And GEICO is the largest carrier to write
14 private passenger automobile insurance here in
15 the District of Columbia, so we're vested here.
16 But his point was that we look globally to try
17 to find common issues to resolve ongoing
18 problems in various jurisdictions, and that was
19 his point about California.

20 CHAIRPERSON LINTON: (Off
21 microphone comment.) I would also appreciate

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1 it, I was going to ask you a second question but,
2 obviously, I think it should be a part of what
3 you research.

4 In the situation where you have a
5 structure in which the company which has the
6 customer seeking the ride turn those customers
7 over to another company which has the vehicles
8 that are available to give the ride. How does
9 the liability affect that situation? You
10 understand what I mean? If I have - if I simply
11 sign up people who want to use my app to get a
12 ride in a Private Sedan, but I turn to you and
13 I say here's somebody looking for a ride. Will
14 you put them in one of the cars that have signed
15 up with you? And that car has an accident, where
16 does the liability fall?

17 MR. WREGE: Chairman, I don't know,
18 and this raises a broader question, which is one
19 of the reasons why we have such concerns about
20 the issue of commercial versus private
21 passenger automobile insurance is we are

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1 fearful that there will be gaps in coverage, or
2 there will be major fights in coverage while
3 victims are not cared for because the issues
4 that you're raising, that one in particular
5 about others, are issues that may not well have
6 been worked out legally here or elsewhere, so
7 that's why we're recommending that the
8 commercial coverage be in effect 24/7 around
9 the clock without trying to make these
10 difficult distinctions between what
11 constitutes commercial activity and what
12 constitutes private activity.

13 CHAIRPERSON LINTON: I understand
14 that. Doesn't that also suggest that everyone
15 who has a fingerprint on the activity should be
16 a party to that insurance?

17 MR. WREGE: Party to the insurance.

18 CHAIRPERSON LINTON: That's
19 correct. In other words -

20 MR. WREGE: Named on a policy.

21 CHAIRPERSON LINTON: - if you put

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1 the individual in a car but the car belongs to
2 another company that's making it available,
3 shouldn't both those companies have a
4 responsibility for the insurance liability?

5 MR. WREGE: Well, I think it's an
6 important question, and I will find out.

7 CHAIRPERSON LINTON: Thank you.

8 MR. WREGE: What the position is in
9 terms of who should be named where you're
10 looking at multiple entities. Again, it
11 underscores the complexity of the
12 circumstances surrounding these issues.

13 CHAIRPERSON LINTON: Well, we would
14 appreciate your advice on that. Any of the other
15 Commissioners?

16 COMMISSIONER MUHAMMAD: Yes, I have.

17 CHAIRPERSON LINTON: Yes,
18 Commissioner Muhammad.

19 COMMISSIONER MUHAMMAD: I can
20 respect you as a business man not to be opposed
21 to the sedan service because you're looking to

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1 make money if they have to get insured working
2 inside of Washington, D.C. What type of
3 insurance would you offer besides liability?

4 MR. WREGE: You're speaking -

5 (Simultaneous speech.)

6 MR. WREGE: With respect to private
7 passenger auto coverage or commercial
8 coverage, or what type of coverage are you
9 referring to?

10 COMMISSIONER MUHAMMAD: What we are
11 speaking of, the passenger, the car for-hire.

12 CHAIRPERSON LINTON: But he's with
13 an association, you understand.

14 COMMISSIONER MUHAMMAD: Okay. But
15 he's an insurer. Correct?

16 CHAIRPERSON LINTON: No.

17 MR. WREGE: I represent a trade
18 association that in turn represents insurance
19 companies.

20 CHAIRPERSON LINTON: He's not
21 insurance, per se.

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1 COMMISSIONER MUHAMMAD: Okay.

2 CHAIRPERSON LINTON: They're a trade
3 association.

4 COMMISSIONER MUHAMMAD: Okay, no
5 further questions.

6 CHAIRPERSON LINTON: Commissioner
7 Tapscott? No. Thank you so much for taking the
8 time to join us. We'll look forward to your
9 comments that you're going to provide us on the
10 questions that we raised, and there are some
11 very interesting points that you've made.

12 MR. WREGE: Sure. Thank you, Mr.
13 Chairman. Thank you for your questions.

14 CHAIRPERSON LINTON: Mr. Goldberg.
15 (Off microphone comment.)

16 MR. GOLDBERG: Yes, I provided them
17 already.

18 CHAIRPERSON LINTON: The sound
19 system is not working that good today. Can you
20 pull it a little closer?

21 MR. GOLDBERG: Is that okay, Mr.

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1 Chairman?

2 CHAIRPERSON LINTON: Yes.

3 MR. GOLDBERG: Chairman Linton,
4 members of the Commission, thank you. My name
5 is Eric Goldberg. I'm a Regional Vice President
6 with the American Insurance Association. I
7 handle the Mid-Atlantic region. I'm joined with
8 Rachel Jensen who is an attorney in our law
9 department who's an expert on auto insurance
10 issues.

11 AIA is a trade association with some
12 300 major property casualty insurance
13 companies that also write a significant amount
14 of commercial and private passenger automobile
15 insurance in the District. This is a
16 jurisdiction where our members actually like to
17 write business. It's a very good jurisdiction
18 from a regulatory standpoint, but our members
19 also write insurance in all 50 states and in 130
20 countries around the world.

21 Let me also thank you and applaud

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1 the Commission for taking steps to recognize
2 this new and emerging form of transportation
3 service providers, and also to protect
4 consumers. Like PCI, our comments are focused
5 only on Section 1706, the insurance section of
6 this draft proposed regulation.

7 And I think Mr. Wrege made a number
8 of excellent points, but let me just underscore
9 that umbrella coverage which is contemplated in
10 this regulation sits on top of primary
11 coverage. It doesn't expand the underlying
12 coverage, it extends it, but it doesn't expand
13 the coverage. And in the context of private
14 passenger automobile insurance coverage, there
15 is no coverage for commercial activities.

16 There is a longstanding livery
17 exclusion which says that if the driver is
18 engaged in a commercial activity there is
19 simply no coverage under that private passenger
20 auto policy. Therefore, a commercial carrier
21 cannot underwrite an umbrella policy that sits

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1 on top of no coverage. That's why we believe the
2 better approach is to have the Private Sedan
3 services company provide the commercial
4 coverage for the drivers engaged in commercial
5 activity to make that coverage first dollar and
6 not sit on top of any coverage, and to have it
7 in place 24/7.

8 We believe that this is the better
9 method of protecting not only the passenger but
10 any pedestrian or any other driver that might
11 be injured in the event that the Private Sedan
12 services driver is involved in an accident. It
13 would eliminate or at least ameliorate the
14 issues involved in having the injured party
15 trying to determine whose policy applies to the
16 accident.

17 I'll pause there and thank you, and
18 try to answer any questions you may have.

19 CHAIRPERSON LINTON: I have a
20 question, and as a matter of fact - feel free
21 to respond to this, also. I would like to know

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1 if there is any reason or justification why a
2 regulation could not ask the insurer to supply
3 the Commission with the proof of insurance that
4 had been sold to any operator falling under the
5 requirement to have the insurance, rather than
6 asking the insured to provide the documents
7 necessary to demonstrate the insurance.

8 MR. GOLDBERG: Fair point. You know,
9 when we provide proof of insurance, what that
10 is is it's a snapshot in time. An insurance ID
11 card basically says that at the time this card
12 was issued there is coverage in place. Now, if
13 the policyholder stops paying on the policy,
14 well, there's no more coverage.

15 Really the better approach, we
16 believe, is there has been a system that's
17 developed through a joint working group of
18 insurance companies and Departments of Motor
19 Vehicles that sets up a real time insurance
20 verification program, and it's a database
21 that's maintained by Motor Vehicles. And what

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1 that would enable regulators to do, or law
2 enforcement to do is if a driver were pulled
3 over, they could check in real time whether this
4 coverage existed.

5 CHAIRPERSON LINTON: I don't think
6 you're quite getting the gist of my question.
7 It's not verification, I'm concerned about
8 whether there is insurance in effect or not.
9 It's what are the provisions of the insurance
10 policy because in our studies so far as we've
11 gotten into this field, we find that there are
12 various documents, some of which count, and
13 some of which don't count, and which we can
14 never be totally sure whether what we're seeing
15 is, in fact, what will wind up before the judge
16 if there's a lawsuit. What I'm asking is, is
17 that you provide to anyone - your members do.
18 They sell an insurance policy. The buyer gets
19 a very thick binding condition for that policy.
20 Now, is there any reason why we couldn't request
21 and have compliance where the insurance company

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1 provides us a copy of what they gave their
2 customer?

3 MR. GOLDBERG: There really isn't a
4 practical reason why that couldn't take place.
5 Typically, it's done - our members typically
6 work through independent agents, so really the
7 request would go to the agent that issued the
8 policy. But you make a valid point.

9 There's a longstanding principle of
10 insurance law which is this. Only the insurance
11 policy is the contract. That is the sole
12 document that provides the rights and the
13 responsibilities and the coverage that's
14 outlined. There are secondary documents which
15 are certificates of insurance, insurance ID
16 cards, but those and of themselves do not convey
17 any insurance rights. It's the policy. If there
18 was a binder, if the policy were bound, the
19 binder is the vehicle that provides that
20 coverage. Once the policy is issued, the binder
21 evaporates and the policy is the sole contract.

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1 That's the only document that contains the
2 insurance obligation.

3 CHAIRPERSON LINTON: Okay. And
4 that's the one which really tells the
5 regulatory body who's covered and who isn't
6 covered, and what kind of exceptions, and what
7 kind of conditions.

8 MR. GOLDBERG: Correct.

9 CHAIRPERSON LINTON: Okay. So, from
10 a regulatory standpoint if we were to require
11 that the insured submits from their - instructs
12 their insurance company from whom they purchase
13 the insurance to submit a copy of what they have
14 bought, they could do that.

15 MR. GOLDBERG: I suppose they could.

16 CHAIRPERSON LINTON: Thank you very
17 much. Any questions?

18 COMMISSIONER MUHAMMAD: Yes. I'll
19 ask the question again. What type of insurance
20 do you insure vehicles for-hire? Is the driver
21 of the vehicle covered, because in Washington,

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1 D.C. 90 percent of the drivers that drive taxis
2 only have liability, and it doesn't cover the
3 driver of the vehicle.

4 MR. GOLDBERG: Commissioner
5 Muhammad, insurance companies provide not only
6 liability coverage, they provide collision
7 coverage, uninsured motorist coverage,
8 personal injury protection coverage to provide
9 medical expenses, and basically the array of
10 coverages that you've outlined in proposed
11 1706.

12 COMMISSIONER MUHAMMAD: Okay.

13 CHAIRPERSON LINTON: Commissioner
14 Tapscott.

15 COMMISSIONER TAPSCOTT: I have none.

16 CHAIRPERSON LINTON: None. We thank
17 you very much for your testimony. It was very
18 helpful and we'll look forward to any comments
19 that you care to make to supplement the
20 responses to questions hopefully that I've
21 raised here.

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1 MR. GOLDBERG: Thank you, Mr.
2 Chairman.

3 CHAIRPERSON LINTON: We will now
4 move to our last panel, the Company Panel, and
5 I invite Yellow Cab Company represented by Mr.
6 Roy Spooner, and Sidecar represented by
7 Elizabeth Stevens.

8 (Background noise.)

9 CHAIRPERSON LINTON: If I can have
10 all your attention, please, so we can proceed
11 with our testimony. I would certainly
12 appreciate it. At this moment, I will invite Mr.
13 Roy Spooner, General Manager of Yellow Cab
14 Company of DC, Inc. to make his presentation.
15 Mr. Spooner, good morning and welcome.

16 MR. SPOONER: Good morning, Mr.
17 Chairman, good morning, Commission. I think Mr.
18 Ferguson left us as soon as I appeared at the
19 table. Thanks for the opportunity to present
20 comments on the proposed rulemaking on Chapter
21 17, Private Sedan service. I would like to thank

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1 the DC Taxicab Commission for undertaking this
2 Herculean task of trying to put a framework
3 around an unregulated process.

4 Before I give my formal comments on
5 this rulemaking I'd like to address the many
6 inaccuracies that are being communicated on
7 this issue. As one of the largest taxicab
8 dispatch companies in the city, or in the
9 region, the DMV region, we are at the immediate
10 risk, one of the incumbents at immediate risk
11 in this fight.

12 As a fully regulated taxicab
13 company we must abide by strict rules that
14 govern what color we paint our cars, what dome
15 lights we put in our cabs, what technology we
16 use in our vehicles, and what prices we charge.
17 We accept every taxicab request and do our very
18 best to fulfill them even when there is a low
19 supply. We do not use algorithms to create hot
20 and cold service areas, and filter which trips
21 we will allow to be booked and served. We do not

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1 have guaranteed fees and payments tied to a
2 credit card, and cannot set on-demand prices.
3 We do not manipulate demand and supply, do not
4 have unlimited funds to provide free rides to
5 create a fanatic following, then stick the
6 customers with surge price later.

7 On top of regulated policies we have
8 a public and moral obligation to serve every
9 customer who requests our service, including
10 the poor, the elderly, the disabled, and those
11 not technologically connected and do so without
12 rating them.

13 The argument is not about the
14 taxicab industry versus Uber and all, or the
15 industry trying to shut out competition or get
16 protection. This is simply about equality and
17 fairness.

18 Uber and others are not to be solely
19 blamed for pushing the envelope or trying to
20 disrupt our industry. It is the fault of the
21 legislative body that allow them to operate

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1 freely before the Commission was tasked to
2 create a regulated framework for all parties to
3 equally and fairly operate. Unfortunately,
4 once the genie was out of the bottle there was
5 no going back in.

6 Uber did not bring any significant
7 technological breakthrough to the market. We
8 already had that technology installed in all of
9 our dispatch cabs. They had the financial
10 resources and freedom to challenge the
11 regulatory bodies and launch their product,
12 while the taxicab industry was being mandated
13 to go backwards technologically.

14 We recognize that this change is
15 consumer-driven, and the taxicab industry must
16 do a better job at service delivery. Despite the
17 challenges or pressure the legislative body
18 faces, it should not dismantle the firewalls
19 that insured that public safety and consumer
20 protection is transparent and secure.

21 I know that this will be a long

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1 process and there will be additional
2 opportunities for more presentations. I will
3 restrict my presentation at this hearing to
4 Chapter 17, and the specific items that we
5 believe could significantly impact the
6 for-hire service.

7 Insurance gap. It's been clearly
8 established that there are significant
9 insurance gaps between the public vehicle
10 for-hire companies and the new entrants. The
11 main difference being that public vehicle
12 for-hire drivers must have commercial
13 insurance 24/7 and dollar one. There should not
14 be umbrella policies during specific and
15 specified in-service periods, and private
16 insurance coverage during out-of-service
17 periods. All public or private vehicle for-hire
18 services should be required to have commercial
19 insurance at all times.

20 Companies may add other coverage as
21 deemed necessary. Should there be an

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1 unfortunate incident, the city could be held
2 liable for aiding and abetting insurance fraud
3 by allowing the driver to use their private or
4 personal insurance policy to qualify for a DCTC
5 Private Sedan service license. No one should be
6 allowed to use their vehicle to provide
7 commercial for-hire service in violation of
8 their private policy.

9 Private Sedan Service. It is widely
10 known and recognized that Uber and all are not
11 brokers or connectors, but transportation
12 companies. They hire and fire drivers, perform
13 driver background checks, vehicle inspections,
14 collect monies, pay drivers, and dispatch trips
15 to them. The service they provide can either be
16 classified as either taxicab or
17 limousine/sedan service. They should have been
18 slotted into one of these existing services,
19 the limos or taxicabs, and the regulation
20 loosened to allow ongoing innovation and
21 competition without sacrificing safety and

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1 protection.

2 The effort to create the third rail
3 of service is well intended, and an attempt to
4 support established businesses that are at
5 risk. Unfortunately, there are too many gaps
6 that can be exploited with unintended
7 consequences to the consumers.

8 The services provided by the new
9 entrants can be easily qualified as vehicle
10 for-hire, and whether it is private or public
11 is not relevant. By creating this third rail of
12 service would separate rules, can result in a
13 dramatic shift of resources from the highly
14 regulated public vehicle for-hire, to the
15 lightly regulated private vehicle for-hire
16 service. There is nothing in the regulation
17 that would prevent existing taxicab companies
18 like us, or licensed taxicab drivers from
19 changing their business model from regulated
20 public for-hire industry to the less regulated
21 private for-hire service with demand prices,

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1 limited consumer coverage, self-governance,
2 and no transparency or consistency.

3 Taxicab drivers and provide Private
4 Sedan service. The provision that allows
5 taxicab drivers to participate in and provide
6 sedan service will have the same devastating
7 impact as creating a third rail of service.
8 Removing the firewall that should exist between
9 these two services would result in the
10 unintended deregulation of the taxicab
11 industry, and create confusion and chaos to the
12 riding public.

13 The unregulated and
14 cross-pollination of providers, drivers and
15 off-meter pricing would be significantly
16 exploited to the detriment of the riding public
17 and would violate DCTC's obligation to insure
18 public safety and consumer protection. The
19 public must be able to rely on public
20 transportation to be consistent, affordably
21 priced, and transparent.

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1 Surge pricing. It is our official
2 position that there should be no surge pricing
3 in private or public vehicle for-hire service.
4 Just off record, this morning coming over here
5 we looked at the Uber app and they were doing
6 two times the normal rate. They were surge
7 pricing this morning during the rainfall.

8 We may support a fixed fee or
9 surcharge during certain operating periods or
10 special circumstances such as snow emergencies
11 or when demand is high and supply is low.

12 By allow entities to freely set
13 prices could result in the deliberate
14 manipulation of the supply chain to create an
15 artificial demand and escalating prices. It is
16 the legislative body's responsibility to
17 insure that by all means that the public is
18 protected from unscrupulous operators who may
19 exploit any circumstances to enrich
20 themselves.

21 Caps. The proposed rulemaking has

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1 no set caps for the number of companies,
2 vehicles, or drivers while the taxicab industry
3 has caps for all of the same categories. With
4 an unlimited cap, the private sedans B- with no
5 cap I should have said there, the Private Sedan
6 service will be able to build B- easily build
7 its resources to dwarf the taxicab industry in
8 a short span of time if they have not already
9 done so.

10 The continuing argument that
11 taxicabs would still be able to provide street
12 hails has a diminishing shelf life. There is a
13 growing decline in street hails as they are
14 replaced by e-hails. The decline will continue
15 as more customers upgrade their cell phones and
16 take advantage of the available mobile
17 services. I think it's predicted in the next
18 year 85 percent of customers will have Smart
19 Phones.

20 Accessibility. This critical
21 service is not addressed or advanced in this

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1 proposed rulemaking. Private Sedan service
2 should be charged with providing equal
3 accessibility to all persons desiring to use
4 their service. These companies should be
5 required to demonstrate and serve all areas of
6 the city and just not selected operating areas
7 at certain times of day.

8 The taxicab industry is charged in
9 the Taxi Innovation Act to eventually provide
10 100 percent wheelchair accessibility.
11 Providing services to people with
12 accessibility needs with accessibility needs,
13 individuals without Smart Phone or credit card
14 should not be the burden of one industry while
15 the other industry is allowed to build its core
16 business on exclusivity. If more companies and
17 drivers converge to the new Private Sedan
18 service, it will significantly decrease the
19 possibilities to expand accessibility service.

20 Operating areas and services. The
21 propose rulemaking does not clearly define the

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1 operating jurisdictions of boundaries for
2 drivers joining or operating within the new
3 service. The industry has recommended that this
4 new service should be restricted to certain
5 operator areas and not be allowed to occur at
6 points of embarkation and disembarkation like
7 airports, train stations, metro stations, or
8 establishments like hotels and convention
9 centers that have cab stands with registered
10 taxicab drivers.

11 The existing area reciprocity must
12 apply and no allowances should be provided to
13 allow pickups and drop-offs in non-domicile
14 area. The proposed rulemaking does not place
15 any limits on the Private Sedan service booking
16 advance trips and having corporate accounts.
17 Since they are defined as sedan service, they
18 are allowed to directly compete with the
19 existing dispatch companies.

20 Self-governance. The proposed
21 rulemaking makes some progressive strides in

1 the licensing and registration of Private
2 Sedan services, service drivers and vehicles,
3 but the rulemaking falls short by allowing the
4 Private Sedan services to self-govern in
5 several key public safety areas like background
6 check, driver background checks, drug
7 screening, vehicle inspections, and driver
8 training. They are growing concerns by
9 transportation industry experts, the legal
10 community, national governing bodies, and the
11 media about the potential danger and public
12 safety risk to allowing any transportation
13 service using private drivers to self-govern.

14 Every aspect of the current public
15 vehicle for-hire licensing, certification,
16 screening, testing, training, and inspections
17 is controlled by the Commission. The rules
18 should be applied equally to the new service.

19 Closing. Again, I applaud the
20 Commission for trying to tackle this most
21 difficult task you are legislated to regulate.

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1 You are being placed along with the industry in
2 the role as villains against the beloved
3 disrupters. Your main responsibility has to be
4 to insure in the final outcome that there is a
5 viable public vehicle for-hire industry that is
6 technologically advanced and equipped to meet
7 the needs of all consumers and not just a
8 selected group.

9 DCTC is obligated to protect public
10 safety, especially when the core service being
11 provided is on public roadways and has
12 potential safety impacts for third party and
13 property. The underlying principle is public
14 safety and regulation, must be the safety net
15 that the public relies on, protection. Thank
16 you.

17 CHAIRPERSON LINTON: Thank you, Mr.
18 Spooner, for your very good remarks and
19 suggestions in there, and your observation is
20 astute. Nobody loves a regulator, but we accept
21 that as a fact of life.

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1 I'd like to ask you, Mr. Spooner, in
2 your testimony are you suggesting that the
3 regulations should require rate setting for the
4 private sector sedans, the Black Car services,
5 as well as for the metered vehicles?

6 MR. SPOONER: What I'm saying, sir,
7 is that Chapter 17, I know the - and
8 individually knowing this from being part of
9 the panel, giving my input to the panel, I know
10 where you're trying to go with this, but the
11 third rail of service that you're creating, I
12 want to make -

13 CHAIRPERSON LINTON: I don't care
14 what you think where we're going. What I'm
15 trying to do is to get from your mind what you
16 think we should do, not where you think we're
17 going. Are you suggesting that all classes of
18 service should be regulated on a rate set basis?

19 MR. SPOONER: Well, let me simply say
20 this. Uber, Sidecar, and Lyft are dispatch
21 companies. They're dispatch companies. We're

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1 trying to put a flower around it, but they're
2 dispatch companies.

3 CHAIRPERSON LINTON: But should we
4 set their rates or not set their rates?

5 MR. SPOONER: You should have
6 transparent rates.

7 CHAIRPERSON LINTON: The
8 requirement is that the customer be advised in
9 advance of booking the trip as to what the
10 estimated cost is within 10 percent, so the
11 assumption was that they would have the option
12 then -

13 MR. SPOONER: Well, I think it has
14 nothing to do with rates only. It has to do with
15 - I think it has to do with a wider aspect. They
16 currently can exclude who they want. Their app
17 does not come on if you're in certain areas. If
18 you're trying to get an Uber taxi in a certain
19 part of the city, it doesn't light up.

20 CHAIRPERSON LINTON: But that's a
21 different issue.

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1 MR. SPOONER: It's not, because I
2 have to take all those calls. If they're under
3 the same rules as us and says that they have to
4 take every call, they have to book every trip

5 CHAIRPERSON LINTON: (Off
6 microphone comment) if you're a public vehicle
7 for-hire, and they are a public vehicle
8 for-hire, you are going to meet the same public
9 accommodation requirements of all public
10 vehicle for-hire. Okay? You can't be exclusive
11 on that, and that's what you're going to have
12 to -

13 MR. SPOONER: But we're not
14 classifying them as public vehicle for-hires.

15 CHAIRPERSON LINTON: (Off
16 microphone comment).

17 MR. SPOONER: Well, if we are, then
18 there's no Chapter 17. They'll be in Chapter 8.

19 CHAIRPERSON LINTON: All right.
20 Thank you.

21 MR. SPOONER: You understand what

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1 I'm saying, is that that's - I think what I'm
2 saying is that I know where you well intend and
3 trying to do, but once you open that box, once
4 you open that third rail of service, right? If
5 you look at Chapter 17 as it is defined today
6 there is no incentive for any taxicab company
7 or any taxicab driver to remain under Chapter
8 8. There is no incentive.

9 CHAIRPERSON LINTON: Well, that
10 means the end of street hails as we know them
11 then, so we let anybody pick up off the street.

12 MR. SPOONER: Well, they're doing it
13 today.

14 CHAIRPERSON LINTON: Because
15 - well, but whether they're doing it illegally
16 is not the issue we're addressing here.

17 MR. SPOONER: I got that, sir.

18 CHAIRPERSON LINTON: What I'm trying
19 to do is try to deal with regulations, not what
20 they're doing.

21 MR. SPOONER: What I'm suggesting is

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1 that - what I'm suggesting, if Uber, Lyft, and
2 Sidecar are dispatch services, if they are
3 dispatch services which we all pretty know they
4 are, that's what they're doing, they're
5 dispatching trips. Let them have the ability to
6 do the same things as a dispatch company that
7 we are doing today. Take some of the regulation
8 off of our backs so we can use the same
9 innovation and technology that they're using so
10 we can directly compete with them. That's the
11 leveling of the playing field.

12 CHAIRPERSON LINTON: Then submit to
13 us some written legal language that does that
14 from your standpoint.

15 MR. SPOONER: I could certainly do
16 that.

17 CHAIRPERSON LINTON: Thank you.
18 That's what we would like to see.

19 MR. SPOONER: But we would also be
20 saying that Chapter 17 shouldn't exist.

21 CHAIRPERSON LINTON: You can say

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1 whatever you desire to say. I'm not trying to
2 tell you what to say, I'm trying to tell you what
3 to give us so we understand what it is you're
4 proposing.

5 MR. SPOONER: I can certainly do
6 that, sir.

7 CHAIRPERSON LINTON: So, we would
8 certainly welcome that to look at what fits or
9 doesn't fit with what we're thinking.

10 MR. SPOONER: I can certainly do
11 that, sir.

12 CHAIRPERSON LINTON: All right.
13 Thank you.

14 MR. SPOONER: I will do it before the
15 deadline.

16 CHAIRPERSON LINTON: As regards
17 another question that came up in the earlier
18 discussion relative to using an electronic
19 manifest in a metered vehicle in place of a
20 written manifest. The object of using the
21 written manifest is we're unable to see how a

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1 hack inspector would be able to review cash
2 rides in a stop or review of a driver in service.
3 Can you tell us if there's a way in which an
4 electronic manifest could be used so that a hack
5 inspector could at the time that he has stopped
6 a vehicle review the rides of that shift?

7 MR. SPOONER: Well, first of all, I
8 understand that - I am confused about the
9 requirement that a hack inspector needs to know
10 at that moment what exactly the driver is doing.

11 CHAIRPERSON LINTON: You need to
12 provide it.

13 MR. SPOONER: But I'm saying, I -

14 CHAIRPERSON LINTON: Take my word
15 for it, we need to know.

16 MR. SPOONER: The only way you can do
17 that is from a paper manifest because you
18 couldn't do it from electronic. Let me address
19 the electronic -

20 CHAIRPERSON LINTON: You can't do it
21 on the electronic manifest, if they have an

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1 electronic manifest that includes all rides.

2 MR. SPOONER: If I can address it for
3 one second. I know there's a requirement of an
4 electronic manifest. I want to clear something
5 up for the drivers.

6 The information that the PSP sends
7 to the back office, that information is
8 truncated. I mean, it's - you can't readily
9 identify who the driver is. There is a concern
10 from drivers that if you want to have electronic
11 manifest and you want to push that, then you're
12 going to have - the drivers will have to
13 understand they're going to have to allow that
14 to be untruncated.

15 CHAIRPERSON LINTON: (Off
16 microphone comment).

17 MR. SPOONER: You'd have to allow it
18 to be untruncated. And if they allow that to
19 happen, then there could be electronic
20 manifest. But right now in its current form
21 because the information is truncated to

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1 identify -

2 CHAIRPERSON LINTON: All right.
3 Well, we'll - that's an interesting comment and
4 we'll look into it from that standpoint. Any
5 questions?

6 (Off microphone comment.)

7 COMMISSIONER SMALLS: I would like
8 to just - I'm sitting here listening to
9 everybody, and I really do share a lot of your
10 sentiments because I feel like there should be
11 an equal playing field if we are going to
12 incorporate these new rides coming into our
13 town. However, I think that you should take it
14 upon yourselves to meet with the City Council,
15 because once they establish the rules and
16 regulations, we have to do the best we can
17 within the parameters that are given for us to
18 make decisions. I think you need to start with
19 the City Council.

20 I would just like to see a show of
21 hands of how many people are planning to go down

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1 to the hearing on May 12th and testify? Okay,
2 thank you very much. I think this is where you
3 need to start.

4 MR. SPOONER: Madam Commissioner,
5 we've been there, we've done that. We recognize
6 your position as the Commission. We strongly
7 support the effort that the Commission is
8 trying to do with the legislative mandate. If
9 you listened to my testimony, I basically said
10 that's what you're doing. And I appreciate the
11 Commission being open to us continuing to
12 provide comments, and I think through that
13 we'll work through some things.

14 We recognize that the task could
15 come from the legislative body. That is why I've
16 said I'm not going to sit here and blame Uber
17 and Sidecar and them for finding an opportunity
18 do business. They were given that opportunity
19 by a legislative body, not by the Commission.
20 The Commission did its job, and then they were
21 you can't do your job, so we recognize all of

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1 that. But as we move forward, the only fears on
2 equality we're talking about is not about just
3 companies being able to survive. We don't have
4 any protections as dispatch companies or a
5 taxicab company. We're not asking for any of
6 that. We're asking for an equal opportunity to
7 compete. And what is good for us, is good for
8 them because we're serving the same public, and
9 we should serve the same public.

10 COMMISSIONER SMALLS: And I agree.

11 MR. SPOONER: Okay.

12 COMMISSIONER SMALLS: I agree.

13 MR. SPOONER: Thank you.

14 COMMISSIONER SMALLS: But I think we
15 all need to work together more closely and maybe
16 we could come up with some solutions that would
17 satisfy everybody.

18 MR. SPOONER: I quite agree. Thank
19 you.

20 COMMISSIONER MUHAMMAD: Mr.
21 Spooner, airplanes have, trains have, buses

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1 have some type of surge pricing. Would you
2 support surge pricing for taxis?

3 MR. SPOONER: I do not.

4 COMMISSIONER MUHAMMAD: This is part
5 of the digital age.

6 MR. SPOONER: I do not.

7 COMMISSIONER MUHAMMAD: When they
8 did not have - when you flew a plane you could
9 put your bag on free. Now they took that away
10 from taxis.

11 MR. SPOONER: I do not.

12 COMMISSIONER MUHAMMAD: When you
13 have take another passenger on a plane you have
14 to pay for it. You can't take all your children
15 because you're paying for yourself.

16 (Simultaneous speech.)

17 MR. SPOONER: Can I address it,
18 please?

19 CHAIRPERSON LINTON: Don't make a
20 speech.

21 COMMISSIONER MUHAMMAD: No, I'm -

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1 MR. SPOONER: Can I address it,
2 please?

3 COMMISSIONER MUHAMMAD: Quickly.

4 MR. SPOONER: Can I address it,
5 please? I think in my testimony I clearly stated
6 that we do not support surge pricing for public
7 vehicle for-hire. We understand there are
8 certain circumstances you may have to. They're
9 surcharging like we do for snow emergencies and
10 such like, but I think customers who use the
11 service should have some transparency, should
12 have some consistency, and we're not in the
13 business of price gouging.

14 COMMISSIONER MUHAMMAD: So, you go
15 along with the others? Planes do it. If you had
16 a plane, eat on an airplane -

17 MR. SPOONER: I'm in the taxicab
18 industry, and I can't speak for any other
19 industry.

20 COMMISSIONER MUHAMMAD: Let's take
21 public transportation for-hire.

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1 MR. SPOONER: Are we done?

2 COMMISSIONER MUHAMMAD: We're never
3 done. We're going to be back here again.

4 MR. SPOONER: Thank you.

5 CHAIRPERSON LINTON: Thank you
6 very much, Mr. Spooner. I turn now to Ms. Beth
7 Stevens with Sidecar. Please proceed, Ms.
8 Stevens.

9 MS. STEVENS: Hi, my name is
10 Elizabeth Stevens and I'm the General Counsel
11 of Sidecar. I want to thank Chairman Linton and
12 the rest of the Commissioners for the
13 opportunity to be heard here today.

14 As I've spoken with you before and
15 presented what Sidecar's model is all about,
16 but I'll briefly go over it again. We are not
17 a dispatch company. We are a platform that
18 allows riders and drivers to share a ride. We
19 are - I've heard a lot about Uber today, and we
20 are fundamentally different from Uber and Lyft
21 in the way that we offer our services to drivers

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1 and riders to share a ride.

2 One of the key components and the
3 way that we see the future of ride sharing is
4 that a passenger inputs both its pickup and
5 destination locations, and that enables the
6 driver to say oh, yes, I'm going that way, too.
7 I can share a ride with you, and so to your
8 point, Chairman Linton, this is digital
9 hitchhiking. But digital hitchhiking only
10 works if the driver and the passenger are going
11 the same way. And the proposed regulations
12 currently prevent destination from being
13 passed - in Chapter 16 from being passed to the
14 driver before this match is made. That would
15 fundamentally prevent our service from
16 operating.

17 A second feature of Sidecar that's
18 fundamentally different from our ride sharing
19 competitors is that we offer passengers the
20 choice of which driver they would like to
21 request a ride from. When you enter donation you

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1 are presented with a number of drivers, five to
2 ten drivers. You're able to see that driver's
3 picture, that driver's vehicle, perhaps you
4 want a nicer vehicle because it's Saturday
5 night date night, or perhaps you're super price
6 sensitive and you don't really care what the
7 vehicle is.

8 We also allow our drivers to set
9 their own prices, and that price is in that
10 view, so the passenger is shown what the price
11 of the ride will be before they have even
12 requested the ride. Without Destination that
13 ability of this marketplace doesn't work, and
14 we will be forced to leave the District of
15 Columbia.

16 The second point I'd like to raise-
17 CHAIRPERSON LINTON: That also
18 allows the driver to decide who they're going
19 to service, and who they're not going to
20 service.

21 MS. STEVENS: The driver is only

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1 passed the passenger's rating and the
2 passenger's first name. There's no picture -

3 CHAIRPERSON LINTON: The passenger
4 knows where they're going, so if the rider wants
5 to go into 2400 Martin Luther King Avenue S.E.
6 and doesn't want to go there, he can turn that
7 ride down. Right?

8 MS. STEVENS: And I routinely get
9 rides to that address.

10 CHAIRPERSON LINTON: But I'm saying
11 he can turn the ride down, or she can turn the
12 ride down.

13 MS. STEVENS: Absolutely. They could
14 also -

15 CHAIRPERSON LINTON: The driver can
16 make the determination what sections of the
17 city they want to go to, and what people they
18 want to pick B- I simply want to know whether
19 that's true or not.

20 MS. STEVENS: They get to choose
21 where they would like to go, but that is B-

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1 CHAIRPERSON LINTON: Who they want
2 to give the ride to.

3 MS. STEVENS: I don't know what basis
4 they would decide who to give the ride to
5 besides Destination. All that's shown to the
6 driver is the passenger's rating and the
7 passenger's first name. There's no picture,
8 there's no other identifying -

9 CHAIRPERSON LINTON: What's the
10 basis of the rating?

11 MS. STEVENS: The basis of the rating
12 is previous rides with other drivers, in the
13 same way that passengers rate drivers, drivers
14 rate passengers.

15 CHAIRPERSON LINTON: They don't tip
16 enough, they're black.

17 MS. STEVENS: They don't B- well,
18 first of all, they don't B- they rate before
19 they're paid so a tip doesn't have anything to
20 do with it. And second of all, we've had no
21 complaints, and we've been operating for over

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1 a year in the District, and for several years
2 in California, of racial discrimination. This
3 is something we're particularly concerned
4 about for obvious reasons, and we pay close
5 attention to it. We have received no
6 complaints.

7 CHAIRPERSON LINTON: Well, they
8 don't know that they're being picked up or not.
9 How would they complain?

10 MS. STEVENS: If they don't get a
11 ride routinely they would complain. I mean, my
12 point is if you B- there are lots of benefits
13 to these electronic systems that allow
14 passengers and drivers to share a ride, and
15 Destination is the only way for this to happen.
16 If you just want taxi replacement services,
17 then you can have these rules that are just taxi
18 replacement services.

19 The key thing that's been mentioned
20 here and an assumption that every speaker
21 before me has made is that ride share drivers

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1 are full-time professional drivers. These
2 regulations specifically limit drivers to less
3 than 20 hours a week. That's not a full-time
4 driver. And these regulations don't match that
5 idea, so if these aren't full-time drivers, why
6 do they need 24/7 commercial insurance? That
7 does not make any sense.

8 These drivers are driving their
9 personal vehicles. To impose 24/7 commercial
10 insurance on the ride share companies would
11 B- well, at least Sidecar. I can't speak for the
12 others, would put us out of business. The
13 expense of commercial 24/7 insurance,
14 liability insurance alone would be more than
15 what the average driver earns per year as a
16 casual ride share provider.

17 Currently B- there was a question
18 about how and when Sidecar provides coverage.
19 We have \$1 million excess liability coverage
20 which is more than most livery and taxi services
21 are required to have. That million dollar

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1 covers from the period that the driver clicks
2 accept ride and is on their way to pick up the
3 passenger until the passenger exits the
4 vehicle.

5 We are implementing starting
6 tomorrow a \$50,000 collision policy that would
7 protect drivers. It only has a \$500 deductible
8 for drivers which we believe is far more
9 competitive than any of our brethren who have
10 collision policies. This also operates
11 regardless of the underlying personal
12 collision insurance that driver might have.

13 We recognize that there is
14 ambiguity in the personal insurance market, and
15 that is because each commercial livery
16 exclusion reads differently. Some of the
17 policies read while transporting a passenger,
18 others have a more generic no livery. We've been
19 waiting for the personal insurance market to
20 clarify with their users whom they have a
21 contract with what ride sharing is covered and

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1 what's not.

2 In the interim, our commercial
3 liability policy operates either as an excess
4 policy, so if the driver's personal policy
5 chooses to pay but is not enough, or covering
6 down to dollar zero if the personal insurance
7 denies. We believe this is fair until the
8 personal insurance companies clarify how they
9 are providing services.

10 CHAIRPERSON LINTON: Can you provide
11 us with the name of an insurance company that
12 would provide insurance under that
13 circumstance?

14 MS. STEVENS: Provide what kind of
15 insurance, just so I'm clear?

16 CHAIRPERSON LINTON: Personal
17 insurance.

18 MS. STEVENS: Personal insurance B-

19 CHAIRPERSON LINTON: On a vehicle
20 that is being used as you're describing it.

21 MS. STEVENS: We have almost every

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1 insurer -

2 CHAIRPERSON LINTON: Can you provide
3 us the name?

4 MS. STEVENS: Sure, we have State
5 Farm policyholders, we have Farmers
6 policyholders.

7 CHAIRPERSON LINTON: That's fine.
8 I'm not asking for it here. Would you submit to
9 us a list of the companies that you know will
10 provide the kind of primary insurance for the
11 vehicle before the commercial kicks in.

12 MS. STEVENS: So, just to clarify,
13 these - our users have these personal
14 insurance. Whether -- we've instructed our
15 drivers that they should discuss with their
16 broker whether or not their policies cover
17 while they're providing ride sharing services
18 or not, so I can't - I can provide you a list
19 of what policyholders have that on our service,
20 but I can't comment on whether they would or
21 would not accept service. The contract isn't

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1 with me, it is with the driver.

2 CHAIRPERSON LINTON: All I'm trying
3 to elicit is if you could give us names of
4 insurance companies who say yes, we will give
5 standard personal insurance on your vehicle
6 even though we know that there are times when
7 you're going to be carrying people
8 commercially.

9 MS. STEVENS: So, as I said, I can
10 tell you what policyholders are on our system,
11 but I can't tell you definitely whether or not
12 they would provide service or not.

13 CHAIRPERSON LINTON: Okay, you can
14 tell us who they are.

15 MS. STEVENS: I'd be more than happy
16 to provide that list.

17 CHAIRPERSON LINTON: Okay.

18 MS. STEVENS: There are another - a
19 number of other regulations that we believe are
20 over-burdensome on the TNCs, and frankly we
21 don't understand the point of them. The rules

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1 that you guys are proposing unfortunately put
2 a lot of burden on us in a way that would prevent
3 casual drivers from participating, which is
4 really what we want. We want someone when
5 they're running out on an errand to flip on the
6 app and say is anyone going to the grocery
7 store? Is anyone going to the Smithsonian? Is
8 anyone going to the Verizon Center, and share
9 a ride with that person. That's our long-term
10 goal.

11 In the interim, we do have people
12 that are providing rides and not necessarily
13 going the same way, but to get to our long-term
14 goal we do have to have enough drivers
15 participating and using the system. So, in
16 order to do that, those regulations have
17 required casual drivers to have a commercial
18 operating license, to display a permanent
19 vehicle decal, to have six hours of training in
20 person, to have third-party safety
21 inspections, and each driver, because our

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1 drivers set their own rates, and set their own
2 prices for rides, we require each driver to
3 clear their rate setting with the DDS.

4 All of these regulations would only
5 dissuade casual drivers from participating.
6 Professional drivers who are already on taxi or
7 a livery have no problems with these, but
8 they're not going to do it for 20 hours or less,
9 so we're caught between a rock and a hard place.
10 We want casual users, but these rules will mean
11 they won't participate.

12 Some of the other rules that we
13 believe are particularly burdensome is the
14 requirement of - you guys have asked us for a
15 lot of things about our drivers and about what
16 they're doing, and you want contemporaneous
17 records. And these are particularly burdensome
18 for us to provide on a regular basis.

19 We believe, and we've been
20 operating this way in other jurisdictions, and
21 I understand that you're not other

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1 jurisdictions, but we maintain all of these
2 records electronically, and at a moment's
3 notice can provide them to you. We believe
4 that's much more effective than continually
5 providing some sort of feed of documents. I'm
6 not even sure what you guys are going to do with
7 all of them, or where they would even go, but
8 we believe that the audit feature would be much
9 more effective and would be able to capitalize
10 on the fact that we have real time information
11 about the drivers, where they've gone, what
12 they've done, as well as an in app support line
13 and email system for customer complaints, a
14 zero tolerance policy, et cetera.

15 I'd be happy to take any questions
16 that you might have.

17 CHAIRPERSON LINTON: Well, Ms.
18 Stevens, thank you very much, very interesting
19 point. I do have a few questions. I don't know
20 if I can keep this on long enough for whatever
21 reason, but we want it working.

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1 You know, it isn't Sidecar that I'm
2 concerned about. I'm sure that with the size of
3 the corporation and the amount of investment in
4 it, that this is a reputable company that
5 wouldn't for a minute consider doing a
6 dishonest thing. It's the guy who comes in here
7 named Joe Smith that nobody knows that takes the
8 same conditions that allow you to operate and
9 winds up ripping off credit cards, identity
10 theft, or even assaulting people in their
11 vehicle, having accidents, creating all kinds
12 of things, and we don't know who he is.

13 I don't understand, for example,
14 why you object to the fact that we would like
15 to have anybody doing business as a public
16 vehicle for-hire, and that's what you are
17 whether you want to or not, as long as your
18 drivers charge for their time in any way, shape,
19 or form. You want to do those rides for free,
20 or voluntary contributions like slug lines,
21 then you're not a public vehicle for-hire,

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1 you're outside of all this stuff. But if you're
2 a public vehicle for-hire, anybody could come
3 in here and they cannot register with us, which
4 you've objected to doing. They cannot tell us
5 who they - what cars they're using. And, as I
6 understand it, the proposal even among you is
7 that you - I could live in West Virginia, sign
8 up with you, come down here on the weekends and
9 take rides from you. I'm not your neighbor. I'm
10 coming from state - I can come from Florida and
11 do that. Now, why would you propose that that's
12 a way to do business in the District of
13 Columbia?

14 MS. STEVENS: With all due respect,
15 Chairman Linton, you're misunderstanding what
16 I'm saying. We don't - we're not saying that
17 there shouldn't be any regulations. What I'm
18 suggesting to you is that these proposed
19 regulations are far too onerous given the fact
20 that you're limiting drivers for 20 hours.

21 CHAIRPERSON LINTON: (Off

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1 microphone comment) having you register as a
2 company doing business in the District of
3 Columbia.

4 MS. STEVENS: I never suggested we
5 had a problem with that. What I -

6 CHAIRPERSON LINTON: Then you will
7 tell the council you don't object to that. What
8 is onerous about having us look at the devices
9 you use in your apps so we understand how they
10 work, and how to use them?

11 MS. STEVENS: I've given you that
12 demonstration before, so clearly I have no
13 issue with it.

14 CHAIRPERSON LINTON: But that's
15 still a position which your people have -

16 MS. STEVENS: No one has taken that
17 position from Sidecar.

18 CHAIRPERSON LINTON: What is onerous
19 about you filing with us what cars have applied
20 and been approved by you to operate in the
21 District of Columbia?

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1 MS. STEVENS: Again, I have not
2 objected to those. So, if you're imputing from
3 other ride sharing services -

4 CHAIRPERSON LINTON: When I testify
5 I can tell the Council Sidecar has no objection
6 to telling us these things.

7 MS. STEVENS: The objection that I
8 have is the burden that you put in the - how many
9 times and when you have to report. All I'm
10 suggesting to you is, for example, part of the
11 regulations require that drivers be
12 specifically listed on our insurance policy.
13 Our insurer doesn't even require that. That
14 seems to me above and beyond what's necessary
15 here.

16 CHAIRPERSON LINTON: We'll take that
17 under consideration and value that from a legal
18 standpoint on that. Right now, my concern is
19 that the exemptions that are being sought by the
20 Private Sedan companies, and maybe you don't
21 seek all of them, but you're the only one here

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1 testifying, limits the ability of the
2 Commission to enforce against street hails, and
3 we have many vehicles out there with private
4 license plates doing and picking up street
5 hails and telling our inspectors oh, it's all
6 right. I work for so and so. We're allowed to
7 do this.

8 MS. STEVENS: Well, if you have a
9 Sidecar driver that's pulled over from a street
10 hail, I want to know because they'll be -

11 CHAIRPERSON LINTON: How do we know
12 if it's a driver from - if you don't tell us.

13 MS. STEVENS: It doesn't matter. If
14 they've -

15 CHAIRPERSON LINTON: Oh, yes, it
16 does.

17 MS. STEVENS: - accepted a street
18 hail, they should get a street hail ticket.

19 CHAIRPERSON LINTON: No. We can't
20 pull every -

21 MS. STEVENS: That's irrelevant.

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1 CHAIRPERSON LINTON: - single
2 vehicle with a - remember you don't have
3 H-tags, you don't L-tags. You have West
4 Virginia or Delaware, or you have Florida or
5 Georgia tags on there. We can't pull every
6 single private vehicle over and say it looks to
7 us like you're doing street hails. If we know
8 the cars that are eligible, that you say are
9 eligible to service you, and we have those, then
10 our hack inspectors have that compendium with
11 them. And then they know they don't pull over
12 some car where the back seat person is going to
13 say what are you talking about, that's my
14 cousin. I'm telling you what life is really like
15 out on the street.

16 MS. STEVENS: And I understand that,
17 and as I've said before, we're happy to work
18 with you on some rules that make a little bit
19 more sense that reflect your concerns for hack
20 inspectors. I'm happy to discuss that further.

21 CHAIRPERSON LINTON: It's not the

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1 hack inspectors I'm worried about. They can
2 take it.

3 MS. STEVENS: I'm talking about the
4 information needed for them to do their job.

5 CHAIRPERSON LINTON: What I see
6 happening is an increasing number of vehicles
7 who are not even affiliated with any one of the
8 so called Private Sedan companies now flooding
9 the streets and pretending that they are
10 private sedans. We don't know whether they are
11 or not, and we don't have the resources even
12 with our Task Force made up of our partners in
13 the Metropolitan Police and the other police
14 department to enforce without having a list of
15 who you have approved as vehicles, who you have
16 approved as drivers.

17 MS. STEVENS: Well, we can provide
18 that, but my broader point is that there are
19 technological solutions to this. For example,
20 if you're pulling a driver over we can discuss
21 having some sort of in app certificate that

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1 would only be given to approved activated
2 drivers so that your hack inspectors could look
3 quickly at the app. I understand. What I'm
4 saying, Chairman Linton, is that there are ways
5 to do this that will provide you with the
6 information that you need. But that was not my
7 primary point.

8 CHAIRPERSON LINTON: Well, it's one
9 of my primary points. And it's one of the things
10 that I see that is being pushed by your segment
11 of the industry. And that is, that you have
12 certain things that are fine to regulate, but
13 they have to be on an honor basis. We don't have
14 any way to know whether you're doing it, or
15 whether you don't.

16 While I don't have any question that
17 your company is an honorable decent company, I
18 can't guarantee that that's true of everybody
19 that comes in to take advantage of -

20 MS. STEVENS: And our suggestion has
21 always been that we'd be subject to audit. We'd

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1 submit these records under penalty of perjury.
2 If a bad actor chooses to participate you have
3 all the appropriate power to enforce, levy
4 fines, and punish.

5 CHAIRPERSON LINTON: Not if we don't
6 know who they are.

7 MS. STEVENS: But then they'd just be
8 a gypsy cab.

9 CHAIRPERSON LINTON: That's what
10 we're getting to.

11 (Simultaneous speech.)

12 CHAIRPERSON LINTON: Commissioner
13 Muhammad.

14 COMMISSIONER MUHAMMAD: How does
15 Sidecar compensate?

16 MS. STEVENS: We take up to 20
17 percent of the dollar amount paid by the
18 passenger to the driver.

19 COMMISSIONER MUHAMMAD: Okay. I'm
20 sure one of your greatest focus is to protect
21 the company from liability. Correct?

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1 MS. STEVENS: I am their General
2 Counsel.

3 COMMISSIONER MUHAMMAD: Okay. So, a
4 taxi driver has to give a FBI background check,
5 every six months a police clearance, every six
6 months a police clearance.

7 (Simultaneous speech.)

8 COMMISSIONER MUHAMMAD: When do we
9 do? Yes, hold on, every year, or every two
10 years. All you're requiring is to show a
11 driver's license that says on this B- what you
12 passed out.

13 MS. STEVENS: It's not just the
14 driver's license. We do a Social Security
15 number based background check. The only
16 difference between our B- I can't get access to
17 an FBI background check. That's not an option.
18 That's only for government B-

19 COMMISSIONER MUHAMMAD: You can't
20 get access to their driver's license until they
21 show it to you either.

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1 MS. STEVENS: That's correct, but
2 they're not on boarded as a driver until we get
3 a copy of the driver's license. And we verify
4 that it's accurate with a Motor Vehicle record
5 check.

6 COMMISSIONER MUHAMMAD: But that's
7 before they come here to apply to be a Sidecar
8 driver. Correct?

9 MS. STEVENS: When they have time on
10 line they provide us with a copy of their
11 driver's license, a copy of their personal
12 insurance, then they submit their Social
13 Security number and consent to do a federal and
14 county background check.

15 COMMISSIONER MUHAMMAD: Because I
16 can submit to you a driver's license that says
17 valid on the date, but it could expired B-

18 MS. STEVENS: Which is why we do a
19 Motor Vehicle record check which tells us that
20 the driver's license is, first of all, exists.
21 Second of all, is active and gives us any Motor

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1 Vehicle record, so if you had a reckless
2 driving, for example, we would see that in the
3 Motor Vehicle record check.

4 COMMISSIONER MUHAMMAD: Because in
5 your statement it doesn't say -

6 MS. STEVENS: Oh, I apologize. I
7 didn't put everything we did in that, but I do
8 have a supplementary -

9 CHAIRPERSON LINTON: And also the
10 way I think would be proposed by industry is
11 that you would select a third party or in some
12 cases do it yourself. Why would you object if
13 we said we're going to designate those national
14 companies who can do background checks as the
15 ones that you need to use since we would know
16 that they're the ones who do them properly and
17 have the access?

18 MS. STEVENS: I can't speak for the
19 rest of the industry. I am only speaking for
20 Sidecar.

21 CHAIRPERSON LINTON: No, I

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1 understand that.

2 MS. STEVENS: We use a national
3 certified background check company. We're more
4 than happy to show you whatever you need to give
5 you comfort for that. I would not want to have
6 the city be responsible for the background
7 checks, and the pure reason is it's - you guys
8 just move too slow. I can do it -

9 CHAIRPERSON LINTON: Why you
10 wouldn't want us to say these are the companies
11 that you can use?

12 MS. STEVENS: You're free to do that.
13 I would just recommend that we think ours, which
14 is Red Ridge Verification Services, an
15 excellent background check company, and we
16 would hope that they would be added to any list.

17 CHAIRPERSON LINTON: That may very
18 well be, but what I'm trying to say is that in
19 my experience, which may be limited to only 26
20 years, at least, that there are companies who
21 offer things that then don't do them properly.

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1 And they needed to be vetted out.

2 Now, the way this is structured, and
3 the way I see it coming at us, is that you'll
4 be able to pick any company you want to do your
5 vetting on your driving. Whether that company
6 is actually meeting its responsibilities is for
7 your observation, not ours. And we may not think
8 it is. So, what if we gave - we said look, you
9 can have it done. Here are six or seven
10 companies that we find that are acceptable to
11 us for doing background checks.

12 MS. STEVENS: As I said, I think we'd
13 be perfectly fine with that concept. We have
14 zero interest doing our own background checks.
15 Let me be really clear about that. We want to
16 outsource this.

17 CHAIRPERSON LINTON: We're
18 perfectly comfortable with doing it, too. We do
19 a very good job at it.

20 MS. STEVENS: Yes, you just,
21 unfortunately, take too long for us.

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1 CHAIRPERSON LINTON: Commissioner
2 Tapscott.

3 COMMISSIONER TAPSCOTT: Yes, that
4 was really, what is your preference for doing
5 this, is why are you trying to take the business
6 of the cab drivers away. Why are we doing things
7 that cab drivers have to go through to do their
8 daily work, and you don't want those rules. You
9 want your own rules.

10 MS. STEVENS: Because we are
11 fundamentally not a taxi dispatch company.

12 COMMISSIONER TAPSCOTT: But you're
13 picking up people.

14 MS. STEVENS: We're providing
15 transportation.

16 COMMISSIONER TAPSCOTT: But that's
17 the same thing a cab does.

18 MS. STEVENS: But that's like saying
19 that you shouldn't have cars because there are
20 horse and buggies. Innovation is coming. It's
21 moving forward. A phone-based taxi dispatch

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1 company needs to innovate, and in the absence
2 of them innovating, Sidecar and other ride
3 sharing companies have come in with the
4 ultimate long-term goal of providing shared
5 rides when people are going to common
6 destinations.

7 (Off microphone comment.)

8 MS. STEVENS: What do you mean why
9 you need it? We've got too many cars on the road,
10 traffic is a nightmare. We're increasing
11 plumes. We're not.

12 (Off microphone comment.)

13 MS. STEVENS: That's not B- as I said
14 before, that's not the long-term goal. I'm
15 sorry. I couldn't hear you over the crowd.

16 COMMISSIONER TAPSCOTT: Why don't
17 you want to be regulated like the cabs?

18 MS. STEVENS: As I said, we believe
19 that we offer a better service that meets the
20 needs of consumers as they have said out in
21 public.

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1 COMMISSIONER TAPSCOTT: What makes
2 you believe -

3 MS. STEVENS: Well, first of all, you
4 can use a credit card on our system. Second of
5 all, you can actually -

6 COMMISSIONER TAPSCOTT: Credit
7 cards in our system.

8 MS. STEVENS: After getting yelled
9 at many times by taxicabs in D.C. where I lived
10 here for seven years, I would say not really.

11 CHAIRPERSON LINTON: I take
12 exception to that. We're at 96 percent
13 frequency of credit card usage -

14 MS. STEVENS: Well, with all due
15 respect, my point is that the public wants this.
16 We've provided and filled a gap where there was
17 one. And our point is we're not objecting to
18 regulations. We're just saying that there are
19 smarter ways to regulate that doesn't reflect
20 1970s taxi dispatch systems. We have higher
21 insurance requirements than our taxi or

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1 livery-

2 COMMISSIONER TAPSCOTT: That has
3 nothing to do with who's driving your car.

4 MS. STEVENS: We do -

5 (Off microphone comment.)

6 MS. STEVENS: I do. We do Social
7 Security number background checks. We do Motor
8 Vehicle record checks.

9 (Off microphone comment.)

10 MS. STEVENS: The only difference is
11 that yours has fingerprints and ours doesn't.
12 And that's about identity, not about the
13 background check.

14 (Off microphone comment.)

15 COMMISSIONER TAPSCOTT: Being a
16 South East resident do I call for Sidecar to
17 come to my residence and pick me up. Do you think
18 you're going to provide service for me?

19 MS. STEVENS: Yes.

20 COMMISSIONER TAPSCOTT: Do you have
21 any record?

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1 MS. STEVENS: Of providing rides to
2 Anacostia? Yes, absolutely.

3 COMMISSIONER TAPSCOTT: Do you know
4 where, let's say the South East area, you know
5 the South East area?

6 MS. STEVENS: I do.

7 COMMISSIONER TAPSCOTT: Supposing I
8 don't want to ride with someone that's already
9 in the car?

10 MS. STEVENS: I don't understand
11 what you mean. You don't want to ride with the
12 driver?

13 COMMISSIONER TAPSCOTT: No.
14 Supposing there's another passenger in there I
15 don't want to ride with.

16 MS. STEVENS: We don't have that
17 model. Yes, we're talking about having that
18 capability but we don't have it yet. So, that
19 you could opt out, let's say you were getting
20 a shared ride program like you would suggest,
21 you could opt out.

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1 COMMISSIONER TAPSCOTT: I don't have
2 that. I'd have to take everyone. I have to take
3 everyone that wants a cab. And you can opt out
4 because you don't want to take them?

5 CHAIRPERSON LINTON: No, I think
6 what she's saying, Stanley, is that they don't
7 take multiple unaffiliated people for rides B-

8 COMMISSIONER TAPSCOTT: I'm sorry. I
9 understood that she was saying if they're going
10 the same direction.

11 (Off microphone comment.)

12 CHAIRPERSON LINTON: They're not
13 picking up multiple people who are not -

14 COMMISSIONER TAPSCOTT: I want to
15 make a statement. To me it's just the same as
16 you union busting. That's what you're trying to
17 do to the cab industry in DC.

18 CHAIRPERSON LINTON: Counsel says
19 that's not the position of the Commission at
20 this time. Any other questions? Thank you, Ms.
21 Stevens. Appreciate your comments, so you know

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1 what you're going to get as a result of that.
2 We would appreciate any further written
3 submission you'd care to make on this matter,
4 and I'm sure that there are going to be a lot
5 of changes made to this proposal so that it will
6 go through a second comment period. Thank you
7 very much for appearing at this time.

8 MS. STEVENS: Great. Thank you for
9 your time, appreciate it.

10 CHAIRPERSON LINTON: I'm going to
11 call a recess until 1:30, at which time I trust
12 all of you have signed up as the general public
13 to speak will come back. I will be here. I hope
14 that my fellow Commissioners will, but I will
15 be here to listen to you, so will Counsel. We're
16 very interested in your comments and what you
17 have to say about these regulations. So, we will
18 recess until 1:30.

19 (Whereupon, the proceedings went
20 off the record at 12:41 p.m., and went back on
21 the record at 1:42 p.m.)

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1 CHAIRPERSON LINTON: Good
2 afternoon, and my apologies. And welcome to you
3 for coming back to this room. I was not aware
4 that we were being preempted from continuing in
5 the other room, and had to hastily make
6 arrangements to have an alternative place
7 because we very much would like to hear from the
8 individuals who have asked to address the
9 Commission on the matter of new private sedan
10 class proposed regulations and the for-hire
11 rules pertaining to dispatch services.

12 There is a fairly long list. I do
13 hope that they will come back to this room and
14 to tell us. What I will do is call names and if
15 they're not here, I will go back, and I will
16 start with the ones who are here, and eventually
17 go back and pick up those as they come. So, I'd
18 like to start out by asking if Mr. Garshaw Birbo
19 is with us? Is he here or not? Mr. Omar
20 Henderson? Mr. Jimmy Garza?

21 Yes, Mr. Garza. The witness chair is

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1 right up here, sir. So, if you would come here
2 and just speak. The microphone is activated
3 there, and if you would go ahead, you have five
4 minutes to tell us what you would like to tell
5 us about those regulations. Do you have
6 prepared testimony?

7 MR. GARZA: No, sir.

8 CHAIRPERSON LINTON: All right.
9 Well, you go ahead and tell us what you would
10 like us to know. Have you looked at the
11 regulations?

12 MR. GARZA: Yes, sir, I have.

13 CHAIRPERSON LINTON: Okay. So,
14 please then give us your opinions, your
15 comments, and what you think we should know
16 about it.

17 MR. GARZA: Thank you. Just for the
18 record, I am an UberX driver, I'm a Lyft driver,
19 and a Sidecar driver.

20 CHAIRPERSON LINTON: Do they allow
21 you to do all three?

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1 MR. GARZA: Yes, sir.

2 CHAIRPERSON LINTON: I wasn't aware
3 of that.

4 MR. GARZA: Yes, sir.

5 CHAIRPERSON LINTON: I thought they
6 were going to be very exclusive.

7 MR. GARZA: There's no exclusionary
8 agreements for them, so I can help out with the
9 best of them.

10 I am not a full-time driver. I just
11 do this in my spare time when it's convenient
12 for me, and just to pick up a little bit of extra
13 money. However, I do know some people that are
14 full-time partner drivers for the Private Sedan
15 services in the city.

16 We are concerned about this 20-hour
17 limit on drivers, and the licensing that you
18 want. I believe it's 100 per week, that would
19 cause considerable delays of people.

20 CHAIRPERSON LINTON: No, there is no
21 requirement in our regulations anywhere for any

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1 driver that would pertain to 100 a week.

2 MR. GARZA: No, it was 100 per week

3 C-it's a -

4 (Off microphone comment.)

5 CHAIRPERSON LINTON: Oh, it's - my
6 attorneys tell me the provision you're
7 referring to is one that would set a cap of the
8 number of applications being considered at any
9 one time. Now, I don't have any strong feelings,
10 and I don't know that anyone on the Commission,
11 so tell us your feelings about that, and we'll
12 be glad to hear what you have to say about it.

13 MR. GARZA: Well, coming from my
14 point of view, I would say that that would
15 severely limit people from being able to make
16 a living for their family.

17 CHAIRPERSON LINTON: Why? I mean, it
18 hasn't nothing to do with them. It has to do with
19 how many people can be processed at one time by
20 the company.

21 MR. GARZA: Exactly. So, those

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1 people that are waiting after that 100 cap,
2 they'll have to wait for the next month, though.
3 Correct?

4 CHAIRPERSON LINTON: No, it just
5 says that - we'll have to restudy it -

6 MR. GARZA: Okay.

7 CHAIRPERSON LINTON: - based on
8 your raising this point. I would think it means
9 that the company cannot keep accumulating
10 people without processing them. Either you sign
11 them on or you tell them they can't do it.

12 MR. GARZA: Right.

13 CHAIRPERSON LINTON: But you can't
14 build up 1,000 and then all of a sudden decide
15 to give out 1,000 at one full crack. That's what
16 I assume, and we'll have to look at it and see.

17 MR. GARZA: Okay, thank you.

18 CHAIRPERSON LINTON: It wasn't
19 intended, in my judgment, to be any kind of
20 limitation on how many people could work.
21 That's a whole different issue.

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1 MR. GARZA: Okay, thank you.

2 CHAIRPERSON LINTON: I might comment
3 one other thing, in terms of your questions on
4 the 20 hours a week, if you get a full face card
5 from the DCTC you can work full time.

6 MR. GARZA: Okay.

7 CHAIRPERSON LINTON: But if you
8 don't want to get a license from us that makes
9 you a commercial driver, you're a part-timer.

10 MR. GARZA: All right.

11 CHAIRPERSON LINTON: You're just
12 doing this to pick up extra money.

13 MR. GARZA: Okay.

14 CHAIRPERSON LINTON: And we've made
15 it possible under these proposed regulations
16 for people who don't want to be full-time
17 commercial drivers to function.

18 MR. GARZA: Okay. All right. In
19 regards to the Private Sedan services not
20 accepting every ride, from my personal view I
21 have tried to do that. I have accepted every

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1 request that's come in. And I don't care what
2 part of the city it's in. I can go to anywhere
3 in the South East. I'm sitting in Arlington, I
4 many times have traveled up to Howard
5 University to pick up some students and take
6 them to their destination. I don't feel
7 - there's no discrimination in that
8 whatsoever.

9 CHAIRPERSON LINTON: Where do you
10 live, Mr. Garza?

11 MR. GARZA: Arlington.

12 CHAIRPERSON LINTON: But you don't
13 live in the District.

14 MR. GARZA: No, sir.

15 CHAIRPERSON LINTON: You don't pay
16 any taxes here?

17 MR. GARZA: No, sir.

18 CHAIRPERSON LINTON: You don't pay
19 any fees or register, or any application. You
20 just simply come here, make money, and then go
21 home.

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1 MR. GARZA: Yes, sir.

2 CHAIRPERSON LINTON: Okay.

3 MR. GARZA: I've lived here in the
4 area for 21 years, retired military. I like
5 these Private Sedan services. I hope that we can
6 come to some sort of resolution to where we can
7 all work together.

8 I don't like the taxi companies, you
9 know, just hating us so bad. I feel that there's
10 enough work here for everybody. You know, we
11 don't pick up people off the street. We're not
12 able to hail. We're on the apps.

13 CHAIRPERSON LINTON: You understand
14 that --

15 MR. GARZA: Yes, sir. I just -

16 CHAIRPERSON LINTON: And you
17 understand that the proposed Council
18 legislation would remove from the Commission
19 the authority it needs to keep that from
20 happening.

21 MR. GARZA: Right. And I'm thrilled

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1 that, you know, things are moving along. And I
2 hope that will be, so everybody will have a fair
3 shot, because somebody said that there's a
4 B- they want to make the playing field level.
5 I totally agree with that from the Private Sedan
6 service point of view. I hope it can, and I'm
7 willing to stay here and work on that.

8 CHAIRPERSON LINTON: Well, we
9 appreciate that.

10 MR. GARZA: All right, thank you.

11 CHAIRPERSON LINTON: Any questions?
12 No. Thank you for taking the time to come with
13 us. Mr. Seth Levy. Is Mr. Levy here? Ms. Ross?
14 Mr. Atilla Nagy? Mr. Cankat Vatanandiran? Mr.
15 Mahmood Ahmad? Mr. Kamran Vafai? Mr. Naeem
16 Malik? Mr. Nadeem Muhammad? Mr. Addis
17 Gebresellassi? Mr. Ifran Jamali? Ms. Eartha
18 Clark?

19 MS. CLARK: I'm here. Do I have to
20 come around?

21 CHAIRPERSON LINTON: Yes, ma'am,

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1 would you please come to the witness seat.
2 That's where we're recording. We do make a
3 record here.

4 Is Jessie Black with you, Ms. Clark?
5 You might all come around. I see you have Kelly
6 Dalton. No, that's a different - is Jessie with
7 you?

8 MS. CLARK: No, they were here
9 earlier. A lot of people left. They're not
10 coming back.

11 CHAIRPERSON LINTON: Okay. Well,
12 we're glad you came back. We appreciate it. And
13 please go ahead and tell us what you'd like us
14 to know about your view on these regulations.

15 MS. CLARK: My- well, good afternoon
16 now. It was morning earlier. And I'm a D.C.
17 resident, I've been a driver for over 43 years.
18 And my concerns are these regulations, all of
19 them, and I'm not saying they all came from
20 here, but through the legislative council,
21 they're all geared against cab drivers. We're

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1 on the bottom of everything. We haven't and not
2 getting a fair shake at all.

3 Enforcement of these unregulated
4 for-hire vehicles is for safety reasons.
5 Liability, and everything for the public. We as
6 cab drivers out here, our mayor has said D.C.
7 for one. Well, we have a big problem here with
8 that because it seems that we have one set of
9 rules for cab drivers, and another set of rules
10 for all the Lyft, Uber, UberX, and Sidecars
11 coming in here. They have been operating for
12 quite a while, and enforcement is necessary,
13 and regulation of these vehicles. There time
14 when 90 days have expired quite a while ago, and
15 we are being shafted by that because we're not
16 getting that fair shake, and enforcement, I
17 find it hard to believe that the DCTC, the City
18 Council, and everybody in this city can find
19 ways to enforce, impound our vehicles, find
20 every rule and everything against cab drivers
21 in here, but nobody can seem to come up with

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1 rules to regulate all these entities that's
2 coming in in this city.

3 We're not asking for a handout. We
4 want a fair shake, and an even playing field.
5 And with these regulations, you've
6 over-regulating us, and we can't compete with
7 it. And I think it's very unfair until there's
8 a resolution to it, and whatever, and we can get
9 some answers. Something have to give.

10 With the apps they're using, the
11 apps are in the phones. At the bottom of any time
12 or any given day, every person for hire is using
13 a vehicle. That vehicle should have all the
14 rules and regulations that the DC Government
15 requires taxicabs to do. We go through
16 inspections, we pay all these fees for
17 licenses, we pay all these fees for everything,
18 everybody gets paid in this city except the cab
19 driver, from the PSPs, the credit card, every
20 service that is offered. We're not getting our
21 fair shake at all. And I don't think it's right,

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1 and I don't think it's fair. And until these
2 laws or something is done, a resolution, if the
3 problems can't be enforced, I think DCTC should
4 step up the effort and start enforcing these
5 things on all these illegal entities in this
6 city. Because I figure you all can find the time
7 to do it with cab drivers, hey, a fair shake with
8 everybody. If you're illegal, you're illegal.
9 I want to thank you.

10 CHAIRPERSON LINTON: Well, I want to
11 just let you know that in the month of April we
12 did impound nine Uber cars. We don't just turn
13 our heads away from it. We did impound nine.
14 It's far more than that, but I don't have all
15 the statistics in front of me.

16 MS. CLARK: Well -

17 CHAIRPERSON LINTON: But that's
18 neither here nor there. We're listening to what
19 you're saying about it, and it would be helpful
20 to know the specific provisions what you think
21 should be emphasized or not emphasized, but we

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1 appreciate your comments and we'll take them
2 into consideration. Do you have any questions?

3 MS. CLARK: Thank you.

4 COMMISSIONER MUHAMMAD: Yes. Would
5 you be in favor of a 20-hour work week for these
6 Private Sedan cars?

7 MS. CLARK: A 20-hour work week?

8 CHAIRPERSON LINTON: Limit.

9 MS. CLARK: The limit? Well, we have
10 cab drivers who work. The problem is if they're
11 going to work 20 hours, it's not the amount of
12 time they work. It's what they should be doing.
13 They should have the same rules that we are
14 under for the 20 hours, or whatever time. The
15 thing is enforcing it on them, and whatever.
16 That's it. We don't -

17 CHAIRPERSON LINTON: They can't have
18 the same rules because they're prohibited from
19 taking street hails.

20 MS. CLARK: Well, they're doing
21 street hails out there.

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1 CHAIRPERSON LINTON: But that's
2 where we're putting the enforcement on.

3 MS. CLARK: Well, they're doing
4 hails.

5 CHAIRPERSON LINTON: We're not
6 giving them that privilege.

7 MS. CLARK: Well, they're doing them
8 anyway. And I understand that the time that you
9 spent -

10 CHAIRPERSON LINTON: So, it isn't
11 that they should have the same rules, you want
12 to make sure that we enforce that they don't do
13 -

14 MS. CLARK: Enforce the rules -

15 CHAIRPERSON LINTON: - what they're
16 not allowed to do.

17 MS. CLARK: Yes.

18 CHAIRPERSON LINTON: And that's what
19 we're trying to do.

20 MS. CLARK: Then do that well.

21 CHAIRPERSON LINTON: Thank you very

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1 much.

2 MS. CLARK: All right, thank you.

3 CHAIRPERSON LINTON: Kelly Dalton?
4 Toussaint Webster? Any other person that is
5 present with us now who would like to address
6 the Commission? Would you please come forward
7 to the witness chair and give us your name and
8 contact.

9 MR. ABRAHA: I believe I was
10 registered. I don't know why -

11 (Off microphone comment.)

12 PARTICIPANT: Okay, we just did it
13 - he's on the list.

14 CHAIRPERSON LINTON: Where is - who
15 did I -

16 PARTICIPANT: He's up above Ms.
17 Eartha Clark. He's the name Abraha.

18 CHAIRPERSON LINTON: My apologies,
19 sir. I did skip you, and that's not very good.
20 I think I got carried away with Ms. Clark.

21 MR. ABRAHA: I wrote good morning,

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1 but good afternoon. My name is Ziena Abraha, and
2 I have been a DC taxi for 18 years. I have
3 residence in D.C., Ward 5. I am here to talk
4 about the fairness.

5 As a taxi driver I pay all my dues
6 for license, training, background checks, face
7 ID, inspection, dome light, the new paint,
8 everything I did special series September 2nd
9 until now. I'm suffering by the Taxicab
10 Commission who agreed to do that. But the lawful
11 side, when drivers from the Private Sedan
12 service companies like UberX, Lyft, Sidecar
13 operated in the street of Washington, D.C.,
14 without full filing any legal requirements of
15 the DCTC, and the District of Columbia, place
16 it for all tax operators.

17 They have been operating legally
18 for over one year, and this has put me and my
19 fellow drivers at a major disadvantage and put
20 our livelihood at stake.

21 As the Commissioners of the

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1 District you are in the position to regulate it
2 and bring fairness to this industry. On behalf
3 of myself and the thousands of fellow drivers
4 who are strictly regulated and are serving the
5 city, we ask you to bring the fairness as soon
6 as possible. Can I add a little bit?

7 CHAIRPERSON LINTON: Yes, you
8 certainly can.

9 MR. ABRAHA: Yes, allow what I have
10 about part-time sedan service.

11 CHAIRPERSON LINTON: Yes, please.

12 MR. ABRAHA: Well, like she say,
13 there is cab drivers, some of them they work in
14 the government, some work for a company, some
15 of them work in the hotels, they work part-time
16 as a taxi. So, they are operated same like a
17 full-time taxi driver. But at this time, from
18 me and other drivers, we are afraid because our
19 life, it is in danger, especially I'm living in
20 D.C. Okay? I am 58-years old, like four or five
21 years ago I tried to get out from this industry.

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1 I get training HVAC, when I filled out online
2 I didn't get any offer to get a job because of
3 my age. So, how do I save this, my job? That is
4 a problem for me.

5 CHAIRPERSON LINTON: You're driving
6 now?

7 MR. ABRAHA: Yes, I'm driving now
8 full-time, but I can't afford to live over what
9 they are doing. Nobody enforce it, stop special
10 UberX. Thank you so much.

11 CHAIRPERSON LINTON: Thank you very
12 much for your comments, very interesting, and
13 we will certainly take a good hard look at what
14 you said. Do you have any questions you want to
15 ask? Thank you so much.

16 MR. ABRAHA: You're welcome.

17 CHAIRPERSON LINTON: Carol, did you
18 want to speak? Please come forward.

19 MS. TYSON: Would you give us your
20 name and affiliation?

21 MS. TYSON: Hi, I'm Carol Tyson from

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1 the United Spinal Association. And thank you so
2 much for squeezing me in and for sticking around
3 for five more minutes. I really appreciate it.

4 So, I'll just read bits and pieces
5 of what's written here. Chairman Linton and
6 distinguished members of the Taxicab
7 Commission, thank you, and staff, thank you for
8 the opportunity to offer testimony.

9 Before I begin, I would like to
10 thank the Commission and taxi operators for
11 providing accessible service. Even though it's
12 limited, it's vital in the District. I would
13 also echo concerns that were raised this
14 morning regarding the potential for
15 discrimination amongst transportation network
16 companies and the importance of creating a
17 level playing field in DC's public vehicle
18 for-hire industry.

19 I am a Senior Policy Associate for
20 United Spinal Association. Founded in 1946 by
21 paralyzed veterans, United Spinal is the

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1 largest disability-led nonprofit organization
2 serving and representing the interests of more
3 than a million Americans living with spinal
4 cord injuries and disorders. We believe that
5 people with disabilities who reside or work in
6 the District of Columbia or who visit our
7 nation's capitol must have equal access to all
8 transportation options.

9 In the interest of full disclosure,
10 as people here now, or some people, I currently
11 serve as the Vice Chair of the DC Taxi
12 Commission's Disability Advisory Committee.
13 This testimony reflects the views of United
14 Spinal Association only.

15 Regarding the proposed Chapter 2
16 rules for definitions, United Spinal suggests
17 including a definition of a wheelchair
18 accessible vehicle.

19 A proposed rule for Chapter 8 in
20 Section 801.5 would allow -

21 CHAIRPERSON LINTON: Let me - excuse

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1 me, Carol.

2 MS. TYSON: Yes.

3 CHAIRPERSON LINTON: Would you
4 provide us with your recommendation then?

5 MS. TYSON: Sure. I think there's a
6 definition somewhere in existing law.

7 CHAIRPERSON LINTON: Well, for the
8 purpose of this record if you would send us -

9 MS. TYSON: Yes.

10 CHAIRPERSON LINTON:
11 - specifically what your organization feels
12 the rules should define it as.

13 MS. TYSON: Absolutely.

14 CHAIRPERSON LINTON: Thank you. Send
15 it to Mr. Lerner, our counsel. Thank you.

16 MS. TYSON: A proposed rule for
17 Chapter 8, Section 801.5 would allow for taxi
18 companies to continue to charge the telephone
19 digital dispatch fee of \$2.00. Section 801.6
20 would allow taxi trips processed by a digital
21 dispatch service to use a non-taxi meter fare

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1 in lieu of the taxi meter fare required by
2 Section 801.7.

3 As you are likely aware, there are
4 currently only about 20 accessible taxis in the
5 District, that's .03 percent of the entire
6 fleet. Successfully hailing an accessible taxi
7 would prove challenging.

8 Recently, a disability advocate was
9 scheduled to meet with me, a representative of
10 the Taxi Commission and staff from the Council
11 Member's office to discuss the future of the
12 Taxi Committee. This advocate missed the
13 majority of our meeting because his accessible
14 taxi was late. It turned out there was only one
15 accessible taxi running in the entire city that
16 day.

17 Just this week a United Spinal Board
18 member and disabled Marine Corps veteran, Terry
19 Moakley, was in town to meet with other veteran
20 organizations on Capitol Hill. He had reserved
21 an accessible taxi in advance, and was so

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1 excited to take advantage of the service that
2 he wore a necktie that included images of taxis.
3 Mr. Moakley was disappointed to receive a call
4 roughly 10 minutes before his scheduled pickup
5 to let him know there were no accessible taxis
6 available.

7 With so few accessible taxis,
8 United Spinal is deeply concerned with the
9 unintended discrimination against wheelchair
10 users who may only access a wheelchair
11 accessible taxi or a sedan through telephone or
12 digital dispatch service. We believe the
13 increased fare results in discrimination
14 prohibited by the Americans With Disabilities
15 Act, the DC Human Rights Act, and DCTC
16 regulations.

17 United Spinal supports the
18 inclusion of Section 1603.70 which requires a
19 report on the wait times and fares charged to
20 passengers seeking wheelchair accessible
21 service. We are extremely encouraged to find

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1 discrimination prohibited pursuant to Section
2 818. Discriminatory conduct includes not
3 picking up a passenger with a service animal,
4 or discrimination based on disability. As many
5 sedan or black car drivers may not be familiar
6 with disability etiquette or requirements, we
7 urge you to include Disability 101 and
8 Sensitivity Training that's provided to taxi
9 drivers currently, and basic training
10 requirements for Private Sedan operators.

11 United Spinal continues to be
12 pleased that the Public Vehicle For-Hire
13 Innovation Act of 2012 requires some sedan
14 operators to be getting wheelchair accessible
15 vehicles starting December 31st of this year.
16 We ask you to consider including in Section 1607
17 the penalty for sedan companies that do not
18 comply.

19 CHAIRPERSON LINTON: Let me just
20 tell you that when they go to renew their
21 certificate of operation, if they cannot

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1 provide the certificate that they have met the
2 requirements, they won't get a certificate of
3 operation until they do.

4 MS. TYSON: Okay, that's good. A few
5 more points. We note that Chapter 16, Section
6 B-

7 CHAIRPERSON LINTON: And I can tell
8 you, you are aware, that applies only to
9 companies with 20 or more vehicles that are
10 owned by the company.

11 MS. TYSON: I am very aware, yes,
12 that it really is not going to get us very much.

13 CHAIRPERSON LINTON: Well, I
14 wouldn't say that. I think it could do with
15 60-70 new vehicles.

16 MS. TYSON: I would be very happy
17 with that. We note that Chapter 16, Section
18 1602.7 requirement. The dispatch services for
19 taxis and public vehicles for-hire permit
20 passengers to request an available wheelchair
21 accessible vehicle. We would ask that in the

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1 event the dispatch service does not have
2 wheelchair accessible vehicles at their
3 disposal, that these services provide contact
4 information for, or contact directly a taxi or
5 sedan company that does provide the service.
6 Alternatively, the Taxi Commission could
7 maintain a list available on its website and
8 other formats for sedan operators and dispatch
9 services that do provide accessible service.

10 Regarding Section 1602.10, we would
11 ask that the final rules note that dispatch
12 services shall insure their websites are
13 compliant with Section 508 of the
14 Rehabilitation Act of 1973, and that all
15 communications regarding their services are
16 offered in accessible formats as required by
17 the Americans With Disabilities Act.

18 United Spinal thanks the Commission
19 for its efforts to insure accessibility to
20 public vehicle for-hire service in the
21 District, and we are eager to continue to work

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1 in partnership with all stakeholders, and will
2 continue to advocate for an accessible fleet
3 that will benefit all. Thank you.

4 CHAIRPERSON LINTON: Thank you,
5 Carol. Mr. Waters had the second to last
6 paragraph. That's your bailiwick. We can
7 respond to that. Let me also say for the record
8 that are embarked on planning now and moving
9 forward that should we be successful, and I like
10 to think that that will be successful, within
11 two years I would anticipate that the number of
12 wheelchair access vehicles that would be in
13 service at that time would exceed 400. We're not
14 at this point ready to discuss in detail what
15 those plans are because we still have to get
16 some agreements and move forward, but it's
17 beginning to look very promising.

18 Is there anyone else at this time?
19 Yes, sir, would you come forward?

20 MR. KOYTCHIEFF: Certainly, sir.

21 CHAIRPERSON LINTON: Take the

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1 witness chair and tell us your name and your
2 affiliation.

3 MR. KOYTCHEFF: Wonderful. My name
4 is Raymond Koytcheff, and hopefully the
5 majority of this time can be used to answer any
6 questions that you have concerning the apps
7 that allow passengers to connect with privately
8 run sedans. Since I started driving with
9 Sidecar when it first came to DC pretty much
10 last April, Lyft about a month after they
11 launched, I also driver with UberX, I have used
12 Uber, you know, probably like once a weekend to
13 connect with UberX. I've lived in DC for 24
14 years I want to say now, so I'm pretty familiar
15 with how taxis have been running on that side
16 of things. I've used all the apps as passengers.

17 And I think the only points in the
18 regulation that I would like to bring up are
19 about the 20-hour restriction for any drivers
20 because in my personal experience, I did
21 seasonal work January to April that occupied

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1 about anywhere from 20 to 50 hours of my week.
2 And those times as far as being a ride share or,
3 you know, as they call it share ride, drivers
4 call it that way. I would, you know, only have
5 like max 10 hours to spend then. But once you
6 kick back into the time when I had more time to
7 drive, then that's obviously going to be more
8 than 20 hours, and I need to make money one way
9 or another.

10 CHAIRPERSON LINTON: Let me call to
11 your attention, the 20 hours is a limitation for
12 a non-commercial driver. There's nothing that
13 prevents you from coming down and applying for
14 a full face card that is recognized by us, and
15 then driving in that platform. It doesn't say
16 you have to drive more than 20 hours. You can
17 drive, some of - we have taxicab drivers with
18 face cards who drive three or four times a
19 month. Make just a little bit extra money,
20 they've been driving for many years.

21 What it says is that if you don't

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1 want to apply to DCTC for a face card which would
2 allow you to - and you can elect - it's a
3 universal face card. You can drive an L-car, an
4 H-car, or a private sedan, or a black sedan. You
5 can drive for as few or as many hours you want.
6 If you don't want that, and you want to just
7 drive for the private sedan, then you're not a
8 commercial driver, and your license is limited
9 to a 20-hour part-time thing. So, it's an
10 elective on your part what you want to do.

11 MR. KOYTCHEFF: And what's that term
12 period of the face card?

13 CHAIRPERSON LINTON: As long as you
14 keep renewing it, most of them renew every two
15 years, as I -

16 MR. KOYTCHEFF: Every two years?

17 CHAIRPERSON LINTON: It's \$125 a
18 year, you go through our background check, you
19 go through our training program. You drive for
20 whoever will hire you to drive their vehicles.

21

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1 MR. KOYTCHEFF: Exactly. Okay. So,
2 I think the questions to bring out, and it would
3 be great to just sort of put down what are the
4 DCTC, because there are certain bullet points
5 on which every single company that's been
6 discussed today, they have an answer to every
7 single question. And I think the reason why
8 they've been so successful in attracting
9 drivers is because at the same time as covering
10 their bases and making sure that anybody who's
11 on the road is a person who that company would
12 see fit to be on the road, they're able to do
13 so at a reduced cost both to the company and to
14 the driver. Because I know there are a lot of
15 other drivers like me who are saying okay, well,
16 you know - and like the gentleman, I don't know
17 where he went now, but the gentleman who was the
18 public comment before, the second one prior, he
19 had said, you know, there are a lot of costs to
20 driving a taxi. And I think a lot of those costs
21 don't exist even though the same B- not

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1 necessarily the same, but the same points are
2 addressed by, you know, the Private Sedan
3 companies. So, without having any onerous
4 costs, they're still covering all the bases
5 without saying B- you know, for instance,
6 because it's an e-hail, there's no reason why
7 the car would need to be a specific color
8 because the person who is looking on the app,
9 they already know what to expect. They don't
10 need to be looking on the street for a taxi, so
11 that cost automatically is eliminated. And in
12 the same sense, I think there are a lot of costs
13 that, you know, people don't decide to become,
14 you know, full-time as there would be, you know,
15 drivers with a face card, because the costs are
16 less. That is because they're trying to drive
17 less, more as part-time as opposed to
18 full-time. If I'm working 40-50 hours a week,
19 yes, I'm going to shell out extra money to be
20 able to do so, but if I'm working less, then why
21 should I pay that extra money?

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1 CHAIRPERSON LINTON: That's exactly
2 why we put the 20-hour limitation.

3 MR. KOYTCHEFF: And I think, also,
4 the 100 drivers per week approval process, I
5 think that's one thing that's in question among
6 the different communities.

7 CHAIRPERSON LINTON: Well, you'd
8 have no trouble if a company came in here and
9 got five, six, seven hundred applications and
10 sat on them until they were ready to dump them
11 on the street all at one time.

12 MR. KOYTCHEFF: I'm sorry?

13 CHAIRPERSON LINTON: I said you
14 would have no trouble if I came in here and I
15 set up my ABC company, Private Sedan company,
16 and I had my app, signed up people to use it,
17 got five or six hundred drivers to come in and
18 sign up and drive for me, and I held those until
19 I was ready to dump them on the street at the
20 same time. You have no problem with that?

21 MR. KOYTCHEFF: I would say as long

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1 as they're qualified and otherwise -

2 CHAIRPERSON LINTON: Okay. So, you
3 don't have any concern about the economic havoc
4 that something like that would bring. You don't
5 understand what the purpose of that is.

6 MR. KOYTCHEFF: The economic havoc?
7 Well -

8 CHAIRPERSON LINTON: You know, you
9 may think this is a do gooder job, but not a one
10 of these companies in my view as an economist
11 see this as but another way to do business. And
12 in business the objective is to make as big a
13 profit you can and defeat your opponent. Now,
14 that's what the taxis are. And the taxis are is
15 dominate the number of vehicles that are on the
16 street, so if I can throw more vehicles on the
17 street than anybody else can, then I could
18 overcome the opposition. You could flood the
19 streets and cause everybody else to take a price
20 drop.

21 MR. KOYTCHEFF: I think that's

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1 definitely a tactic.

2 CHAIRPERSON LINTON: You get more
3 people - you get more cars chasing less
4 customers that need them. It doesn't work.

5 MR. KOYTCHEFF: And the customers
6 would be? I mean, I'm just - is it the person
7 who is B-

8 CHAIRPERSON LINTON: You think the
9 customers only have one app?

10 MR. KOYTCHEFF: No, not at all.

11 CHAIRPERSON LINTON: No, they have
12 multiple apps.

13 MR. KOYTCHEFF: You know, I don't
14 live in San Francisco, but I'm pretty sure -

15 CHAIRPERSON LINTON: So, they call
16 one, and then when that doesn't show up, or when
17 they can't find that, they call another, and
18 then - the point is you need to look at it to
19 see what creates chaos. Unregulated, you've got
20 chaos. And what they're finding out already is
21 it's not turning in as much money as they want,

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1 so they're taking street hails. Have you taken
2 street hails?

3 MR. KOYTCHEFF: I have never.

4 CHAIRPERSON LINTON: You never did.
5 But can you tell me that nobody in the private
6 sedan has taken a street hail?

7 MR. KOYTCHEFF: I certainly cannot.
8 But your job is to write the rules, and they
9 should be followed. Is somebody going to break
10 the rules? Probably.

11 CHAIRPERSON LINTON: But then when
12 the company goes to the City Council and says
13 but we don't want to give them this information
14 that would help them enforce the rules, you
15 wouldn't support that.

16 MR. KOYTCHEFF: Which information
17 would that be?

18 CHAIRPERSON LINTON: Without
19 knowing the vehicles that they've signed up,
20 there's no way that we can enforce against
21 street hails, because the vehicles are licensed

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1 from Florida, from Georgia, from Delaware, from
2 Pennsylvania. They're not using only District
3 vehicles with a District plate on it. They're
4 under the law that's being proposed, they would
5 be able to sign up B- if I lived in West
6 Virginia, I would be able to join UberX and come
7 down on the weekends and drive around
8 Washington, and pick up as many rides as I
9 wanted, as well as electronic and street hails.
10 Nobody is going to know what I am, or what I'm
11 doing. And then I go to West Virginia on Sunday
12 afternoon and relax.

13 MR. KOYTCHEFF: Sure. No, it's just
14 -- that's an excellent point because I did have
15 something I did want to share with everyone
16 present in the room, which is that when you're
17 driving as somebody, and even if it's Hail-O and
18 you're driving a District taxi, if you have
19 somebody who requested you, there's no point
20 why you're going to pick up a street hail. And
21 if you're driving and you're not getting

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1 requests sort of back to back, before you would
2 see a street hail, so the incentive B- there is
3 no incentive whatsoever to pick up a street hail
4 for one reason, also, a person who you're
5 picking up off the street, you have no guarantee
6 of payment there because through any app-based
7 system where you would be providing a ride for
8 money, you know that that person is linked up,
9 credit card is there. The person who is off the
10 street hail, they might be doing cash, and
11 that's a big reason why drivers are also
12 attracted to drive for the company B-

13 CHAIRPERSON LINTON: So, let me say
14 this. I admire you. You're an honest man, and
15 you're a local. Unfortunately, my experience is
16 that the industry is full of people who would
17 not share your opinion.

18 Now, the simple way that if I wanted
19 to do this, is to get my personal car, tag in
20 some other state, get my square, pull up
21 alongside some obvious visitors to the District

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1 of Columbia who are not familiar with the cab
2 system and say I work for so and so, we're a taxi
3 company. You look like you're looking for a
4 ride. I can give you a ride. Yes, I take credit
5 cards, I have the square, and you can run it
6 through my square, which puts it on their
7 personal telephone, their personal Smart
8 Phone, which they can then convert and capture
9 the credit card information on.

10 I'm afraid that my experience in
11 three years of doing this, and 26 years of
12 policing tells me that there are a lot of people
13 out there who will not follow the rules because
14 they are like you. And what I see is, is an
15 effort to keep from having regulations that
16 would allow a government agency to insure that
17 only people like you are driving. But we
18 appreciate your comments.

19 MR. KOYTCHIEFF: Okay. I'm pretty
20 sure it's been over five minutes. Right?

21 CHAIRPERSON LINTON: Well, that's

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1 all right. Everybody could leave if they want.

2 You're very interesting.

3 (Laughter.)

4 CHAIRPERSON LINTON: Do you have any
5 questions?

6 COMMISSIONER MUHAMMAD: Did you have
7 to do a police clearance?

8 MR. KOYTCHEFF: For?

9 CHAIRPERSON LINTON: Background,
10 background check.

11 COMMISSIONER MUHAMMAD: You said you
12 drive for these sedan service. Right?

13 MR. KOYTCHEFF: Yes, they all have
14 background checks.

15 COMMISSIONER MUHAMMAD: No, I said
16 did you have to do one. What they have and what
17 you do is two different things.

18 MR. KOYTCHEFF: I'm pretty sure. I
19 mean -

20 (Simultaneous speech.)

21 MR. KOYTCHEFF: What is the

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1 definition of a police clearance?

2 COMMISSIONER MUHAMMAD: When you go
3 to the police precinct, you take B- they give
4 you your fingerprints and they check to see if
5 you have any record.

6 MR. KOYTCHEFF: For that? No. They
7 did a background check, which I guess is a
8 different thing.

9 CHAIRPERSON LINTON: Without
10 fingerprints.

11 MR. KOYTCHEFF: I've had police
12 clearance before, you know, if I have a secret
13 clearance at NRL. Me personally, if that's the
14 question. But as a matter of statement for the
15 companies, it is not a police clearance. It is
16 a background check.

17 CHAIRPERSON LINTON: There's a
18 difference.

19 MR. KOYTCHEFF: Yes, okay. Perfect.

20 CHAIRPERSON LINTON: Thank you very
21 much.

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1 MR. KOYTCHEFF: Okay.

2 CHAIRPERSON LINTON: Appreciate it.

3 I thank all of you for taking the time to come
4 back to our mistake of having to bring you to
5 the 11th floor. I appreciate the comments. There
6 were some very good comments that we will look
7 at and take into consideration. We don't
8 pretend that this proposed regulation is the
9 answer and end all. We're going to be revising
10 and addressing it, trying to get it where it
11 will achieve what all parties hope that it
12 achieves. So, thank you and this hearing is now
13 concluded.

14 (Whereupon, the proceedings went
15 off the record at 2:23 p.m.)

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